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## Chief Executive's Office

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Date: 24 February 2007

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**Chief Executive:** Donna Hall

**Chorley**  
Council

Town Hall  
Market Street  
Chorley  
Lancashire  
PR7 1DP

Dear Councillor

## COUNCIL - TUESDAY, 27TH FEBRUARY 2007

I am now able to enclose, for consideration at the above meeting of the Council, the following reports that were unavailable when the agenda was printed.

### Agenda No    Item

5.    **Executive Cabinet**

a)    **Capital Programme 2006/07 - Monitoring (Pages 25 - 40)**

Report of the Director of Finance on the recommendations of the Executive Cabinet at its meeting 22 February (enclosed).

b)    **General Fund Revenue and Capital Budget and Council Tax, 2007/08 (Pages 41 - 124)**

A report on the recommendations of the Council's Executive Cabinet at its meeting on 22 February 2007 and the draft Council Tax resolution is enclosed together with the Director of Finances Statutory Section 25 report and the Shadow Cabinets alternative budget.

d)    **General Report (Pages 125 - 130)**

Report on the issues discussed at the Executive Cabinet meeting held on 22 February 2007 (enclosed)

8.    **Overview and Scrutiny Committee and Panels (Pages 131 - 138)**

General Report (enclosed)

17.    **Housing Transfer Committee**

This item has been withdrawn from the agenda, as the Council will be considering it at its meeting on 6 March 2007.

Yours sincerely



Chief Executive

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**Distribution**

1. To all Members of the Council and Chief Officers

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આ માહિતીનો અનુવાદ આપની પોતાની ભાષામાં કરી શકાય છે. આ સેવા સરળતાથી મેળવવા માટે કૃપા કરી, આ નંબર પર ફોન કરો: 01257 515822

ان معلومات کا ترجمہ آپ کی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون

01257 515823

کیجئے:

## REPORT OF EXECUTIVE CABINET

### CAPITAL PROGRAMME MONITORING, 2006/07

1. We were presented with a joint report of the Executive Director – Corporate and Customer and the Director of Finance monitoring the performance of the 2006/07 Capital Programme and containing recommendations of the Corporate Improvements Board (the former Capital and Efficiency Board).
2. The table below summarises the recommended changes to the 2006/07 Capital Programme, which shows a reduction in the programme from £2,928,060 to £13,767,340:

Executive Cabinet Date	Details	£
07/12/06	Approved Capital Programme	16,695,400
	<u>Less</u>	
	Slippage to 2007/08	(2,402,730)
	Other changes	(525,330)
22/02/07	Revised Capital Programme	13,767,340

3. The Executive Cabinet endorsed the proposals in the report to alter the Capital Programme and present the recommendations for approval by the Council. A copy of the report presented to the 22 February 2007 Executive Cabinet meeting is attached so that the Council is able to take account of the relevant factors before taking decisions on the Capital Programme. The recommended slippage of expenditure on a number of schemes to 2007/08 is detailed in Appendix A to the attached report, with other changes to schemes explained in Appendix B. Appendix C to the report summarises both the capital receipts achieved to date and the anticipated receipts.

### Recommendations

4. The Council is recommended:
  - (a) to approve the revised Capital Programme for 2006/07 in the sum of £13,767,340;
  - (b) to agree the addition of the slippage for 2006/07 of £2,402,730 to the approved Capital Programme for 2007/08 to 2009/10.

COUNCILLOR A CULLENS  
Executive Member for Resources

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There are no background papers to this report.

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Report of	Meeting	Date
Executive Director – Corporate & Customer and the Director of Finance (Introduced by the Executive Member for Resources, Councillor A Cullens)	Executive Cabinet	22 <sup>nd</sup> February 2007

## CAPITAL PROGRAMME MONITORING 2006/07

### PURPOSE OF REPORT

- To update Members on the progress of the 2006/07 Capital Programme, and to seek Member support and approval for a number of recommendations from the Corporate Improvement Board.

### CORPORATE PRIORITIES

- The schemes within the Capital Programme contribute to the achievement of each of the Council's corporate priorities.

### RISK ISSUES

- The issue raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation	✓	Regulatory/Legal	
Financial	✓	Operational	
People		Other	

- The Capital Programme sets out the Council's strategic investment plans and if these are not delivered it will not fully achieve its strategic objectives, running the risk of damaging the Council's reputation.
- The Capital Programme also carries a significant financial risk. This is in terms of ensuring value for money, maximising resources available, and managing the performance to ensure the least possible impact on the revenue account. Should changes be made to the work programme of grant-funded schemes, there is a risk that the grant awarding bodies will not provide grant funding for such changes.
- The estimated financing of the programme in 2006/07 takes into account capital receipts from the sales of assets that have not yet been received. Should they not be received some schemes within the programme may need to be frozen or the level of external borrowing increased.
- In addition, increased borrowing may be required should any project exceed the approved budgets. Overspending may be outside of the control of the project managers in some circumstances. In particular, the basis for settling compensation for the land assembly required for the Gillibrand Link Road may lead to a final payment that exceeds the



Council’s budget for the scheme. The financing of the budgeted sum has been amended to use a S106 commuted sum available for transport improvement purposes, but there is a risk that the final compensation total will exceed the sum available.

**BACKGROUND**

- 8. Since the last capital monitoring report in November, the Capital and Efficiency Board has become the Corporate Improvement Board. This follows approval by Strategy Group as part of a move to rationalise the number of programme boards, while also identifying options for overseeing other areas of work such as the delivery of the Corporate Strategy.
- 9. This report details the performance of the Capital Programme followed by recommendations from the Corporate Improvement Board.
- 10. On the 7<sup>th</sup> December 2006 Executive Cabinet approved the 2006/07 capital programme budget of £16,695,400. This was made up of the £16,682,490 approve programme plus an extra £12,910 which was approved for kerbside recycling.

**HOW ARE WE PERFORMING?**

- 11. The Corporate Improvement Board is continuing to make good progress ensuring a more controlled and successful delivery of the programme.

**(A) Key Performance Indicators**

- 12. High level monitoring of the Capital Programme is carried out through 4 Performance Indicators, which have been described in previous Executive Cabinet reports. Table 1 lists these and shows current performance against the targets.

<b>Performance Indicator</b>	<b>Target 06/07</b>	<b>Nov 2006</b>	<b>Jan 2007</b>	<b>-/+</b>
	%	%	%	%
1. The % of the Capital Programme budget actually spent.	90	46	73	+27
2. The % of projects using the toolkit.	70	61	66	+5
3. The % of successful projects.	90	0	0	-
4. The % of capital schemes intended to be completed during the year actually completed.	85	6	21	+15

**Table 1 - Capital Programme 2006/07 - Key Performance Indicators**

- 13. Expenditure is increasing as expected, and we expect a further rise during the final quarter to take us up to the 90% target. Part of the increase is due to the slippage of some schemes, which can be seen in Appendix A. The slippage of expenditure on the Astley Park lottery project (£1.258 million) is not expected to delay the final completion of the scheme by the agreed deadline. Delays to work commencing on parts of this project have arisen because of the need to confirm and agree details such as site furniture, fixtures and security with the HLF monitor.

- 14. The percentage of projects using the toolkit is well on track to achieve the end of year target. Projects not yet using the toolkit are prioritised by the largest, and most high risk projects, which will benefit most from using the project management toolkit, to effectively monitor and control their progress.
- 15. The percentage of successful projects can only be measured on schemes that both use the toolkit, and that have been completed. As schemes are now starting to complete, project managers need to ensure they complete end project reports, to review how well the project has performed, particularly assessing the critical success factors identified in the business case, which then feeds into this performance indicator.
- 16. Although the percentage of projects completed is still low, there are a number of schemes that are near completion. All schemes are being closely monitored to ensure that projects will complete on time as intended, or to identify slippage as early as possible.

**(C) Capital Monitoring 2006/07**

- 17. The latest Capital Programme forecast for 2006/07 shows a decrease in the programme of £2,928,060 to £13,767,340. Table 2 below summarises the changes.

<b>Executive Cabinet Date</b>	<b>Details</b>	<b>£</b>	<b>Note</b>
07/12/06	Approved Capital Programme	16,695,400	
	<u>Less</u>		
	Slippage to 2007/08	(2,402,730)	A
	Other changes	(525,330)	B
22/02/07	Revised Capital Programme	13,767,340	

**Table 2 - Capital Programme 2006/07 - Total Capital Spending**

Note A: A scheme-by-scheme analysis of the schemes slipping to 2007/08 is shown in Appendix A.

Note B: A scheme-by-scheme analysis of the 'other changes' is given in appendix 1, with brief explanations of the changes given in Appendix B.

The Department for Communities and Local Government has indicated approval in principle for the capitalisation of restructuring costs (redundancy and pension fund contributions) in 2006/07. Final confirmation of the amount that the Council could capitalise with Government approval was not available at the time of preparing this report. The Director of Finance applied to capitalise up to £1.2 million on the basis that the expenditure would generate immediate revenue savings. This is not yet reflected in the monitoring figures for 2006/07 because the actual total is uncertain and some of the expenditure may occur in 2007/08.

**(D) Capital Receipts Monitoring**

- 18. Appendix C gives a high level summary of the capital receipts expected and achieved to date this year. As detailed in the risks above, the financing of the programme depends on these receipts being achieved.
- 19. Right to Buy (RTB) sales of Council dwellings have continued to be greater than the estimate for the year, so the forecast for the remainder of the year has been increased to reflect this. However, several of the General Fund capital receipts are still outstanding

and one taken account of in figures reported to the 7<sup>th</sup> December 2006 Executive Cabinet has now been excluded from the latest forecast.

20. Should all capital schemes spend up to budget in 2006/07, without any further slippage to 2007/08, there would be a shortfall of capital receipts requiring an increase in financing by borrowing. To help minimise the risk of variations in resource availability, the Council should develop a programme to dispose of those surplus assets that earn a low rate of return.

#### **COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES**

21. There are no direct human resources implications arising from the recommendation.

#### **RECOMMENDATION(S)**

22. That the revised Capital Programme for 2006/07 in the sum of £13,767,340 be approved.
23. That the slippage from 2006/07 of £2,402,730 be added to the approved Capital Programme for 2007/08 to 2009/10.

#### **REASONS FOR RECOMMENDATION(S) (If the recommendations are accepted)**

24. To revise the 2006/07 Capital Programme.

#### **ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

25. None.

PAUL MORRIS  
EXECUTIVE DIRECTOR – CORPORATE & CUSTOMER

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Michael Jackson	5490	29 <sup>th</sup> January 2007	CPB Cabinet Report Feb 07



**Capital Programme - 2006/07**

Scheme

**Strategy Group**

**Policy & Performance**

Project Management Support Capitalisation  
 External Funding Pot  
 - Euxton Villa Football Club  
 - Music Café Project  
 - Brinscall FC Football Pitch Improvements  
 Website Refresh  
 Contribution to Pitch Drainage Bishop Rawsthorne School

**Policy & Performance Total**

**Strategy Group Total**

**Corporate & Customer Challenge Group**

**Finance**

Capitalised Restructuring Costs

**Finance Total**

**Human Resources**

e-Enabling HR systems - Training

**Human Resources Total**

	2006/07 Current Estimate £	Reallocate Planned Maintenance £	Slippage to 2007/08	Other Changes £	2006/07 Revised Estimate £	External Funding £	CBC Funding £
A	40,000				40,000		40,000
B	16,000		(16,000)		0		0
A	10,000				10,000		10,000
A	20,000				20,000		20,000
B	4,000				4,000		4,000
A	50,000			16,550	66,550		66,550
B	19,950				19,950	19,950	0
	<b>159,950</b>	<b>0</b>	<b>(16,000)</b>	<b>16,550</b>	<b>160,500</b>	<b>19,950</b>	<b>140,550</b>
	<b>159,950</b>	<b>0</b>	<b>(16,000)</b>	<b>16,550</b>	<b>160,500</b>	<b>19,950</b>	<b>140,550</b>
A	533,700				533,700		533,700
	<b>533,700</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>533,700</b>	<b>0</b>	<b>533,700</b>
B	30,000		(30,000)		0		0
	<b>30,000</b>	<b>0</b>	<b>(30,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Capital Programme - 2006/07**

Scheme

**ICT Services**

IT Support (incl. salary capitalisation)  
 PDG Scheme - Migration to OS Master Map  
 Integration Software  
 Telephony  
 Thin Client Pilot/Full Integration

**ICT Services Total**

**Property Services**

Town Hall Access/Improvements  
 Bengal Street Depot Improvements  
 Market Toilets (completion of 2005/06 scheme)  
 Union Street Offices Accommodation Improvements  
 Clayton Brook Community Centre  
 Invest in Success - Gillibrand Scheme  
 Gillibrand Street Site Assembly  
 Affordable Housing Project (Site Assembly)

**Property Services Total**

***Corporate & Customer Challenge Group Total***

	2006/07 Current Estimate £	Reallocate Planned Maintenance £	Slippage to 2007/08	Other Changes £	2006/07 Revised Estimate £	External Funding £	CBC Funding £
A	30,000				30,000		30,000
A	29,260				29,260	29,260	0
A	20,250		(122,000)		20,250		20,250
B	137,000				15,000		15,000
B	500,000		0		500,000		500,000
	<b>716,510</b>	<b>0</b>	<b>(122,000)</b>	<b>0</b>	<b>594,510</b>	<b>29,260</b>	<b>565,250</b>
A	110,300	38,500			148,800		148,800
A	10,000				10,000		10,000
A	1,200				1,200		1,200
A	50,000				50,000		50,000
B	20,000	(20,000)			0		0
B	757,300				757,300	757,300	0
B	370,000		(580,000)	(370,000)	0	0	0
B	580,000				0	0	0
	<b>1,898,800</b>	<b>18,500</b>	<b>(580,000)</b>	<b>(370,000)</b>	<b>967,300</b>	<b>757,300</b>	<b>210,000</b>
	<b>3,179,010</b>	<b>18,500</b>	<b>(732,000)</b>	<b>(370,000)</b>	<b>2,095,510</b>	<b>786,560</b>	<b>1,308,950</b>

**Capital Programme - 2006/07**

Scheme

**Environment & Community Challenge Group**

**Development & Regeneration**

- Astley Park Improvements - Construction
- Disabled Facilities Grants
- Housing Renewal
- Home Repair Grants
- Energy Grants
- Handyperson Scheme
- Eaves Green Link Road (S106 funded)
- Chapel Street Environmental Enhancement
- Planning Delivery Grant-funded capital schemes
- eDevelopment and Building Control Project
- Development of S106 Database
- Regeneration Projects - Design Fees
- Chorley Strategic Regional Site
- Groundwork Projects
- Adlington Rail Station Improvements (S106 funded)

**Development & Regeneration Total**

**Housing Services**

- Housing Investment Programme (Council Dwellings)
- Heating Systems
- Replacement Windows & Doors
- Community Safety - Lifeline Alarms
- Estate Improvements - Hillside Crescent
- Adaptations for Disabled
- Major Void Works
- Miscellaneous Renewal Works
- Fascias and Soffits
- Cotswold House CCTV
- Capitalised Salaries - to reallocate to schemes

**Housing Services Total**

	2006/07 Current Estimate £	Reallocate Planned Maintenance £	Slippage to 2007/08 £	Other Changes £	2006/07 Revised Estimate £	External Funding £	CBC Funding £
A	1,692,080		(1,258,060)		434,020	309,620	124,400
A	300,000				300,000	180,000	120,000
A	150,000		(5,000)		145,000		145,000
A	160,000		(35,000)		125,000		125,000
A	10,000				10,000		10,000
A	4,519,650				4,519,650	4,519,650	0
A	20,000				20,000		20,000
A	212,160				212,160	212,160	0
A	6,000				6,000	6,000	0
A	103,220				103,220		103,220
A	1,369,570				1,369,570		1,369,570
B	15,000				15,000		15,000
B	7,500				7,500	7,500	0
	<b>8,565,180</b>	<b>0</b>	<b>(1,298,060)</b>	<b>0</b>	<b>7,267,120</b>	<b>5,234,930</b>	<b>2,032,190</b>
A	150,000			(150,000)	0	0	0
A	253,170				253,170	253,170	0
A	770,000			70,000	840,000	615,150	224,850
A	21,500				21,500	21,500	0
A	1,000			(200)	800	800	0
A	250,000			20,000	270,000	270,000	0
A	300,000			50,140	350,140	350,140	0
A	0			15,950	15,950	15,950	0
A	81,000			110	81,110	81,110	0
A	34,730			(6,000)	28,730		28,730
A	113,000				113,000		113,000
	<b>1,974,400</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,974,400</b>	<b>1,607,820</b>	<b>366,580</b>

**Capital Programme - 2006/07**

Scheme	2006/07 Current Estimate £	Reallocate Planned Maintenance £	Slippage to 2007/08	Other Changes £	2006/07 Revised Estimate £	External Funding £	CBC Funding £
<b><u>Leisure &amp; Cultural Services</u></b>							
A Leisure Centres Capital Investment	1,546,790	(17,000)			1,529,790		1,529,790
A Duxbury Park Golf Course capital investment	92,920				92,920		92,920
B YVP Extension Flood Alleviation	2,500				2,500		2,500
	<b>1,642,210</b>	<b>(17,000)</b>	<b>0</b>	<b>0</b>	<b>1,625,210</b>	<b>0</b>	<b>1,625,210</b>
<b><u>Streetscene, Neighbourhoods &amp; Environment</u></b>							
A Extension to Chorley Cemetery (new burial area)	4,620				4,620		4,620
A Kerbside Recycling Schemes	125,400				125,400	2,770	122,630
A Litter/Dog Waste/On-street recycling bins	40,170				40,170	40,170	0
A Fleet Management System	3,970				3,970		3,970
A Tesco superstore cycle path (S106 funded)	13,920				13,920	13,920	0
Traffic Calming							
- Pedestrian improvements Southport Rd/St Thomas's Rd	30,000				30,000		30,000
- Various traffic calming/local road safety schemes	18,000				18,000		18,000
Euxton Play Facilities (S106 funded) - Mile Stone Meadow	50,780				50,780	50,780	0
Euxton Play Facilities (S106 funded) - Balsshaw Lane	1,100				1,100	1,100	0
Adlington Play Development (S106 funded)	25,000				25,000	25,000	0
Capitalised Salaries re private sector housing	2,000				2,000		2,000
CPO Unfit Dwellings	87,500				87,500		87,500
Vacant Dwellings	31,660				31,660		31,660
Transport Improvements (S106 funded)	171,880			(171,880)	0	0	0
Highway improvements - Gillibrand estate/Southlands	100,000				100,000	100,000	0
Clayton Brook Village Green Development	43,470				43,470		43,470
Harpers Lane Recreation Ground Imps (S106 funded)	30,000				30,000	30,000	0
Ulines Walton Play/Leisure Schemes (S106 funded)	10,630				10,630	10,630	0
Play & recreational Facilities (S106 funded)	22,880				22,880	22,880	0
PSS Planting Schemes	3,500				3,500		3,500
PSS Computerised Cemetery records	13,670		(13,670)		0		0
Cemetery Memorial Safety	1,500	(1,500)			0		0
	<b>831,650</b>	<b>(1,500)</b>	<b>(13,670)</b>	<b>(171,880)</b>	<b>644,600</b>	<b>297,250</b>	<b>347,350</b>
<b>Streetscene, Neighbourhoods &amp; Environment Total</b>							
	<b>13,013,440</b>	<b>(18,500)</b>	<b>(1,311,730)</b>	<b>(171,880)</b>	<b>11,511,330</b>	<b>7,140,000</b>	<b>4,371,330</b>
<b>Environment &amp; Community Challenge Group Total</b>							

**Capital Programme - 2006/07**

**Scheme**

Regional Housing Pot Capital Grant funded schemes

***Unallocated Capital Resources Total***

**Capital Programme Total**

**Financing the Capital Programme**

Prudential Borrowing

Unrestricted Capital Receipts

Housing Investment Programme Restricted Capital Receipts

Capital Receipt earmarked for Strategic Regional Site

Revenue Budget - Specific Revenue Reserves or Budgets

Revenue Savings

Ext. Contributions - Developers

Ext. Contributions - Lottery Bodies

Government Grants - Planning Delivery Grant

Government Grants - Disabled Facilities Grants

Government Grants - Major Repairs Allowance

Government Grants - DEFRA

Government Grants - Housing Capital Grant

**TOTAL CAPITAL FINANCING**

B

2006/07 Current Estimate £	Reallocate Planned Maintenance £	Slippage to 2007/08	Other Changes £	2006/07 Revised Estimate £	External Funding £	CBC Funding £
343,000	(343,000)	0	0	0	0	0
<b>343,000</b>	<b>(343,000)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>16,695,400</b>	<b>0</b>	<b>(2,402,730)</b>	<b>(525,330)</b>	<b>13,767,340</b>	<b>7,946,510</b>	<b>5,820,830</b>
1,984,300	(203,050)	(757,300)		1,023,950		1,023,950
1,982,870	(40,000)			1,982,870		1,982,870
840,240				800,240		800,240
1,369,570				1,369,570		1,369,570
167,420	(59,670)	16,550		124,300		124,300
641,900	(122,000)			519,900		519,900
5,923,290	(580,000)	215,420		5,558,710	5,558,710	
1,364,630	(1,055,010)			309,620	309,620	
247,420				247,420	247,420	
180,000				180,000	180,000	
1,457,820				1,457,820	1,457,820	
42,940				42,940	42,940	
493,000	(343,000)			150,000	150,000	
<b>16,695,400</b>	<b>0</b>	<b>(2,402,730)</b>	<b>(525,330)</b>	<b>13,767,340</b>	<b>7,946,510</b>	<b>5,820,830</b>

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**Capital Programme - 2006/07**

Scheme

**Strategy Group**

**Policy & Performance**

Website Refresh

**Policy & Performance Total**

**Strategy Group Total**

**Corporate & Customer Challenge Group**

**Property Services**

Gillibrand Street Site Assembly

**Property Services Total**

**Corporate & Customer Challenge Group Total**

**Environment & Community Challenge Group**

**Housing Services**

Housing Investment Programme (Council Dwellings)

- Replacement Windows & Doors

- Estate Improvements - Hillside Crescent

- Adaptations for Disabled

- Major Void Works

- Miscellaneous Renewal Works

- Fascias and Soffits

- Cotswold House CCTV

**Housing Services Total**

Other Changes £	Reallocation £	Change of category £	Savings £	Increases £	Comments
16,550				16,550	To be financed by virement from revenue budget
<b>16,550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,550</b>	
<b>16,550</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>16,550</b>	
(370,000)			(370,000)		Not required - would have been financed by developer
<b>(370,000)</b>	<b>0</b>	<b>0</b>	<b>(370,000)</b>	<b>0</b>	
<b>(370,000)</b>	<b>0</b>	<b>0</b>	<b>(370,000)</b>	<b>0</b>	
(150,000)	(150,000)				Use of Housing Capital Grant
70,000	70,000				Use of Housing Capital Grant
(200)	(200)				Actual expenditure less than budget
20,000	20,000				Use of Housing Capital Grant
50,140	50,140				Use of Housing Capital Grant
15,950	15,950				To complete scheme started 2005/06
110	110				Balance of budget
(6,000)	(6,000)				Actual expenditure less than budget
<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	

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**Capital Programme - 2006/07**

**Scheme**

**Streetscene, Neighbourhoods & Environment**

Transport Improvements (S106 funded)

**Streetscene, Neighbourhoods & Environment Total**

***Environment & Community Challenge Group Total***

**Capital Programme Total**

**Financing the Capital Programme**

Prudential Borrowing

Revenue Budget - Specific Revenue Reserves or Budgets

Ext. Contributions - Developers

**TOTAL CAPITAL FINANCING**

Other Changes £	Reallocation £	Change of category £	Savings £	Increases £
(171,880)		(171,880)		
<b>(171,880)</b>	<b>0</b>	<b>(171,880)</b>	<b>0</b>	<b>0</b>
(171,880)	0	(171,880)	0	0
<b>(525,330)</b>	<b>0</b>	<b>(171,880)</b>	<b>(370,000)</b>	<b>16,550</b>
(757,300)	(757,300)			
16,550				16,550
215,420	757,300	(171,880)	(370,000)	
<b>(525,330)</b>	<b>0</b>	<b>(171,880)</b>	<b>(370,000)</b>	<b>16,550</b>

B

**Comments**

Transferred to reserve list

Use of S106 commuted sum to finance Gillibrand Link Road land assembly instead of prudential borrowing

Financing of increased web site budget



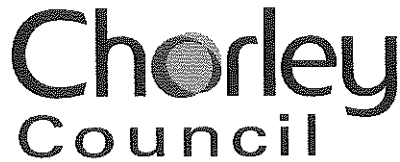
Monitoring of Usable Capital Receipts 2006/07

	Unrestricted Receipts £	HIP Restricted Receipts £	Strategic Regional Site £	Total Usable Receipts £
Balance brought forward 1 April 2006	101,866	1,035,910	1,369,570	2,507,346
Received to date	892,244	311,083		1,203,327
Total Usable Receipts in hand	994,110	1,346,993	1,369,570	3,710,673
Required for capital financing	(1,982,870)	(800,240)	(1,369,570)	(4,152,680)
Sub total	(988,760)	546,753	0	(442,007)
Usable Receipts due in remainder of year	920,740	72,357	0	993,097
<b>Estimated balance 31 March 2007</b>	<b>(68,020)</b>	<b>619,110</b>	<b>0</b>	<b>551,090</b>

**Note:**

The 'HIP Restricted Receipts' are available for capital expenditure in respect of the housing function of the authority only. They are a proportion of RTB sales available under the transitional arrangements for the pooling of housing capital receipts, which apply from 2004/05 to 2006/07. Such restricted receipts can be carried forward for use in later years. The use of these restricted receipts has already been taken account of in the 2006/07 to 2008/09 capital programme.

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Report of	Meeting	Date
Leader of the Council	Council	27 February 2007

## **GENERAL FUND REVENUE BUDGET AND COUNCIL TAX 2007/2008 AND CAPITAL PROGRAMME**

### **PURPOSE OF REPORT**

1. To seek approval of the Executive Cabinet's proposed budget and Council Tax proposals for 2007/2008 following the budget consultation.

### **CORPORATE PRIORITIES**

2. The proposals set out in the Executive Cabinet's budget feed directly into the Council's key objectives, targets and actions for 2007/2008 and beyond.

<b>PRIORITY</b>	<b>2007/2008 BUDGET</b>
<b>Put Chorley at the heart of regional economic development in the central Lancashire sub-region</b>	The 2007/08 proposal incorporates additional revenue and capital budgets to contribute towards the targets contained in the Corporate Plan.
<b>Improving equality of opportunity and life chances</b>	The 2007/08 draft budget identifies the rural dimension and allocates funding towards supporting rural areas.
<b>Involving people in their communities</b>	The extension of the Forums requires additional resources to deliver, which in the main will be met from existing budgets. However cash is identified to devolve some budget decision making to local neighbourhoods.
<b>Improved access to public services</b>	The Council's Plan for implementing the customer access and design strategy is in progress. The building blocks in terms of the technology are now in place and no further resources are required at this stage.
<b>Develop the character and feel of Chorley as a good place to live</b>	The Streetscene, Neighbourhoods and Environment restructure is designed to give more focus to community safety and neighbourhood working.
<b>Ensure Chorley Borough Council is a performing organisation</b>	The focus of the budget for 2007/08 is on developing the local strategic partnership. Resources both in terms of staffing and cash are now available to pump prime the partnership and to ensure Council's role as a community leader is enhanced.

3. The Council's priorities address the key issues identified in the Community Strategy. The Corporate Strategy represents the Council's commitments to achieving the objectives and outcomes specified in that document.

**RISK ISSUES**

4. The issues raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	√	Information	
Reputation		Regulatory/Legal	√
Financial	√	Operational	
People		Other	

5. The budget is concerned with managing the financial risks facing the Council and ensuring that the relevant regulations are complied with. Failure to use the Council's resources in the most appropriate way may result ultimately in a strategic failure as the objectives, targets and measures contained in the Council's Corporate Strategy will not be achieved. Reference to risk is made throughout this report and a specific analysis is set out in my S25 report contained in the budget papers.

**BACKGROUND**

6. The Executive Cabinet published a draft budget at the beginning of December 2006, setting out its broad intentions for spending and investment in the Borough for the coming financial year. Some revisions to these proposals have now been made taking account of developments and feedback in the intervening period. Throughout this period we have been keen to receive the comments and input from as many people as possible.

**BUDGET CONSULTATION**

7. The draft budget was approved for consultation in December 2006. The responses received, including the result of Scrutiny undertaken by the Panels are shown in Appendices attached.
9. Executive Cabinet have considered these responses and concluded that some amendments to its draft budget be made. A formal response to the issues raised by Scrutiny is also included in an Appendix to this report.
10. In general whilst responses were limited, they welcomed the freezing of Council Tax. In summary however, key concerns raised through the consultation relate to the following areas:
- Concerns regarding the Police Community Support Officer proposals
  - Issues raised in relation to the Urban vs Rural divide
  - A desire to see more resources put into Streetscene services, particularly cleansing and grounds maintenance
  - Concerns about the quality of developments following the deletion of the Urban design post
  - Concerns regarding the impact of charging for rodent control services
  - Concerns regarding the public realm in the town centre

**BUDGET PROPOSALS**

11. Since the budget consultation document was published a number of adjustments have been made to the continuation budget, based upon updated information. Set out in the table below is a summary of the movements.

Draft net budget requirement as per consultation		14,110
Budget adjustments	Net expenditure	69
	Net financing	(130)
		<hr/> 14,049
Net change in external financing		22
		<hr/> 14,071
Updated net budget requirement		
Additional funds available		(39)

12. The table shows that whilst there have been movements in expenditure and income projections, the overall impact is a small amount of headroom in the budget. In terms of policy choices, the majority of the amendments are changes based upon having better information and are changes the Director of Finance advises should be changed to make the budget more robust.
13. Of the amendments made to the draft budget one further policy choice has been made. This involves a proposal to no longer provide the annual Civic Dinner. Not all the saving from not undertaking the event will be taken and a civic function will be provided at the Mayoral Civic Sunday Event.
14. An explanation of all the budgets adjustment is included at Appendix 2 (yellow pages).
15. The details of the Executive Cabinets proposal to the Council are set out in the following Appendices:
- Appendix 1 – Summary of Consultation Responses (green pages)
  - Appendix 2 – Summary of Budget Variations (yellow pages)
  - Appendix 3 – Savings Items (blue pages)
  - Appendix 4 – Special Expenses and Parish Precepts (white pages)
  - Appendix 5 – Formal Council Resolutional Explanatory Note (buff pages)
  - Appendix 6 – Executives Response to Budget Scrutiny (pink pages)
16. Pressure continues to be placed on the Council’s budget from the cost of recycling and the cost of benefits. In addition it has been necessary to manage carefully the impact on the Council of stock transfer. The Council’s objective was always to ensure that the transfer had at the very least a cost neutral effect on the taxpayer. I am pleased to report that this has been achieved.
17. The biggest key financial risk facing the Council remains to the outcome of job evaluation. Suffice to say that the outcome of the process will determine the financial strength or otherwise of the Council going forward and will be the one single event that determines whether or not the Council can continue to direct resources into priority areas.

18. In terms of the draft budget the Council has maintained its record of directing resources into key priorities. The growth areas represent the Council's contribution to improving service in the following areas:
- The Town Centre regeneration
  - Community Safety
  - Improving the Local Strategic Partnership
  - Supporting rural communities
19. The savings generated are the result of the administration strategy of:
- Continuing to focus on savings in the back office
  - Using procurement and Partnership working to deliver Value for Money
  - Making best use of the Council's asset base
20. In particular the back office changes have focussed on some of the high performing areas of the Council where it is now felt that resources can be redirected to other priorities. Examples of this include the changes proposed to the Revenues and Benefits Sections of the Council.
21. With regard to the headroom now available in the budget and as a result of the feedback from the budget consultation, the following amendments are proposed to the draft budget:
- The re-instatement of the Urban Designer post, recognising that the quality of planning development is an important issue. This will cost neutral as further departmental budget savings have been identified.
  - The proposed changes for rodent control services will not be implemented as the Executive recognise that corporate information regarding infestation is important (+£10K).
  - As many organisations and individuals find the diaries of use, particularly in relation to the information contained therein, a diary will be produced but which is less costly to produce (+£2K).
  - The proposal to reduce the Council's contribution for the Welfare Rights Officer will not be implemented. This will be for one year only and the funding will be removed from 2008/09. This change is to recognise that time is required to ensure that where possible adequate coverage is maintained within the borough, but given the uncertainty regarding the County Council plans, a period of notice to the County Council as appropriate (+£5K).
  - A recent restructure proposed for Customer, Democratic and Legal Directorate will increase costs and provision has been made in the Executive proposals to accommodate the changes, should they ultimately be approved (£22K).

## **THE CAPITAL PROGRAMME**

22. The Executive again issued its draft Capital Programme in December 2006. The programme reflected a change in emphasis from previous programmes whilst also building on previous strategies with more cash for:

- Rural Communities
- Supporting the Local Strategic Partners
- The Town Centre Development

23. No consultation responses were received in relation to Capital and the programme will remain unchanged apart from the following:

It has been updated to take account of slippage of expenditure from 2006/07 to 2007/08 and 2008/09, reported to the Executive Cabinet of 22 February 2007. In addition, the Council has now been notified that its allocation of housing capital grant for 2007/08 is £445,000, so this has been shown as a further change to the programme. GONW have confirmed that 'the purpose of the grant is to provide support to local authorities in England towards the financing of capital expenditure' and therefore is not ring-fenced to housing-related purposes. This resource is shown under Development & Regeneration but could be reallocated as required or be used to finance existing schemes. Details are attached at Appendix 7.

The Category C, or Reserve List, schemes are presented in Appendix 7A Those recommended for inclusion in the approved programme are indicated in the appendix, at a total of £1,095,990, the revenue implications of which have been taken account of in the General Fund budget.

## CONCLUSION

24. This budget continues to direct resources into key Corporate Priorities and address concerns identified by the Borough citizens. Particular focus in this year's budget in terms of investment is given to the Town Centre where the Administration are determined to build on the town's strengths.
25. The objective to achieve a freeze in the Chorley Borough Council's element of the Council Tax, together with the impact of the Stock Transfer has meant that significant savings/efficiencies have had to be made, but a balanced budget has still been achieved.
26. This position must be viewed in context to other precepting authorities who have increased their element of the council tax as follows:

Lancashire County Council	+ 4.95%
Lancashire Fire Authority	+ 4.99%
Lancashire Police Authority	+11.37%

## COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES

27. There are no Human Resources related issues associated with this report. I have previously made my comments in relation to the various restructuring which form part of this budget proposal.

## RECOMMENDATION(S)

28. The Council is recommended to:
- a) Approve the Budget and Council Tax as set out in the Resolution at Appendix 5.
  - b) Approve the Councils Capital Programme as set out in Appendix 7 and 7a

**REASONS FOR RECOMMENDATION(S)**  
**(If the recommendations are accepted)**

- 29. To agree final recommendations for the 2007/08 General Fund Revenue and Capital Budgets.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 30. None.

GARY HALL  
 DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	5 February 2007	T:DOF/General Fund Revenue Budget and Council Tax 2007-08



Brindle Parish Council – by email 16<sup>th</sup> January 2007 at 3.20 p.m.

**CHORLEY BOROUGH COUNCIL - BUDGET CONSULTATION 2007/2008**

Thank you for consulting on the draft council tax and spending plans for next year. We are grateful for the additional time given to consider your proposals as part of the consultation. It is good to see that Chorley Borough Council has listened to previous comments by the Parish Council and local residents as part of the 'you said, we did' strapline.

The Parish Council would like to make the following comments on your council tax proposals for next year:

Level of Council Tax

We welcome the fact that council tax for the Chorley Borough Council element will remain the same. Over recent years the ever-increasing levels of council tax has had a detrimental impact on vulnerable residents and those on fixed incomes.

Investment/Re-direction of resources

Existing resources should be re-directed to streetscene services, such as more cleansing and better maintenance of green areas, which has a major impact on the quality of life of local people. This is a major priority area for the residents of Brindle.

We are disappointed that there is relatively small amount of investment and re-direction of resources to the rural areas of Chorley. Whilst Chorley town centre is important to the Borough, there are small shopping areas and local facilities, which play an important part in thriving local communities. Most Brindle residents do not naturally look to Chorley as a centre, but to other towns and villages. More should be done to strengthen local communities.

Chorley Borough Council should also look at the needs of rural communities when planning and developing services, with many residents classed as deprived because of the social isolation and lack of facilities. The grants that the Borough Council once provided to establish and develop community groups was successful in contributing positively to this issue and should be re-introduced. At least one group was established in Brindle using one of these small grants and has contributed a great deal to parish life, with almost sixty members and built into a thriving network, which wasn't previously there. More should be done to support recreational activities in local communities for all ages and in particular young people.

The next stage in developing the customer contact centre should be to provide more outreach services and deliver customer services locally in communities. Whilst the investment in new technology and providing services via the internet is welcomed, it should be remembered that not all parts of Chorley are able to receive broadband and do not have IT facilities. The Borough Council should also look to 'rural proof' its policies and services to ensure they are accessible and fully considers the characteristics of rural communities.

We welcome closer working of public, private, voluntary and community organisations in Chorley. The additional investment will help to implement key projects in the Community Strategy. Hopefully this will encourage partners to 'pool' and make the most of existing resources through efficiencies, joining-up services and avoiding duplication.

We hope that more can be done to improve public transport and accessibility to services through partnership working. One issue which has been brought to our attention is concessionary travel/bus passes for elderly people. The few buses that do travel through Brindle only go to Leyland, Blackburn and Preston. This means that those with bus passes having to pay for their travel because they are going out of the Chorley boundary. In some cases, particularly in the Bournes Row part of the parish, they have to pay double. This does not seem to be fair for those

who rely on buses, which don't run to Chorley and is not in the spirit of free travel for elderly residents. We would like to ask that alternative arrangements are made.

The proposed contribution to the funding of Lancashire Constabulary's police community support officers should not be funded from Borough council tax. The amount spent on environmental wardens should also be reduced. Even though residents identify community safety in the consultation carried out for the community strategy and local strategic partnership – it does not state who should fund these activities. The community strategy and partnership is made up of many partner organisations. Most people would say Lancashire Police and the Government should fund community safety activities like this through their own tax levying powers. Two years ago the Borough Council was keen to reduce 'double taxation' with parish/town councils, this is an example of the Borough council tax subsidising the Police Authority's council tax levy or even the Government.

We hope that these comments are helpful. We should also like to suggest that next year's consultation is carried out in a more robust manner as written consultation exercises such as this are always difficult. Perhaps the Lancashire Association of Parish Councils Chorley Area Committee might be used or other workshops where discussions could take place in a more detailed and effective way.

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**Hoghton Parish Council – by email 16<sup>th</sup> January 2007 at 3.31 p.m.**

**CHORLEY BOROUGH COUNCIL - BUDGET CONSULTATION 2007/2008**

Thank you for consulting on the draft council tax and spending plans for next year. We are grateful for the additional time given to consider your proposals as part of the consultation. It is good to see that Chorley Borough Council has listened to previous comments by the Parish Council and local residents as part of the 'you said, we did' strapline.

The Parish Council would like to make the following comments on your council tax proposals for next year:

**Level of Council Tax**

We welcome the fact that council tax for the Chorley Borough Council element will remain the same. Over recent years the ever-increasing levels of council tax has had a detrimental impact on vulnerable residents and those on fixed incomes.

**Investment/Re-direction of resources**

Existing resources should be re-directed to streetscene services, such as more cleansing and better maintenance of green areas, which has a major impact on the quality of life of local people. This is a major priority area for the residents of Hoghton.

We are disappointed that there is relatively small amount of investment and re-direction of resources to the rural areas of Chorley. Whilst Chorley town centre is important to the Borough, there are small shopping areas and local facilities, which play an important part in thriving local communities. Most Hoghton residents do not naturally look to Chorley as a centre, but to other towns and villages. More should be done to strengthen local communities.

Chorley Borough Council should also look at the needs of rural communities when planning and developing services, with many residents classed as deprived because of the social isolation and lack of facilities. The grants that the Borough Council once provided to establish and develop community groups was successful in contributing positively to this issue and should be re-

introduced. More should be done to support recreational activities in local communities for all ages and in particular young people.

The next stage in developing the customer contact centre should be to provide more outreach services and deliver customer services locally in communities. Whilst the investment in new technology and providing services via the internet is welcomed, it should be remembered that not all parts of Chorley are able to receive broadband and do not have IT facilities. The Borough Council should also look to 'rural proof' its policies and services to ensure they are accessible and fully considers the characteristics of rural communities.

We welcome closer working of public, private, voluntary and community organisations in Chorley. The additional investment will help to implement key projects in the Community Strategy. Hopefully this will encourage partners to 'pool' and make the most of existing resources through efficiencies, joining-up services and avoiding duplication.

The proposed contribution to the funding of Lancashire Constabulary's police community support officers should not be funded from Borough council tax. The amount spent on environmental wardens should also be reduced. Even though residents identify community safety in the consultation carried out for the community strategy and local strategic partnership – it does not state who should fund these activities. The community strategy and partnership is made up of many partner organisations. Most people would say Lancashire Police and the Government should fund community safety activities like this through their own tax levying powers. Two years ago the Borough Council was keen to reduce 'double taxation' with parish/town councils, this is an example of the Borough council tax subsidising the Police Authority's council tax levy or even the Government.

We hope that these comments are helpful. We should also like to suggest that next year's consultation is carried out in a more robust manner as written consultation exercises such as this are always difficult. Perhaps the Lancashire Association of Parish Councils Chorley Area Committee might be used or other workshops where discussions could take place in a more detailed and effective way.

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**Anonymous letter received on 17<sup>th</sup> January 2007**

To Budget Finance

It's the same at Astley Village Chorley. We don't see any Warden service. Specially at the Broadfields area.

Fed up residents found at Buckshaw also.

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**Letter received from Mrs J Platt, 16 The Elms, Whittle-le-Woods, PR6 7TU**

Dear Sir

I am writing regarding the end of the Neighbourhood Wardens, they will very much be missed as they provide a positive link with the council, they never get you bad press like others do. They have good links with elderly and young children, in December 06 they escorted a local school on their walk to church ensuring the whole school aged 3 – 11 years arrived safely especially when crossing Preston Road. My parents live on Greenside, Euxton they are highly very concerned about what will happen when there are no wardens as their area is now becoming a safer place due to the wardens presence and the relationship they have built with elderly and teenagers alike.

I also know of animals abandoned whose lives have been saved due to the wardens work.

I think you should seriously think about the consequences of not having the wardens. Why can't people have a say in how their money is spent, many I am sure would elect to keep the wardens even if they do need to pay extra. It's o.k. to say there will be more special police but there is no comparison, some people who have been brought up to regard police as an enemy actually do relate to the wardens who they see as less threatening.

Thank you for reading this.  
Mrs. J. Platt

**Clayton-le-Woods Parish Council – letter received 19<sup>th</sup> January 2007**

Dear Mr Hall

**Re: Chorley Borough Council – Draft Budget Consultation 2007/8**

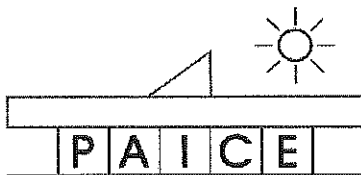
I refer to the Draft Budget Consultation Documentation, which the Parish Council discussed at their meeting on the 15<sup>th</sup> January 2007.

Firstly, the Parish Council welcome the proposal to pay for the CCTV Camera at Clayton Brook.

Secondly, regarding the Neighbourhood Warden Scheme, the Parish Council feel that this scheme has worked so well over the years and has greatly expanded and, therefore, we would like to see the present arrangements retained.

***However, should any changes take place, could there be an assurance that the present level of services will apply.***

Yours sincerely  
Eileen Whiteford  
Clerk to the Council



To: Councillor Peter Goldsworthy (Leader of the Council)  
Councillor Dennis Edgerley (Leader of the Labour Party)  
Donna Hall (Chief Executive)

**Chorley Borough Council 2007-08 Budget response**

We have been asked by our respective groups to write in response to the Borough Council's budget proposals for 2007-08.

PAiCE (Positive Action Chorley East), SWITCH (South West Chorley Community Safety Group) and Clayton Brook Together are the Target Area Groups for three of the four areas covered by the Borough's Community Safety Strategy. Between them, our groups represent and communicate with more than 12,000 households.

On behalf of the people that we represent, we need to make certain points.

- In September 2006, when we expressed concerns at “rumours” that the Wardens Service was to be disbanded, we were told that our concerns were entirely unfounded.
- We made sure that our concerns were channelled appropriately through the Community Safety Partnership.
- In December 2006, we were informed that the Wardens Serviced was, in fact, to be disbanded. We again voiced our serious concerns, and were told that information passed on to us was wrong, when it was, in fact, clearly correct.
- At no point have we been consulted about the future of the Wardens Service.
- The budget proposals tell us on page 11 that the plans to get rid of the Neighbourhood Wardens (for that is exactly what you are planning to do) are down to “partnership working in the form of a public partnership...with the Police”. This really does beg the question – are the residents in the Target Areas partners in any way at all, with either the Council OR the Police? As neither have included us in any consultation, it seems not.

You tell us, within the budget proposals, that you plan to allocate a (whopping) £50,000 to the four newly-proposed Area Forums across the whole Borough (something else we weren't consulted about).

Is the Council aware that the Target Area groups brought more than £20,000 into just two of the Target Areas in 2006-07 alone? Does it care?

We understand that there will be six Environmental Wardens covering the whole Borough, which we gather, is just a slight increase to an existing, re-branded service.

Neither they, nor the Police Community Support Officers will be doing the work that has been absolutely key to progress made – in partnership – with the local communities in the Target Areas, or anywhere else in Chorley.

It seems to us that our input is useful when we raise funds or support Council or Police initiatives, such as the voluntary management of Council assets – but that we are not considered to be important enough to sit round a table and make a real contribution to important decisions about our own areas.

You said – we must all work together to address problems within the Target Areas.

We believed that was what we were doing. We feel that we have been treated with contempt and badly let down.

As one resident pointed out to us recently – everyone living in the Borough seems to want to keep the Wardens. So who is it that doesn't – and why?

On behalf of the three Community Safety Target Area Groups

Tom Watson  
Chairperson, PAiCE, Tatton Community Centre, Silverdale Rd, Chorley.

David Beadle  
Chairperson, SWITCH, 16 Blackhorse Street, Chorley.

Jean Cronshaw, Clayton Brook Together, 37 Brown Hey, Clayton Brook, Nr Chorley.

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Clayton-le-Woods Parish Council – by email 29<sup>th</sup> January 2007 at 6.07 p.m.

Dear Sir / Madam

I write as a member of Clayton-le-Woods Parish Council, and also secretary of Clayton Brook Police & Community Together (PACT) group. The latter group has been working closely with the Chorley Borough Council Neighbourhood Wardens who send representatives to our monthly meetings. We have found them to be responsive to local needs and excellent ambassadors for the council.

The budget proposal to reduce the number of wardens to 7, and to replace them with increased numbers of Community Support Officers has caused great concern to residents, who have greatly appreciated the work of the existing NW personnel. The local area has been improved by their activities in all the aspects which cause concern to (and potentially generate frequent complaints from) the majority of residents, viz, litter, control of dogs and dog-fouling, and general nuisances such as abandoned cars. The wardens were even able to satisfactorily resolve a long-standing nuisance caused to a group of our residents by the operation of a business from neighbouring residential premises. This diffused strong feelings, avoided trouble between neighbours, and was much appreciated by all concerned.

The swift response by wardens to residents' reports has been one of the highlights of this service, and it is feared the proposed changes will destroy, or at least disable, an asset that has proved to work splendidly.

Whilst CB Cllr Baker attended our January PACT meeting and gave us assurances the changes would ultimately result in improvements to the service, this has not wholly dispelled our misgivings. Those of us with experience of working in the public sector have often seen good intentions end in disappointment.

We do hope that this matter can be given the most careful consideration before a decision is made - many council services affect a relatively small percentage of residents, but neighbourhood wardens deal with front-line matters which have an impact on everyone who lives here.

Yours faithfully

Parish councillor E Anne Smith

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**Lancashire  
Constabulary**

police and communities together

Chief Superintendent Curtis, Divisional Commander.

Southern Division, Leyland Police Station, Lancastergate, Leyland, PR25 2EX.  
Telephone: 01772 415801 (via secretary) Fax: 01772 415941

Our ref:- IC/JAF

31 January 2007

Ms D Hall  
Chief Executive  
Chorley Council  
Town Hall  
Market Street  
Chorley  
PR7 1DP

Dear Donna

I am aware of Chorley Council's proposal to jointly fund a number of PCSOs in the next financial year and just wanted to offer my support in terms of the added value which PCSOs can bring to the neighbourhood agenda.

As I am sure you are aware the fundamental role of the Police Community Support Officer is to contribute to the safety of neighbourhoods, primarily through high visible patrol with the purpose of reassuring the public, increasing orderliness in public places and being accessible to communities and partner agencies working at local level. The emphasis of this role, and the powers required to fill it, will vary from neighbourhood to neighbourhood.

The core roles of PCSOs are linked to the key result areas which they will be expected to achieve, viz:

To improve community confidence and reassurance by -

- Maintaining a highly visible presence and being accessible in a given area at appropriate times
- Engaging in targeted patrol as necessary to deter instances of nuisance, anti-social behaviour and criminality
- Working with others to tackle environmental matters which impact on the quality of people's lives
- Adopting a problem oriented approach to achieve sustainable solutions to community problems
- Providing advice and support to victims of crime and other vulnerable members of communities
- Being a point of contact and liaison for community groups
- Being deployed to incidents at the discretion of management.

A total of 10 PCSOs, funded by the Constabulary, already operate within the Chorley area, along with 2 Emergency Services CSOs who work in the rural areas. The community feedback in relation to the work of these PCSOs is extremely favourable and they are clearly having a positive impact on communities.

Should the Council agree to the proposal of a total of 22 jointly funded PCSOs, these will clearly have a huge impact in terms of improving the coverage across the district and providing that visible presence which leads to increased satisfaction and confidence.

In terms of jointly funded PCSOs, the activities listed above could be increased to include others which would support the local authority agenda whilst keeping within the original role description for Police Community Support Officers, e.g.

- Undertaking environmental visual audits on behalf of Local Authorities
- Identifying and initiating action to correct instances of damage or graffiti to council owned premises
- Identifying/reporting instances of fly-tipping and dealing with any identified offenders
- If deployed in a vehicle, undertaking some basic environmental activities (graffiti-busting for example).

In addition to the activities identified above, jointly funded PCSOs could provide additional secondary benefits to help deliver, alongside Local Authorities and other agencies, positive outcomes for neighbourhoods.

Jointly funded PCSOs could therefore engage with the following Local Authority Departments and other agencies:

- Education Department – by engaging with young people, PCSOs have knowledge of individuals who truant and therefore more likely to commit acts of crime and anti-social behaviour. PCSOs could therefore undertake a form of truancy alert or information gathering activities. In addition, the government is proposing to designate PCSOs the power to take part in truancy sweeps.
- Housing – PCSOs could liaise with Local Authority housing staff to monitor problematic/noisy neighbours and share information to target unacceptable behaviour of residents. In addition, PCSOs could undertake, alongside Housing Staff, tenancy audits to identify empty premises as well as verifying the identity of residents.
- Youth Services – by engaging with Positive Activities for Young People, PCSOs could engage with “hard to reach” groups of youths to divert them from ASB and other signal crimes and disorders.
- Health/PCT – signposting individuals addicted to alcohol/drugs to appropriate local services.



- Lancashire Fire and Rescue – by liaising with LFRS staff, PCSOs would be in a position to facilitate fire safety checks for residents and to reduce offences of arson.
- Improving communication with people living in neighbourhoods in relation to Council/police services and consequent results on interventions.

This list is not exhaustive and additional activities could be included dependant on local need and consultation with Local Authority Chief Executives. The list, however, provides a consistent approach to the deployment of part-funded PCSOs.

The PCSOs currently have 11 powers which range from confiscation of alcohol to issuing fixed penalty notices for littering and dog fouling (see attached list of powers), however the Government is currently undergoing a consultation process in relation to a standardised set of powers in the future (see attached list) which could lead to an increase in the number and type of powers.

Irrespective of the outcome of the consultation process in relation to PCSO powers, the joint commissioning of PCSOs will ensure a multi-agency approach to deliver on issues such as:

- Tackling the fear of crime
- Reducing crime and disorder
- Putting visible patrols into specific locations identified by local people as areas of concern
- Engaging with local people to identify local community safety priorities
- Helping to deliver Community Safety Priorities
- Improved “joined-up” services (“One Stop Shop” approach).

The delivery of these key activities by PCSOs will enable the Police and Local Authorities to tackle joint concerns and will ensure the two services deliver what local people ask for – visible and empowered staff providing the right services.

In conclusion I fully support the proposal for jointly funded PCSOs in the Chorley area, and I am confident that, if implemented, this will increase the opportunity to develop a holistic and joined-up approach to neighbourhood management in the Chorley area.

Yours sincerely



Irene Curtis  
Divisional Commander

## PCSO Powers

<b>Powers designated to Lancashire Community Support Officers</b>	<b>Relevant legislation</b>
Abandoned vehicles - power to remove	Paragraph 10 of Schedule 4 to the Police Reform Act 2002
Confiscation of alcohol - designated places	Paragraph 5 of Schedule 4 to the Police Reform Act 2002
Confiscation of alcohol - persons under 18	Paragraph 6 of Schedule 4 to the Police Reform Act 2002
Confiscation of tobacco - persons under 16	Paragraph 7 of Schedule 4 to the Police Reform Act 2002
Power to Detain or accompany a person to a police station *	Paragraphs 2(3) and 2(4) of Schedule 4 to the Police Reform Act 2002
Entry to save life/limb	Paragraph 8 of Schedule 4 to the Police Reform Act 2002
Require name and address for anti-social behaviour	Paragraph 3 of Schedule 4 to the Police Reform Act 2002
Stop and seize vehicle used to cause alarm	Paragraph 9 of Schedule 4 to the Police Reform Act 2002
Issue fixed penalty notices for cycling on a footpath	Paragraph 1(2)(b) of Schedule 4 to the Police Reform Act 2002
Issue fixed penalty notices for dog fouling	Paragraph 1(2)(c) of Schedule 4 to the Police Reform Act 2002

<b>Issue fixed penalty notices for littering</b>	<b>Paragraph 1(2)(d) of Schedule 4 to the Police Reform Act 2002</b>
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**\*Please note that this is a power to ask a person to remain with a PCSO for up to 30 minutes. The power to use reasonable force to detain the person which was designated to some PCSOs in Pennine and Western in 2002 was withdrawn in 2004 and is not now designated to any PCSOs in Lancashire.**

POWERS INTENDED TO BE INCLUDED IN THE FIRST SET OF STANDARD POWERS FOR POLICE COMMUNITY SUPPORT OFFICERS	
ENVIRONMENTAL POWERS	
<p><b>Power to issue fixed penalty notices for dog fouling:</b> Power of an authorised officer of a local authority to give a notice under <u>section 4</u> of the Dogs (Fouling of Land) Act 1996 (fixed penalty notices in respect of dog fouling).</p>	<p>Paragraph 1(2)(c) of Schedule 4 to the Police Reform Act 2002.</p>
<p><b>Power to issue fixed penalty notices for littering:</b> Power of an authorised officer of a litter authority to give a notice under <u>section 88</u> of the Environmental Protection Act 1990 (fixed penalty notices in respect of litter).</p>	<p>Paragraph 1(2)(d) of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to issue fixed penalty notices in respect of offences under dog control orders:</b> power of an authorised officer of a primary or secondary authority, within the meaning of section 59 of the Clean Neighbourhoods and Environment Act 2005, to give a notice under that section (fixed penalty notices in respect of offences under dog control orders.)</p>	<p>Paragraph 1(2)(e) of Schedule 4 to the Police Reform Act 2002 (see section 62(2) of the Clean Neighbourhoods and Environment Act 2005).</p>
<p><b>Power to remove abandoned vehicles</b> under regulations made under section 99 of the Road Traffic Regulation Act 1984.</p>	<p>Paragraph 10 of Schedule 4 to the Police Reform Act 2002.</p>
TRANSPORT POWERS	
<p><b>Power to issue fixed penalty notices for cycling on a footpath:</b> Power of a constable in uniform to give a person a fixed penalty notice under <u>section 54</u> of the Road Traffic Offenders Act 1988 (fixed penalty notices) in respect of an offence under <u>section 72</u> of the Highway Act 1835 (riding on a footway) committed by cycling.</p>	<p>Paragraph 1(2)(b) of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to stop cycles:</b> Powers of a constable in uniform to stop a cycle under section 163(2) of the Road Traffic Act 1988 when a CSO has reason to believe that a person has committed the offence of riding on a footpath.</p>	<p>Paragraph 11A of Schedule 4 to the Police Reform Act 2002 (inserted by section 89(3) of the Anti-Social Behaviour Act 2003)</p>
<p><b>Power to stop vehicles for testing:</b> Powers of a constable in uniform to stop vehicles for the purposes of testing under section 67 of the Road Traffic Act 1988.</p>	<p>Paragraph 11 of Schedule 4 to the Police Reform Act 2002.</p>
<p><b>Power to control traffic for purposes other than escorting a load of exceptional dimensions:</b> Powers to direct traffic (for purposes other than escorting loads of exceptional dimensions) based on the powers constables have under sections 35 and 37 of the Road Traffic Act 1988 It also gives CSOs the power to direct traffic for the purposes of conducting a traffic survey. CSOs designated under this paragraph must also be designated with powers under paragraph 3A of Schedule 4 to the Police Reform Act.</p>	<p>Paragraph 11B of Schedule 4 to the Police Reform Act 2002 (inserted by paragraph 10 of Schedule 8 to the Serious Organised Crime and Police Act 2005).</p>

<p><b>Power to direct traffic for the purposes of escorting abnormal loads</b></p>	<p>Paragraph 12 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to carry out road checks:</b> Power to carry out a road check which has been authorised by a police officer and power to stop vehicles for the purposes of carrying out a road check</p>	<p>Paragraph 13 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to require name and address for road traffic offences:</b> The Serious Organised Crime and Police Act 2005 allows CSOs to be designated with the power to require the name and address of a driver or pedestrian who fails to follow the directions of a community support officer or police officer.</p>	<p>Paragraph 3A of Schedule 4 to the Police Reform Act 2002 (inserted by paragraph 6 of Schedule 8 to the Serious Organised Crime and Police Act 2005).</p>
<p><b>Power to place signs:</b> The Serious Organised Crime and Police Act 2005 enables CSOs to be designated with the power of a constable under section 67 of the Road Traffic Regulation Act 1984 to place traffic signs.</p>	<p>Paragraph 13A of Schedule 4 to the Police Reform Act 2002 (inserted by paragraph 11 of the Serious Organised Crime and Police Act 2005.)</p>
<p><b>Power to seize vehicles used to cause alarm:</b> Power to stop and seize a vehicle which a CSO has reason to believe is being used in a manner which contravenes sections 3 or 34 of the Road Traffic Act 1988 (careless and inconsiderate driving and prohibition of off-road driving) under section 59 of the Police Reform Act 2002.</p>	<p>Paragraph 9 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>ALCOHOL &amp; TOBACCO POWERS</b></p>	
<p><b>Power to require persons drinking in designated places to surrender alcohol:</b> Power to require a person whom a CSO reasonably believes is, or has been, consuming alcohol in a designated public place or intends to do so, to not consume that alcohol and to surrender any alcohol or container for alcohol. Power to dispose of alcohol surrendered.</p>	<p>Paragraph 5 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to require persons aged under 18 to surrender alcohol:</b> Power to require a person who he reasonably believes is aged under 18 or is or has been supplying alcohol to a person aged under 18 to surrender any alcohol in his possession and to give their name and address. Power to require such a person to surrender sealed containers of alcohol if the CSO has reason to believe that the person is or has been consuming or intends to consume alcohol. Power to dispose of alcohol surrendered.</p>	<p>Paragraph 6 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to seize tobacco from a person aged under 16 and to dispose of that tobacco.</b></p>	<p>Paragraph 7 of Schedule 4 to the Police Reform Act 2002</p>
<p><b>Power to seize drugs and require name and address for possession of drugs:</b> The Serious Organised Crime and Police Act 2005 allows CSOs to be designated with a power seize unconcealed drugs or drugs found when searching for alcohol, tobacco or dangerous</p>	<p>Paragraphs 7B and 7C of Schedule 4 to the Police Reform Act 2002 (inserted by paragraph 8 of Schedule 8 to the Serious Organised Crime and Police Act 2005).</p>

## MINUTES OF ENVIRONMENT AND COMMUNITY OVERVIEW AND SCRUTINY PANEL

Thursday, 25 January 2007

**07.ECS.04 BUDGET SCRUTINY FOR 2007/2008**

The Director of Finance submitted a report on the way forward for the budget scrutiny for 2007/08 that had been suggested by the Overview and Scrutiny Committee in December 2006.

The report set out the background to the recommendations made by the Panels during the 2006/07 budget consultation, resulting in some value being received from the process. This year was a significant year in terms of the Council introducing the new Community Strategy and any work undertaken by the Overview and Scrutiny Committee must be undertaken in this context.

The Overview and Scrutiny Committee at its meeting on 4 December 2006 (Minute 06.0S.71 refers) agreed to focus its attention for the 2007/08 budget on the following:

- To receive an update on the high cost areas identified during the 2006/2007 scrutiny relating to Planning Services and Environmental Services.
- To review the 2006 cost profiles prepared by the Audit Commission as compared to those in 2005 for the Planning Services and Environmental Services.
- To review the likely impact of the efficiencies and savings on the Council's ability to deliver the promises in the Corporate Plan and the mitigation being put in place.
- A review of the low cost areas where a small increase in cost may bring a relatively bigger improvement.

The report indicated that the Council had recently been the subject to its annual Value for Money assessment undertaken by the Audit Commission as part of its Use of Resources review.

The Audit Commission had undertaken some benchmarking of costs compared with the Council's family group which exhibited the same attributes as ourselves in terms of demograph, population etc.

The Panel received in the report comparative costs with the previous years data to provide analysis for the scrutiny review.

The report also provided a summary of the impact of the budget savings/efficiency proposals for 2007/08 relating to Planning Services and Environmental Services. The report indicated that the cost profiles for 2006 had shown a very positive picture when compared with the 2005 figures with the Council's relative cost ranking improving in almost all areas. In those areas showing no improvement the budget proposals included action to reduce their costs. Balanced against the efficiencies and budget savings was the need to deliver the Council's Corporate Plan.

It was **AGREED** that the Overview and Scrutiny Committee be recommended to submit the following comments to the Executive Cabinet as part of this year's budget consultation exercise.

1. That the Executive Cabinet be requested to examine the calculation of secondary charge (recharges) as in the case of Planning Services they have resulted in a distorted view of the Directorate's budget.
2. That the Executive Cabinet be asked if it is content with a decrease in design quality leading to a reduction in customer satisfaction as a result of the proposal to delete the post of Urban Designer in the Development and Regeneration Directorate.
3. That the Executive Cabinet be asked if the reduction in the cost of the Neighbourhood Wardens Team of £228,000 will have an impact on the service and provide a lower level of service delivery.
4. That the Executive Cabinet be asked if the savings made and the introduction of charges for all pest control services will have a benefit to rodent control.

**Corporate and Customer Overview and Scrutiny Panel****Tuesday, 30 January 2007****07.CCS.04 BUDGET SCRUTINY FOR 2007/2008**

Members received the report of the Director of Finance entitled "Budget Scrutiny for 2007/2008. The Chair explained that the objective of the item was to consider the aspects relating to Corporate and Customer starting at paragraph 27 of the report and to formulate any questions on the report to the Executive Cabinet. The report also contained information for consideration by the Environment and Community Panel.

The Director of Finance highlighted that the Overview and Scrutiny Committee had determined that the budget scrutiny exercise should concentrate on Value For Money (VFM) and the provision of quality services.

The Panel examined Table 7 that updated the information considered by the Customer Overview and Scrutiny Panel last year on Revenues and Benefits compared with the Council's family group (similar Council's in terms of demographics and population). This area had been considered high cost although on further analysis showed that the way costs were recorded included recharges for other services, such as ICT and Human Resources affected the overall costs significantly. It was noted that benchmarking information on the basic cost of the services was not available for comparison from other Local Authorities, although it was hoped that comparative information of this nature would be available in the future.

The Panel considered Table 8 showing the relative performance indicators within the 2004 and 2005 VFM profiles, relative to our nearest neighbours. It was noted that performance had, in the main improved.

Table 9, set out the budget savings and efficiency proposals and the Panel considered the impact of these on service delivery and the Council's ability to deliver the Corporate Plan. It was noted that some efficiencies arose due to the Housing Stock Transfer and the closure of the Gillibrand Street offices.

There would be a restructure in local tax and benefits. Officers explained that the Contact Centre had reduced the volumes of work in the back office, that a new procedure for Council Tax recovery could produce efficiencies and supervision would be reduced to an industry average.

It was noted that the Finance Unit would be restructured, creating a central team to concentrate on efficiency. Previously the focus had been eGovernment.

Members queried the reduction of Helpdesk support. Officers outlined a new, selfservice approach with a more technical Helpdesk. The Housing Stock Transfer and current Thin Client testing and implementation enabled this reallocation of resources. A further discussion on replacement technology for Members would be subject of further discussion.

**Questions to the Executive Cabinet:**

**What will be the impact of the disestablishment of one of the Executive Director posts, in particular, relating to the important work on Equality and Diversity?**

**How will the reduction of ICT Helpdesk support affect Members? How and what will be different?**



**A number of the proposals include outsourcing functions (Health and Safety and Property). How will these arrangements work and what will be the impact on the day-to-day operation of services?**

**Satisfaction with some services appears low. Is this being measured regularly and if not, how can we monitor this and take appropriate action?**

**What can be done to collect information on the costs of the Central and Democratic Core and Revenues administration to enable comparison in the future?**

**How will the impact on Members of the removal of the Yearbook and Diary be mitigated?**

**Budget Scrutiny 2007/2008 (Citizens Panel)**

A citizen's panel event was held on Monday, February 12, during which local residents were invited to make comments and observations regarding the Council's draft budget. The key messages from the consultation were:

Overall there is still a great deal of confusion regarding two-tier government. The majority of the panel believed Chorley was responsible for all the Local Government services.

Following the presentation, people felt clearer about which services were delivered by Chorley and expressed surprise at how little of the total bill we received. Many said they found the event helpful and would be interested in attending something similar organised by Lancashire County Council. They also expressed an interest in attending more meetings like this.

Some of the younger members of the group were generally happy with the day to day running of services in Chorley and agreed with the Council's priorities, particularly around improving the Town Centre and neighbourhoods.

***The panel thought that whilst communication had improved, there was still room to improve. A specific example was given regarding the Astley Park scheme where the surgeries are in the week rather than at the weekend when people are visiting the park.***

Many of the attendees were of a pensionable age and whilst there was a general acceptance that Chorley's element of the bill and any subsequent increase would be small, those on fixed incomes welcomed any freeze on council tax rises across the board.

In terms of specific services, the following observations were made:

Concerns were raised regarding the impact the creation of the PCSOs would have on the Council's ability to respond to environmental issues. Again whilst there was a general acceptance that more PCSOs would be welcomed, the panel would not like to see a reduction in the environmental element of their work where the responsive nature of the service is welcomed.

Street cleanliness performance is inconsistent with some areas being better than others. Of particular concern were the dog waste bins which people observed were not emptied regularly enough.

Many people were happy with the waste/recycling service and accepted that to move to weekly waste collection would be extremely costly.

With regard to the town centre the general view was that the town had lost its identity and that investment was welcome. They would like to see fewer charity shops and more done to improve the public realm. People were keen on the Market Walk development and extra shops it would bring, but did not want to see a decline in the market itself or the area around the other end of Market Street near QS Fashions. Members of the panel felt quite strongly that the market should be moved to Market Street.

They would also like to see more encouragement/support from the Council for fledgling businesses in the town centre. An aspiration would also be to have a park and ride scheme, similar to that provided in other nearby towns. One member of the panel commented that the park and ride scheme from Chorley train station was good but it was difficult to find a place to park.

The rural/urban divide was also discussed with some of the group expressing concern that not enough play facilities exist in rural areas. Some of the older members of the panel expressed anger at a lack of community facilities on their doorstep together with a lack of public transport to access nearby facilities. The feeling was that facilities are too spread out and it could become costly to access them.

On the whole, people were surprised at the level of investment required to keep Brinscall Baths open and discussed how the money could be spent on services elsewhere, but the consensus was that the facility was well used and historically important and should be retained.

Panel members would like to see more arts and cultural events in the town.

Members are asked to consider the information provided, along with other consultation responses.

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Base Budget Requirement	15,330	16,231	16,441	17,664
Less				
Recharges	-	3	20	20
Capital Charges	(2,581)	(2,581)	(1,998)	(1,984)
<b>Cash Base Budget Requirement</b>	<b>12,750</b>	<b>13,654</b>	<b>14,463</b>	<b>15,700</b>
Inflation				
Pay	352	325	334	355
Pensions	110	112	83	-
Non-Pay	90	62	34	23
Contractual	52	126	42	16
Income	91	13	(32)	(33)
Increments	118	96	85	61
Revenue Effects of the Capital Programme	(1)	10	50	-
Volume - Income	-	168	189	-
Volume - Expenditure	521	434	(77)	(20)
Investment	141	246	54	-
Savings - Star Chamber	-	(1,265)	74	(4)
Savings - Other	(580)	(416)	-	-
Senior Management Review		(114)		
Growth Proposals	245	-	-	-
Recharges Adjustments	-	34	-	-
Effects of stock transfer - To HRA	-	766	-	-
Effects of stock transfer - From HRA	-	(50)	-	-
Effects of stock transfer - Non Recharge Income	-	84	-	-
Effects of stock transfer - Reduction in cost	-	(105)	-	-
Effects of stock transfer - Other	-	55	-	-
Effects of stock transfer - Service Level Agreements	-	(76)	160	-
Contingency:				
- Genuine	100	-	-	-
- Salary Related Savings	(278)	10	-	-
- Procurement Savings	(35)	-	-	-
- Gershon Savings	(25)	-	-	-
- Headroom for Capital Investment	-	40	-	-
- Job Evaluation	-	256	241	248
- Housing Stock Transfer	-	-	-	-
<b>Directorate &amp; Corporate Cash Budgets</b>	<b>13,651</b>	<b>14,463</b>	<b>15,700</b>	<b>16,347</b>
Base Recharges	-	(3)	(20)	(20)
In year transfer of recharges to cash budgets	-	(17)	-	-
Capital:	2,581	1,684	1,998	1,984
In year transfer of capital	-	314	(14)	-
<b>Total Recharges</b>	<b>2,581</b>	<b>1,978</b>	<b>1,964</b>	<b>1,964</b>
<b>Total Directorate &amp; Corporate Budgets</b>	<b>16,231</b>	<b>16,441</b>	<b>17,664</b>	<b>18,310</b>
Reversal of Capital Charges	(1,412)	(1,678)	(1,678)	(1,678)
Net Financing Transactions:				
- Net Interest/Premulims/Discounts	148	(234)	(234)	(234)
- Recharged Interest to HRA	(88)	-	-	-
- MRP less Commutation Adjustment	159	30	30	30
<b>Net Operating Expenditure</b>	<b>15,039</b>	<b>14,559</b>	<b>15,782</b>	<b>16,429</b>
Revenue Contribution to Capital	54	-	-	-
Use of Earmarked Reserves				
- e-Workforce Reserve	(34)	-	-	-
- Capital Financing Reserve re: Def Chge w/os	(1,168)	(320)	(320)	(320)
- Units Earmarked Reserves	(140)	(151)	(55)	(55)
Use of General Balances	-	-	-	-
<b>Total Expenditure</b>	<b>13,751</b>	<b>14,088</b>	<b>15,407</b>	<b>16,054</b>
Financed By				
Council Tax - Borough	(5,960)	(6,019)	(6,262)	(6,514)
Parish Precepts	550	550	550	550
Council Tax Parishes	(550)	(550)	(550)	(550)
Aggregate External Finance	(7,743)	(8,009)	(8,250)	(8,450)
Collection Fund Surplus	(49)	(60)	-	-
<b>Total Financing</b>	<b>(13,751)</b>	<b>(14,088)</b>	<b>(14,512)</b>	<b>(14,964)</b>
<b>Net Expenditure</b>	<b>(0)</b>	<b>0</b>	<b>896</b>	<b>1,090</b>
Analysis of Net Expenditure (Budget Gap)				
Net Expenditure Brought Forward	-	-	(0)	896
Net Expenditure in Year	-	0	896	194
<b>Net Expenditure Carried Forward</b>	<b>-</b>	<b>0</b>	<b>896</b>	<b>1,090</b>

**ANALYSIS OF MAJOR VARIANCES BETWEEN 2006/07 AND 2007/08 ESTIMATES**

	DRAFT BUDGET £	BUDGET CHANGES £	TOTAL VARIANCES £
<b><u>INFLATION NON-PAY</u></b>			
Car Leases/NNDR/Insurances/Utilities/Subscriptions/Other	62,570		62,570
	<b><u>62,570</u></b>	<b><u>0</u></b>	<b><u>62,570</u></b>
<b><u>CONTRACTUAL</u></b>			
CLS contract	(21,970)	24,620	2,650
Refuse Collection - Market Walk	11,530		11,530
Rental Income	(21,270)		(21,270)
Refuse Contract	118,600	14,000	132,600
	<b><u>86,890</u></b>	<b><u>38,620</u></b>	<b><u>125,510</u></b>
<b><u>REVENUE EFFECTS OF CAPITAL PROGRAMME</u></b>			
Astley Park Grounds Maintenance	10,000		10,000
	<b><u>10,000</u></b>	<b><u>0</u></b>	<b><u>10,000</u></b>
<b><u>VOLUME - INCOME</u></b>			
Housing Benefit Grants/Subsidy	100,670	23,040	123,710
Licensing Income	(22,360)	(13,990)	(36,350)
Planning Delivery Grant - reduction in anticipated grant for 2007/08	67,400		67,400
Private Lifeline Alarms	(24,530)		(24,530)
NNDR Collection Allowance	3,850		3,850
Housing Benefits Admin. Grant	15,190		15,190
Duxbury Golf Course	(10,860)		(10,860)
Parking fees 1% increase - car parks	(7,720)		(7,720)
DPE Penalty Charge Notice net loss of income	32,580		32,580
Members Allowances - Special Allowances		(14,800)	(14,800)
Cotswold House - Unsubsidised Housing Benefit		7,000	7,000
Rodent Control		10,000	10,000
Other	3,000		3,000
	<b><u>157,220</u></b>	<b><u>11,250</u></b>	<b><u>168,470</u></b>
<b><u>VOLUME - EXPENDITURE</u></b>			
Increase in LCC Search Fees	8,360		8,360
Contact Centre restructure	47,400		47,400
Elections	9,960		9,960
Legal - Publications	6,000	2,000	8,000
Director of CUDL salary	9,650		9,650
External Audit	14,680		14,680
Bank Charges	7,000		7,000
External Contractors (Payroll)	6,270		6,270
Bus Passes - Concessionary Travel	39,040		39,040
External Funding Officer - no funding contributions to salary	19,950		19,950
Computer Software Licences/Maintenance Agreements	7,280	11,100	18,380
Roses Marketplace Licence	5,300		5,300
Allpay Cards	5,000		5,000
Community Management - Tatton	34,260		34,260
Corporate Training - Member Development Programme	5,000		5,000
Support services Officer Sc3 post SNED restructure phase 1	15,450		15,450
Increase in hours for Funding Officer	8,880		8,880
Miscellaneous Employee costs - Eng. Mngt. And Support Services	16,640		16,640
NNDR assessments - various sites	15,840		15,840
Survey expenses residents parking permits TRO's	5,000		5,000
Crime & Disorder Partnership - transfer of Sc4 post 18.125hrs	11,100		11,100

**ANALYSIS OF MAJOR VARIANCES BETWEEN 2006/07 AND 2007/08 ESTIMATES**

	DRAFT BUDGET £	BUDGET CHANGES £	TOTAL VARIANCES £
Bringsites recycling charges	12,000		12,000
Urban Designer post		12,000	12,000
Additional cleaning costs - Town Hall		6,030	6,030
Adjustment to Development & Regen. recharges.		15,780	15,780
Community Management Assistant		9,650	9,650
Recycling vehicles		17,000	17,000
CUDLS Restructure		22,000	22,000
Welfare Rights Officer		5,000	5,000
Corporate Diaries		2,000	2,000
Other	17,900	3,360	21,260
	<b>327,960</b>	<b>105,920</b>	<b>433,880</b>
<b><u>INVESTMENT</u></b>			
Town Centre Management Post	40,000		40,000
LSP Consultancy	30,000		30,000
Contribution for 6 PCSO's per 2005/06	66,000		66,000
Market Walk Phase 2 Development	95,000		95,000
CCTV in Remote Areas	15,000		15,000
	<b>246,000</b>	<b>0</b>	<b>246,000</b>
<b><u>STAR CHAMBER SAVINGS</u></b>			
See Appendix 3 for further analysis.	<b>(1,265,010)</b>	<b>0</b>	<b>(1,265,010)</b>
<b><u>OTHER SAVINGS</u></b>			
Council Insurances Renewal	(72,000)		(72,000)
Job Evaluation Project (Non-recurrent expenditure)	(95,770)		(95,770)
Human Resources Staffing Savings	(67,940)		(67,940)
Corporate Training HR Approved per 2005/06 Savings year 2	(10,000)		(10,000)
LHP, PSS, GM & SNED Phase 1 Restructure	(78,840)		(78,840)
Temp. Waste & Envir. Management post deleted	(30,390)		(30,390)
Removal of revenue effects of capitalised redundancy payments	(6,000)		(6,000)
Hospitality	(7,480)		(7,480)
Delete budget provision for Mayors Civic Dinner.		(4,000)	(4,000)
Savings identified from the car leasing scheme.		(12,000)	(12,000)
SLA with Chorley Community Housing for cleaning of Gill St		(4,920)	(4,920)
SLA with Chorley Community Housing for security of Gill St		(9,000)	(9,000)
SLA with Liberata for security of Gill St Annexe		(2,500)	(2,500)
Additional income from SLA with CCH.		(4,000)	(4,000)
Increase saving from £3,560 to £20,000		(16,440)	(16,440)
SLA with CCH reduced from £24,840 to £6,000		18,840	18,840
No SLA with Liberata. Delete saving in draft budget.		4,680	4,680
Savings on rentals/calls under new contract.		(20,000)	(20,000)
No saving from LSVT. Delete saving in draft budget.		11,380	11,380
Further misc. savings identified within Streetscene Directorate.		(10,000)	(10,000)
	<b>(368,420)</b>	<b>(47,960)</b>	<b>(416,380)</b>
<b><u>OTHER CHANGES</u></b>			
Net Financing		(130,000)	(130,000)
External Financing		22,170	22,170
	<b>0</b>	<b>(107,830)</b>	<b>(107,830)</b>

**SAVINGS PROPOSALS**

Appendix 3

£ £

**CHIEF EXECUTIVE'S OFFICE**

- Proposed re-structure of Office Support	(25,530)	
- Practising Certificates	(910)	
- International Links	(4,000)	
- Office Support overtime	(4,000)	
- Deletion of Executive Director post	<u>(106,210)</u>	
		<b>(140,650)</b>

**CUSTOMER, DEMOCRATIC & LEGAL**

- Contact centre SLA for CCH	(20,000)	
- Remove yearbook	(4,170)	
- Reduction in civic vehicles	(5,010)	
- Savings from closure of Gillibrand Street	(92,440)	
- Rental Income from Gillibrand Street	(90,000)	
- Rental Income from Gillibrand Street Annexe	<u>(10,000)</u>	
		<b>(221,620)</b>

**DEVELOPMENT & REGENERATION**

- Restructure of Development & Regeneration	(108,540)	
- Agency Staff	(4,100)	
- Contribution to HIA	(20,000)	
- E-Planning software	13,000	
- Contribution to Contact Centre	<u>20,000</u>	
		<b>(99,640)</b>

**FINANCE**

- Finance Directorate Restructuring	(116,000)	
- Base Budget review	<u>(22,000)</u>	
		<b>(138,000)</b>

**HUMAN RESOURCES**

- Externalising of Health and Safety function	<u>(45,200)</u>	
		<b>(45,200)</b>

**ICT SERVICES**

- Reduction in maintenance budget	(15,000)	
- TUPE transfer of designated post	(31,360)	
- Removal of 0.5 FTE Customer Services Asst. Post	(8,580)	
- Thin client implementation	(3,560)	
- Telephony	(24,710)	
- Income from Chorley Community Housing (SLA's)	<u>(29,520)</u>	
		<b>(112,730)</b>

**LEISURE & CULTURAL SERVICES**

- Withdraw funding for LCC Welfare Rights post.	(5,000)	
- Additional income through 'Get Up and Go" programme.	(5,000)	
- Negotiate reduction in Indoor Leisure Contract management fee	<u>(25,000)</u>	
		<b>(35,000)</b>

**SAVINGS PROPOSALS**

Appendix 3

£ £

**POLICY & PERFORMANCE**

- Policy & Performance Restructure	(52,240)	
- Consultation for LSP & CPA work	<u>19,750</u>	
		<b>(32,490)</b>

**PROPERTY SERVICES**

- Outsourcing of Property Services function	<u>(65,570)</u>	
		<b>(65,570)</b>

**STREETSCENE**

- PCSO and Neighbourhood warden Team reconfiguration	(228,590)	
- Levy market rate charge for all pest control-combined with outsource of pest control service	(58,790)	
- Operational efficiencies and line by line budget review	(64,250)	
- Rental Income from Bengal Street	(35,000)	
- Net cost of restructure, excluding Pest Control & Wardens	<u>12,520</u>	
		<b>(374,110)</b>

**TOTAL SAVINGS PROPOSALS**

**(1,265,010)**



Special Expenses	Parish	Taxbase	Grounds Maintenance Costs	Borough Special Expenses at Band D	Borough General Expenses	Borough Services Council Tax	2007/08		2007/08 Combined Borough and Parish	2006/07 Band D Parish Precept	2006/07		Appendix 4		
							Parish Precept	Borough Services Council Tax			Parish Precept	Borough and Parish		Percentage Increase	Combined Borough and Parish
		No.	£	£	£	£	£	£	£	£	£	%	%		
	Adlington	1,959.40	34,435	17.95	151.69	169.63	17,655	9.01	178.64	8.79	178.43	2.5%	0.1%		
	Anderton	474.00	950	2.00	151.69	153.69	3,800	8.02	161.71	8.00	161.69	0.2%	0.0%		
	Anglezarke	16.50	-	-	151.69	151.69	-	-	151.69	-	151.69	0.0%	0.0%		
	Astley Village	1,112.50	27,425	24.65	151.69	176.34	22,000	19.78	196.12	19.69	196.02	0.5%	0.0%		
	Bretherton	284.20	-	-	151.69	151.69	8,443	29.71	181.40	28.13	179.81	5.6%	0.9%		
	Brindle	453.30	2,021	4.46	151.69	156.14	6,000	13.24	169.38	11.52	167.66	14.9%	1.0%		
	Charnock Richard	669.50	2,479	3.70	151.69	155.39	20,600	30.77	186.16	30.89	186.28	-0.4%	-0.1%		
	Clayton le Woods	4,744.50	167,227	35.25	151.69	186.93	118,612	25.00	211.93	25.00	211.93	0.0%	0.0%		
	Coppull	2,341.60	32,792	14.00	151.69	165.69	74,630	31.87	197.56	31.02	196.71	2.7%	0.4%		
	Croston	1,036.30	8,947	8.63	151.69	160.32	20,800	20.07	180.39	20.07	180.39	0.0%	0.0%		
	Cuerden	41.20	424	10.29	151.69	161.98	900	21.84	183.82	22.95	184.92	-4.8%	-0.6%		
	Eccleston	1,551.80	7,065	4.55	151.69	156.24	40,840	26.32	182.56	26.32	182.56	0.0%	0.0%		
	Euxton	3,283.20	58,515	17.82	151.69	169.51	97,050	29.56	199.07	28.98	198.49	2.0%	0.3%		
	Heapey	378.60	6,128	16.19	151.69	167.87	8,920	23.56	191.43	22.96	190.83	2.6%	0.3%		
	Heath Charnock	796.70	15,587	19.56	151.69	171.25	5,000	6.28	177.53	7.49	178.74	-16.2%	-0.7%		
	Heskin	347.00	1,347	3.88	151.69	155.57	7,634	22.00	177.57	17.50	173.07	25.7%	2.6%		
	Hoghton	364.70	2,280	6.25	151.69	157.94	4,000	10.97	168.91	9.68	167.62	13.3%	0.8%		
	Mawdesley	746.60	945	1.27	151.69	152.95	23,000	30.81	183.76	30.48	183.44	1.1%	0.2%		
	Rivington	50.30	-	-	151.69	151.69	1,100	21.87	173.56	20.41	172.09	7.2%	0.9%		
	Ulmes Walton	261.10	-	-	151.69	151.69	4,500	17.23	168.92	15.47	167.15	11.4%	1.1%		
	Wheilton	396.70	-	-	151.69	151.69	10,480	26.42	178.11	25.58	177.27	3.3%	0.5%		
	Whittle Woods	1,838.40	41,617	22.64	151.69	174.32	27,571	15.00	189.32	13.55	187.88	10.7%	0.8%		
	Withnell	1,245.50	9,930	7.97	151.69	159.66	26,300	21.12	180.78	20.40	180.05	3.5%	0.4%		
	All other parts of the Council's area	10,571.40	273,465	25.87	151.69	177.55	-	-	177.55	-	177.55	0.0%	0.0%		
	<b>Total</b>	<b>34,965.00</b>	<b>693,576</b>	<b>19.85</b>	<b>151.69</b>	<b>171.53</b>	<b>549,835</b>	<b>15.73</b>	<b>187.26</b>	<b>15.41</b>	<b>186.94</b>	<b>2.0%</b>	<b>0.2%</b>		

**Draft resolution on setting of 2007/08 Council Tax for the Borough to be passed in approving the Executive Cabinet's recommendations for the Council's Budget.**

1. That it be noted that acting under delegated powers the Director of Finance calculated the amount of 34,965.00 as its Council Tax Base for the year 2007/08 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
- (a) 34,965.00 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year.

(b) **Part of the Council's Area**

	<b>(b)Part of the Council's area</b>	<b>2007/08</b>
		<b>£</b>
<b>Parish of:</b>	Adlington	1,959.40
	Anderton	474.00
	Anglezarke	16.50
	Astley Village	1,112.50
	Bretherton	284.20
	Brindle	453.30
	Charnock Richard	669.50
	Clayton le Woods	4,744.50
	Coppull	2,341.60
	Croston	1,036.30
	Cuerden	41.20
	Eccleston	1,551.80
	Euxton	3,283.20
	Heapey	378.60
	Heath Charnock	796.70
	Heskin	347.00
	Hoghton	364.70
	Mawdesley	746.60
	Rivington	50.30
	Ulnes Walton	261.10
	Wheelton	396.70
	Whittle Woods	1,838.40
	Withnell	1,245.50
	All other parts of the Council's area	10,571.40
	<b>Total</b>	<b>34,965.00</b>

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2007/08 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
- (a) £40,028,136 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act;

- (b) £25,472,360 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £14,555,776 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) £8,008,230 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, Revenue Support Grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988;
- (e) £187.26 being the amount at 2(c) above less the amount at 2(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
- (f) £1,243,411 being the aggregated amount of all special items referred to in Section 34(1) of the Act;
- (g) £151.69 being the amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates;
- (h) **Part of the Council's Area**

		£
<b>Parish of:</b>	Adlington	178.64
	Anderton	161.71
	Anglezarke	151.69
	Astley Village	196.12
	Bretherton	181.40
	Brindle	169.38
	Charnock Richard	186.16
	Clayton le Woods	211.93
	Coppull	197.56
	Croston	180.39
	Cuerden	183.82
	Eccleston	182.56
	Euxton	199.07
	Heapey	191.43
	Heath Charnock	177.53
	Heskin	177.57
	Hoghton	168.91
	Mawdesley	183.76
	Rivington	173.56
	Ulnes Walton	168.92
	Wheelton	178.11
	Whittle le Woods	189.32
	Withnell	180.78
	All other parts of the Council's area	177.55

being the amounts given by adding to the amount at 2(g) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;

(i) **Part of the Council's Area**

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
<b>Parish of:</b>								
Adlington	119.09	138.94	158.79	178.64	218.34	258.04	297.73	357.28
Anderton	107.81	125.77	143.74	161.71	197.65	233.58	269.52	323.42
Anglezarke	101.12	117.98	134.83	151.69	185.39	219.10	252.81	303.37
Astley Village	130.75	152.54	174.33	196.12	239.70	283.28	326.87	392.24
Bretherton	120.93	141.09	161.24	181.40	221.71	262.02	302.33	362.80
Brindle	112.92	131.74	150.56	169.38	207.02	244.66	282.30	338.76
Charnock Richard	124.11	144.79	165.48	186.16	227.53	268.90	310.27	372.32
Clayton le Woods	141.29	164.83	188.38	211.93	259.03	306.12	353.22	423.86
Coppull	131.71	153.66	175.61	197.56	241.46	285.36	329.27	395.12
Croston	120.26	140.30	160.35	180.39	220.48	260.56	300.65	360.78
Cuerden	122.55	142.97	163.40	183.82	224.67	265.52	306.37	367.64
Eccleston	121.71	141.99	162.28	182.56	223.13	263.70	304.27	365.12
Euxton	132.71	154.83	176.95	199.07	243.31	287.55	331.78	398.14
Heapey	127.62	148.89	170.16	191.43	233.97	276.51	319.05	382.86
Heath Charnock	118.35	138.08	157.80	177.53	216.98	256.43	295.88	355.06
Heskin	118.38	138.11	157.84	177.57	217.03	256.49	295.95	355.14
Hoghton	112.61	131.37	150.14	168.91	206.45	243.98	281.52	337.82
Mawdesley	122.51	142.92	163.34	183.76	224.60	265.43	306.27	367.52
Rivington	115.71	134.99	154.28	173.56	212.13	250.70	289.27	347.12
Ulnes Walton	112.61	131.38	150.15	168.92	206.46	244.00	281.53	337.84
Wheulton	118.74	138.53	158.32	178.11	217.69	257.27	296.85	356.22
Whittle le Woods	126.21	147.25	168.28	189.32	231.39	273.46	315.53	378.64
Withnell	120.52	140.61	160.69	180.78	220.95	261.13	301.30	361.56
All other parts of the Council's area	118.37	138.09	157.82	177.55	217.01	256.46	295.92	355.10

being the amounts given by multiplying the amounts at 2(g) and 2(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2007/08 the Lancashire County Council, Lancashire Police Authority, and the Lancashire Combined Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
<b>Precepting authority</b>								
Lancashire County Council *	697.47	813.71	929.96	1,046.20	1,278.69	1,511.18	1,743.67	2,092.40
Lancashire Combined Fire Authority *	38.29	44.68	51.06	57.44	70.20	82.97	95.73	114.88
Lancashire Police Authority*	83.97	97.96	111.96	125.95	153.94	181.93	209.92	251.90

\* These values are assessments and have to be confirmed by the precepting authority.

4. That, having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2007/08 for each of the categories of dwellings shown below:

(i) Part of the Council's Area

	Valuation Bands							
	A	B	C	D	E	F	G	H
Parish of:	£	£	£	£	£	£	£	£
Adlington	938.82	1,095.29	1,251.77	1,408.23	1,721.17	2,034.12	2,347.05	2,816.46
Anderton	927.54	1,082.12	1,236.72	1,391.30	1,700.48	2,009.66	2,318.84	2,782.60
Anglezarke	920.85	1,074.33	1,227.81	1,381.28	1,688.22	1,995.18	2,302.13	2,762.55
Astley Village	950.48	1,108.89	1,267.31	1,425.71	1,742.53	2,059.36	2,376.19	2,851.42
Bretherton	940.66	1,097.44	1,254.22	1,410.99	1,724.54	2,038.10	2,351.65	2,821.98
Brindle	932.65	1,088.09	1,243.54	1,398.97	1,709.85	2,020.74	2,331.62	2,797.94
Charnock Richard	943.84	1,101.14	1,258.46	1,415.75	1,730.36	2,044.98	2,359.59	2,831.50
Clayton le Woods	961.02	1,121.18	1,281.36	1,441.52	1,761.86	2,082.20	2,402.54	2,883.04
Coppull	951.44	1,110.01	1,268.59	1,427.15	1,744.29	2,061.44	2,378.59	2,854.30
Croston	939.99	1,096.65	1,253.33	1,409.98	1,723.31	2,036.64	2,349.97	2,819.96
Cuerden	942.28	1,099.32	1,256.38	1,413.41	1,727.50	2,041.60	2,355.69	2,826.82
Eccleston	941.44	1,098.34	1,255.26	1,412.15	1,725.96	2,039.78	2,353.59	2,824.30
Euxton	952.44	1,111.18	1,269.93	1,428.66	1,746.14	2,063.63	2,381.10	2,857.32
Heapey	947.35	1,105.24	1,263.14	1,421.02	1,736.80	2,052.59	2,368.37	2,842.04
Heath Charnock	938.08	1,094.43	1,250.78	1,407.12	1,719.81	2,032.51	2,345.20	2,814.24
Heskin	938.11	1,094.46	1,250.82	1,407.16	1,719.86	2,032.57	2,345.27	2,814.32
Hoghton	932.34	1,087.72	1,243.12	1,398.50	1,709.28	2,020.06	2,330.84	2,797.00
Mawdesley	942.24	1,099.27	1,256.32	1,413.35	1,727.43	2,041.51	2,355.59	2,826.70
Rivington	935.44	1,091.34	1,247.26	1,403.15	1,714.96	2,026.78	2,338.59	2,806.30
Ulnes Walton	932.34	1,087.73	1,243.13	1,398.51	1,709.29	2,020.08	2,330.85	2,797.02
Wheelton	938.47	1,094.88	1,251.30	1,407.70	1,720.52	2,033.35	2,346.17	2,815.40
Whittle le Woods	945.94	1,103.60	1,261.26	1,418.91	1,734.22	2,049.54	2,364.85	2,837.82
Withnell	940.25	1,096.96	1,253.67	1,410.37	1,723.78	2,037.21	2,350.62	2,820.74
All other parts of the Council's area	938.10	1,094.44	1,250.80	1,407.14	1,719.84	2,032.54	2,345.24	2,814.28

5. That the Director of Finance and his officers be authorised to take any action necessary to ensure collection and recovery of the Council Tax and Non-Domestic Rates.

## EXPLANATION OF COUNCIL TAX SETTING RESOLUTION

### RESOLUTION 1

- (a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2007/08 we estimate that a £1.00 Council Tax at Band D would raise £34,965.00 in the Chorley area.
- (b) This shows the "base" figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Adlington would raise £1,959.40.

### RESOLUTION 2

- (a) This is the grand total of money which the Council estimates it will spend on all services in 2007/08. It also includes £549,835 which Parish Councils need to run their services.
- (b) This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes, for example, car park charges, investment income, government grants in respect of benefits, etc.
- (c) This is the difference between 2(a) and 2(b) and is in effect the Council's and Parishes net spending on services.
- (d) This is the amount that the Government will contribute towards the cost of our services. Also included is extra Council Tax resulting from new properties and expected collection rates in previous years.
- (e) The difference between 2(c) and 2(d) is £6,547,546 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 1(a) above) and the resulting figure of £187.26 is the average Band D Council Tax for all Borough and Parish services.
- (f) The total of all the amounts needed from Council Taxpayers by the Parish Councils in the area and for Chorley Borough Special Expenses.
- (g) This is the Band D Council Tax for Chorley Borough Council's own services, ie excluding Parish Council spending and Special Expenses
- (h) This table shows the Band D Council Tax for all parishes including the cost of the Parish Councils and Chorley Borough Council. For example, Adlington's Band D Council Tax is £151.69 for Chorley Borough services and £9.01 for Adlington Town Council services and £17.95 for Chorley Borough Special Expenses.

(i) The rate for each property Band is calculated by reference to the Band D charge. The following ratios apply:

Band A	$\frac{6}{9}$ ths of Band D
Band B	$\frac{7}{9}$ ths of Band D
Band C	$\frac{8}{9}$ ths of Band D
Band D	$\frac{9}{9}$ ths of Band D
Band E	$\frac{11}{9}$ ths of Band D
Band F	$\frac{13}{9}$ ths of Band D
Band G	$\frac{15}{9}$ ths of Band D
Band H	$\frac{18}{9}$ ths of Band D

For Adlington Band A, for example, the charge is £178.65 x  $\frac{6}{9}$  + 9 = £119.10; for Band B it is £178.65 x  $\frac{7}{9}$  + 9 = £138.95.

**RESOLUTION 3**

Lancashire County Council, Lancashire Fire Authority and Lancashire Police Authority are separate bodies who have worked out their own estimates of spending and income for 2007/08 and have set taxes in a similar way to Chorley Borough Council. This resolution notes their final decision.

**RESOLUTION 4**

This pulls together the Council Taxes for Lancashire County Council, Lancashire Fire Authority, Lancashire Police Authority, Chorley Borough Council and the Parish Councils. For example, the Band D for Adlington is £1,408.23 made up as follows:

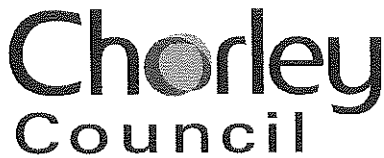
	£
Lancashire County Council (as in 4 above)	1,046.20
Lancashire Fire Authority (as in 4 above)	57.44
Lancashire Police Authority (as in 4 above)	125.95
Chorley Borough Council (as in 3(g) above)	151.69
Adlington Town Council	9.01
Special Expenses	17.95

**RESOLUTION 5**

Formally authorise the necessary staff to take legal action to collect arrears as and when this is necessary. **For the vast majority of taxpayers, this is not needed**







Report of	Meeting	Date
Leader of the Council on behalf of the Executive Cabinet	Council	27 February 2007

**EXECUTIVES RESPONSE TO BUDGET SCRUTINY**

**PURPOSE OF REPORT**

1. To inform Councillors of the Executive Cabinet’s response to the issues raised by the Scrutiny Committee in relation to its review of the budget.

**CORPORATE PRIORITIES**

2. The budget is the representation in financial terms of the Council’s aspirations for its residents. The delivery of its corporate priorities is dependent upon resources being allocated to meet these priorities.

**RISK ISSUES**

3. The issues raised and recommendations made in this report involve risk considerations in the following categories:

Strategy	✓	Information	
Reputation	✓	Regulatory/Legal	
Financial		Operational	
People		Other	

4. The key risk to the Council is that it does not deliver its priorities resulting in it not delivering on its strategies and jeopardising its reputation as an organisation that delivers on its priorities.

**BACKGROUND**

5. For 2007/08 a similar methodology was adopted to that undertaken during 2006/07. A review was undertaken of the significant elements of the Councils expenditure using the Audit Commission Use of Resources expenditure analysis.
6. The aim of the exercise was to try to demonstrate how the Council’s expenditure profile compared with other like councils, then to establish if Chorley Performance matched the expenditure variation.
7. The individual Scrutiny Panels had the opportunity to ask questions, particularly on significant policy items. The outcome of the work has been directly fed into the Executive through the budget consultation process.
8. A response to the issues raised by Scrutiny is therefore set out in this report.



**RESPONSE TO ISSUES RAISED BY THE SCRUTINY COMMITTEE**

Q1 *That the Executive Cabinet be requested to examine the calculation of recharges in the Planning Service that therefore distorts the view of the Directorate budget.*

Answer:

The Director of Finances structural review undertaken as part of this years budget process includes focusing more effort and time on understanding the Councils cost base. The Executive are currently in the process of producing a three-year efficiency programme which will include reviewing in more detail some of the costs identified in the Use of Resources paper as high, of which Planning was one.

Q2 *That the Executive Cabinet be asked if it is content to decrease in design quality as a result of the proposal to delete the Urban Design post.*

Answer:

The Executive has listened to the issues raised by both the Scrutiny Committee and others during the budget consultation process. As a consequence the original proposal to remove the post has been changed and the post is now re-instated if the Council agree.

Q3 *That the Executive Cabinet be asked if the savings made and the introduction of charges for the Pest Control Services is appropriate?*

Answer:

Again we have recognised the value of the debate and consultation on this item, recognising that there may be a proportionate dis-benefit from introducing charges. Consequently, the option is being withdrawn from the Executives budget proposal.

Q4 *That the Executive Cabinet be asked if there will be a lower level of service provided as a result of the Neighbourhood Warden proposals?*

Answer

The Executive do not believe that this will be the case, the proposal will contribute significantly we believe to the objectives in the Corporate Strategy in relation to crime and disorder.

The neighbourhood presence of uniformed staff is to increase from 41 to 44 by means of the levered in finance from the neighbourhoods policing fund, as well as investment from the Police Authority. The PCSO resource will operate over a longer shift pattern than the warden service; 08.00 hrs – 24.00 hrs as against 09.00 hrs to 23.00 hrs.

The PCSO's will be able to undertake some of the environmental enforcement that the wardens do and any shortfall will be backfilled by other Council resources. Better deployed and tasked through the Multi Agency Advisory and Co-ordinating group. The PCSO's will be a neighbourhood foot patrol to maximise visibility. Police and Council vehicles and bicycles will be made available. Citizens will have direct contact with the PCSO's via the Police Control Room and also directly by phone as they have now with the Community Beat managers.

PCSO's will be better equipped to deal with many of the issues faced by residents and will also be supported via Neighbourhood Policing Teams, such out of hours support has not been possible to achieve with the warden service by the Council.

Q5 *What will be the impact of the disestablishment of the Executive Directors posts, in particular, relating to important work on Equality and Diversity?*

Answer

The deletion of the post will undoubtedly reduce the Councils corporate capacity to deal with emerging issues. However, operationally the Chief Executive will have more of a hands on management input to some of the front line services and some minor adjustment may be made to other director roles to accommodate the change. In relation to Equality and Diversity, the change should have no impact as the corporate lead is the Director of Policy and to deliver on the Equality and Diversity agenda requires engagement from all staff not just those leading the organisation.

Q6 *How will the reduction of ICT help desk support officer affect Members. How and what will be different?*

Answer:

The proposal is to enable faults and emergencies to be reported electronically to maximise the investment in technology the Council has made. Staff will still be available to support Members therefore impact should be minimal.

Q7 *A number of proposals, including outsourcing of functions (Health & Safety and Property). How will these arrangements work and what will be the impact of the day to day operation?*

Answer:

The proposal includes for a third party to deliver the services previously provided by in-house staff. As with all services that are outsourced a contract will be let that will be managed by staff at the Council to ensure the Council continues to get effective service delivery in terms of day to day operation. It is simply that the interface will be with the provider of the service rather than the Councils own staff. The change will hopefully result in improved services at less cost to the Chorley council tax payer.

Q8 *Satisfaction with some services appears low. Is this being assessed regularly, and if not, how can we monitor this and take appropriate action?*

Answer:

The satisfaction ratings reports to Overview and Scrutiny are based on the best value satisfaction ratings undertaken three years ago. The Executive recognises that the Council needs to monitor more regularly and is taking steps to put in place a more robust mechanism for measuring satisfaction more regularly, these include:

- Expanding the Community Forum
- Refreshing the Citizens Panel
- Looking to repeat the Corporate Satisfaction Survey more regularly.

Q9 *What can be done to collect information on the cost of Central and Democratic core costs to enable comparison to be made in the future?*

See answer to question 1 above.

Q10 *How will the impact on Members of the removal of the year book and diary be mitigated.*

Answer:

The Executive have listened to the arguments made in relation to retaining the diary and as a result the diary will continue to be produced but at less cost to the taxpayer.

### CONCLUSIONS

9. I have hope through the responses given, the Council is able to see that the Executive have taken on board the various issues passed during Scrutiny and some appropriate action has been taken.

### RECOMMENDATION

10. That the Council notes the response made to the issues raised by Scrutiny Committee and others during the Budget Consultation.

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	15 February 2007	T:DoF/Executives Response to Budget Summary – Feb 2007

**Capital Programme - 2007/08 to 2009/10**

Scheme	2007/08 Current Estimate £	2007/08 Slippage £	2007/08 Other Changes £	2007/08 Revised Estimate £	2008/09 Current Estimate £	2008/09 Slippage £	2008/09 Revised Estimate £	2009/10 Current Estimate £	Total 2007/08 to 2009/10 £	External Funding £	CBC Funding £
<b>Strategy Group</b>											
<b>Policy &amp; Performance</b>											
Project Management Support Capitalisation A	40,000			40,000	40,000		40,000	40,000	120,000		120,000
External Funding Pot B		16,000		16,000					16,000		16,000
<b>Policy &amp; Performance Total</b>	<b>40,000</b>	<b>16,000</b>	<b>0</b>	<b>56,000</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>136,000</b>	<b>0</b>	<b>136,000</b>
<b>Strategy Group Total</b>	<b>40,000</b>	<b>16,000</b>	<b>0</b>	<b>56,000</b>	<b>40,000</b>	<b>0</b>	<b>40,000</b>	<b>40,000</b>	<b>136,000</b>	<b>0</b>	<b>136,000</b>
<b>Corporate &amp; Customer Challenge Group</b>											
<b>Human Resources</b>											
e-Enabling HR systems - Training B		30,000		30,000					30,000		30,000
<b>Human Resources Total</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>
<b>ICT Services</b>											
Website Development (incl. ICT salary capitalisation) A	30,000			30,000	30,000		30,000	30,000	90,000		90,000
Telephony B		122,000		122,000					122,000		122,000
<b>ICT Services Total</b>	<b>30,000</b>	<b>122,000</b>	<b>0</b>	<b>152,000</b>	<b>30,000</b>	<b>0</b>	<b>30,000</b>	<b>30,000</b>	<b>212,000</b>	<b>0</b>	<b>212,000</b>
<b>Property Services</b>											
Planned Maintenance of Fixed Assets A	200,000			200,000	200,000		200,000	200,000	600,000		600,000
Affordable Housing Project (Site Assembly) B		580,000		580,000					580,000	580,000	0
<b>Property Services Total</b>	<b>200,000</b>	<b>580,000</b>	<b>0</b>	<b>780,000</b>	<b>200,000</b>	<b>0</b>	<b>200,000</b>	<b>200,000</b>	<b>1,180,000</b>	<b>580,000</b>	<b>600,000</b>
<b>Corporate &amp; Customer Challenge Group Total</b>	<b>230,000</b>	<b>732,000</b>	<b>0</b>	<b>962,000</b>	<b>230,000</b>	<b>0</b>	<b>230,000</b>	<b>230,000</b>	<b>1,422,000</b>	<b>580,000</b>	<b>842,000</b>

**Capital Programme - 2007/08 to 2009/10**

Scheme

**Environment & Community Challenge Group**

**Development & Regeneration**

A Astley Park Improvements - Construction  
 A Disabled Facilities Grants  
 A Housing Renewal  
 A - Home Repair Grants  
 A - Energy Grants  
 A Regeneration Projects - Design Fees  
 A Provision of Affordable Housing (S106 funded)  
 B Regional Housing Pot Capital Grant funded schemes  
 B

**Development & Regeneration Total**

**Leisure & Cultural Services**

A Leisure Centres Capital Investment  
 A Duxbury Park Golf Course capital investment

**Leisure & Cultural Services Total**

**Streetscene, Neighbourhoods & Environment**

B Play/Recreation Facilities (S106 funded)  
 B DEFRA Waste Performance & Efficiency Grant scheme  
 B Replacement of recycling/litter bins & containers  
 B Computerised Cemetery records

**Streetscene, Neighbourhoods & Environment Total**

**Environment & Community Challenge Group Total**

**Capital Programme Total**

	2007/08 Current Estimate	2007/08 Slippage	2007/08 Other Changes	2007/08 Revised Estimate	2008/09 Current Estimate	2008/09 Slippage	2008/09 Revised Estimate	2009/10 Current Estimate	Total 2007/08 to 2009/10	External Funding	CBC Funding
	£	£	£	£	£	£	£	£	£	£	£
	643,620	1,004,010		1,647,630	35,340	254,050	289,390	0	1,937,020	1,576,540	360,480
	300,000			300,000	300,000		300,000	0	600,000	360,000	240,000
	200,000			200,000	200,000		200,000	0	400,000		400,000
		5,000		5,000					5,000		5,000
		35,000		35,000					35,000		35,000
	103,220			103,220	103,220		103,220	0	206,440		206,440
	79,720			79,720	122,900		122,900	0	202,620	202,620	0
		343,000	445,000	788,000					788,000	788,000	0
	<b>1,326,560</b>	<b>1,387,010</b>	<b>445,000</b>	<b>3,158,570</b>	<b>761,460</b>	<b>254,050</b>	<b>1,015,510</b>	<b>0</b>	<b>4,174,080</b>	<b>2,927,160</b>	<b>1,246,920</b>
	200,000			200,000	200,000		200,000	200,000	600,000		600,000
	476,230			476,230	34,850		34,850	0	511,080		511,080
	<b>676,230</b>	<b>0</b>	<b>0</b>	<b>676,230</b>	<b>234,850</b>	<b>0</b>	<b>234,850</b>	<b>200,000</b>	<b>1,111,080</b>	<b>0</b>	<b>1,111,080</b>
	15,000			15,000	19,630		19,630	0	34,630	34,630	0
	44,970			44,970	0		0	0	44,970	44,970	0
	50,000	13,670		50,000	50,000		50,000	50,000	150,000		150,000
				13,670					13,670		13,670
	<b>109,970</b>	<b>13,670</b>	<b>0</b>	<b>123,640</b>	<b>69,630</b>	<b>0</b>	<b>69,630</b>	<b>50,000</b>	<b>243,270</b>	<b>79,600</b>	<b>163,670</b>
	2,112,760	1,400,680	445,000	3,958,440	1,065,940	254,050	1,319,990	250,000	5,528,430	3,006,760	2,521,670
	<b>2,382,760</b>	<b>2,148,680</b>	<b>445,000</b>	<b>4,976,440</b>	<b>1,335,940</b>	<b>254,050</b>	<b>1,589,990</b>	<b>520,000</b>	<b>7,086,430</b>	<b>3,586,760</b>	<b>3,499,670</b>

**Capital Programme - 2007/08 to 2009/10**

Scheme

**Financing the Capital Programme**

Prudential Borrowing  
 Unrestricted Capital Receipts  
 Housing Investment Programme Restricted  
 Revenue Budget - Specific Revenue Reserves or Budgets  
 Revenue Savings

**CBC Resources**

Ext. Contributions - Developers  
 Ext. Contributions - Lottery Bodies

Government Grants - Disabled Facilities Grants  
 Government Grants - DEFRA

Government Grants - Housing Capital Grant

**External Funding**

**TOTAL CAPITAL FINANCING**

	2007/08 Current Estimate £	2007/08 Slippage £	2007/08 Other Changes £	2007/08 Revised Estimate £	2008/09 Current Estimate £	2008/09 Slippage £	2008/09 Revised Estimate £	2009/10 Current Estimate £	Total 2007/08 to 2009/10 £	External Funding £	CBC Funding £
	937,670	187,170		1,124,840	297,680	15,880	313,560	520,000	1,958,400		1,948,500
	300,000			300,000	508,930		508,930	0	808,930		808,930
	320,000	40,000		360,000	190,670		190,670	0	550,670		550,670
		59,670		59,670					59,670		59,670
		122,000		122,000					122,000		122,000
	1,557,670	408,840	0	1,966,510	997,280	15,880	1,013,160	520,000	3,499,670	0	3,499,670
	94,720	580,000		674,720	142,530		142,530	0	817,250	817,250	0
	505,400	816,840		1,322,240	16,130	238,170	254,300	0	1,576,540	1,576,540	0
	180,000			180,000	180,000		180,000	0	360,000	360,000	0
	44,970			44,970	0		0	0	44,970	44,970	0
		343,000	445,000	788,000			0	0	788,000	788,000	0
	825,090	1,739,840	445,000	3,009,930	338,660	238,170	576,830	0	3,586,760	3,586,760	0
	2,382,760	2,148,680	445,000	4,976,440	1,335,940	254,050	1,589,990	520,000	7,086,430	3,586,760	3,499,670

Category C Pipeline Projects - 2007/08 to 2009/10

Scheme

Projects Recommended to Proceed

Strategy Group

Policy & Performance

Pump priming the Local Public Services Board  
 Pump priming the Area Forum

**Policy & Performance Total**

**Strategy Group Total**

Corporate & Customer Challenge Group

Human Resources

HR Management System

**Human Resources Total**

ICT Services

Data Storage Solution  
 Legal Case Management System

**ICT Services Total**

**Corporate & Customer Challenge Group Total**

2007/08 Projects £	External Funding £	CBC Funding £	Source of Funding
50,000	50,000	0	LPSA1
50,000	50,000	0	LABGI
<b>100,000</b>	<b>100,000</b>	<b>0</b>	
<b>100,000</b>	<b>100,000</b>	<b>0</b>	
68,500		68,500	Borrowing
<b>68,500</b>	<b>0</b>	<b>68,500</b>	
67,350		67,350	Borrowing
31,750		31,750	Borrowing
<b>99,100</b>	<b>0</b>	<b>99,100</b>	
<b>167,600</b>	<b>0</b>	<b>167,600</b>	



Category C Pipeline Projects - 2007/08 to 2009/10

## Scheme

Environment & Community Challenge GroupDevelopment & Regeneration

Chapel Street Enhancement Phase IV  
 Common Bank - Big Wood Reservoir (revenue bid)  
 Delivering the Chorley Town Centre Strategy

Development & Regeneration TotalLeisure & Cultural Services

Village Hall & Community Centres Projects  
 Astley Hall/Park CCTV  
 Brinscall Swimming Pool Refurbishment

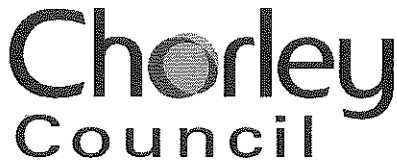
Leisure & Cultural Services TotalStreetscene, Neighbourhoods & Environment

Corporate Play Development Plan  
 Warden Patrol Vans/Digital CCTV Recorders  
 Enhanced Recycling/Kerbside Collection  
 Tree Management System (incl. IT hardware)  
 Cemetery Development  
 Intelligent Management Information

Streetscene, Neighbourhoods & Environment TotalEnvironment & Community Challenge Group Total**TOTAL PROJECTS RECOMMENDED TO PROCEED**

2007/08 Projects £	External Funding £	CBC Funding £	Source of Funding
95,000	95,000	0	S106
0	0	0	Revenue consequences
100,000	100,000	0	LABGI
<b>195,000</b>	<b>195,000</b>	<b>0</b>	
120,000		120,000	Borrowing
24,000	24,000	0	S106
190,000		190,000	Borrowing
<b>334,000</b>	<b>24,000</b>	<b>310,000</b>	
50,000		50,000	Borrowing
13,100	13,100	0	S106
158,000		158,000	Borrowing
15,290		15,290	Borrowing
13,000		13,000	Borrowing
50,000	50,000	0	S106
<b>299,390</b>	<b>63,100</b>	<b>236,290</b>	
<b>828,390</b>	<b>282,100</b>	<b>546,290</b>	
<b>1,095,990</b>	<b>382,100</b>	<b>713,890</b>	

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Report of	Meeting	Date
Report of Director of Finance	Council	27 February 2007

## STATUTORY REPORT ON THE BUDGET AND ANNUAL TREASURY MANAGEMENT STRATEGY

### PURPOSE OF REPORT

- To provide advice required under Section 25 of the Local Government Act 2003 and to seek approval of the Annual Treasury Management Strategy.

### CORPORATE PRIORITIES

- The budget is concerned with enabling corporate aims and objectives to be delivered through appropriate allocation of the Councils budgetary resources.

### RISK ISSUES

- The issues raised and recommendations made in this report involve the considerations in the following category.

Strategy		Information	
Reputation		Regulatory/Legal	✓
Financial	✓	Operational	
People		Other	

- The report is almost entirely concerned with means of addressing the various financial issues facing the Council, although regulatory legal risk is faced if due process in terms of compliance with the relevant legislation is not achieved.

### BACKGROUND

- Under the requirements of Section 25 of the Local Government Act 2003 the Chief Finance Officer is required to advise members when setting the budget as to the robustness of the budget and the adequacy of reserves. Treasury management issues are also now included as a specific requirement following the introduction of the Prudential Code for Capital Finance in Local Authorities. This report aims to fulfil all these various requirements.

### ADEQUACY OF RESERVES

- The Council for some time has established a budget based upon not using working balances to fund recurrent expenditure. Clearly this is good practice which delivers a prudent and sustainable budget. I would propose that, given the risk profile in terms of the budget that for 2007/08 balances are maintained in the range £0.75-£1.25m, but that over the medium term may be increased, dependant upon the outcome of Job Evaluation.



The level balances is a matter of judgement, however, there still remains the potential for further balances to be required given the risk profile, more details are set out in the paragraphs below.

7. Set out in the table below is a summary of the anticipated working balances and reserves the Council will have in hand over the medium term.

	Balance at 1/4/07	Balance at 1/4/08	Balance at 1/4/09
	£000	£000	£000
<b>Earmarked Reserves</b>			
Revenue Slippage	52	37	27
IT Development/e-Workforce	44	0	0
Building Control	50	50	50
Matched Funding	16	0	0
Innovation Fund	117	97	57
Local Development Framework	143	103	63
Performance Reward Grant	72	0	0
Transferred HRA Balance	0	0	900
Other	46	44	43

8. The table shows that after the stock transfer goes ahead the Council's working balances will increase from 2008. However, this position needs to be balanced against the increasing financial risks facing the Council at the moment in relation to concessionary travel and job evaluation.
9. The stock transfer process may also provide further additional one off monies in relation to stock and inventory, but these are not yet agreed. I will report on the eventual outcome post the stock transfer. Also included in the analysis is the PSA money now expected, which is significantly less than originally anticipated. In addition there is an assumption regarding LAGBI grant which is sufficient to cover commitments, as the details of actual grant are not yet available.

#### THE ROBUSTNESS OF THE ESTIMATE

10. There still remain a number of areas of significant risk to the Council and it's ability to deliver its budget. The majority of these areas are not unique to Chorley and are recurrent issues in many cases, given the nature of Local Authority business.
11. Given the proposed changes in the establishment, there are likely to be a number of redundancies (some voluntary and some possibly compulsory) within the latter part of this year or the early part of 2007/08. We have not yet applied for detailed calculations as to likely redundancy costs and ongoing pension strain on the general fund as these will not be known until later in the process. The CLG has also limited the directions required to capitalise such costs, so the situation needs to be carefully managed.
12. Accordingly there is a risk of additional revenue costs relating to redundancies that have not yet been included in the budget, although a sum of £500k is set aside in the Council's Capital programme with the associated revenue costs built into the 2007/08 forecast.
13. As soon as the plans from individual directors are agreed we will make the necessary applications, and I will update members accordingly on the impact on the revenue budget.

14. A current assumption included within the budget is that £103k of salary costs for the Development & Regeneration team working on capital schemes can be capitalised during the year. At present there are no approved capital schemes that utilise staff time from this directorate and accordingly, part or all of the £103k may impact on the general fund. This is considered to be a significant risk and mitigating plans need to be put in place, but will depend on the outcome of discussion on the scale and content of the Capital Programme.
15. Fee income from Planning Application Fees, Building Control Planning Fees and Building Control Inspection Fees total £664k in 2007/08. In recent years these budgets have proven quite volatile and have been difficult for the service directorate to predict in terms of programmed receipts.
16. Given that there is now limited opportunity for further, currently unplanned, development on Buckshaw Village or any other major site within the borough these budgets could cause us significant problems if not monitored closely. Additionally the recent interest rate rise in the Bank of England Base Rate could also slow down the amount of small-scale private development that generates approximately £421k or 63% of the total budget.
17. In firming up the underlying assumptions around the LSVT to CCH, £260k of income relating to SLA's has been included in this draft of the budget. These SLA's cover items from leasing office accommodation at Gillibrand Street to grounds maintenance and other front line service costs. At present negotiations are taking place with CCH around how these services will be delivered, but to date there has not been any formal agreement has yet been reached, although discussion is well advanced.
18. Additional funding from reserves has also been provided in the form of £66k for PCSO's and £30k for pump priming of the LSP. This is expected to be financed from the receipt of PSA1 grant due in the final quarter of 2006/07. Information received now shows the grant is less than expected, but enough to cover commitments.
19. The proposed future developments within the town centre known as Market Walk Phase 2 has been the subject of a separate report submitted by the Chief Executive to the Executive Cabinet and Council. Within the report reference is made to the potential impact on revenue resources, which will vary depending on how members decide to allocate the capital receipt for the sale of land, if the development proposals are approved.
20. The report indicates that the impact, primarily resulting from loss of car park income, is expected to be £94k in 2007/08 depending on how the capital receipt is to be utilised. As the details of the arrangement are not yet finalised this figure may change but I expect this to be at the margins. Home Office funding for community safety initiatives also remains a risk within our budgets. At present I have included £135k as the amount anticipated to be received in grants in order to directly fund community safety projects. A further assumption is that the projects themselves will total £135k thereby exactly matching the grant. In the event that the amount of grant received is lower than anticipated, the level of activity may need to be reduced.
21. At present there is also an assumption that £144k of Planning Delivery Grant (PDG) will be received in 2007/08. This is approximately two thirds of the value received in 2006/07 and is allocated to cover the costs of employment of a number of specific posts within Development & Regeneration and ICT Services. If the value of the grant is lower than that assumed in the current budget the authority will either need to identify savings, or consider the level of resourcing currently allocated to this work.
22. Concessionary Travel continues to be an area of risk for the Council's revenue budget. The two largest impacts that are anticipated are the introduction of smart card technology sometime in 2007 and the introduction of a national free travel scheme from 1st April 2008.

23. The introduction of Smart technology is a risk as it is highly likely that the costs recharged to the authority will increase when we are charged for journeys that concessionaires living in the borough make, rather than being recharged on the basis of a historical survey. At this stage it is not possible to quantify the size, given that to date the Smart Card technology has not been delivered, nor do I have any confidence, given the performance of the transport companies that the technology will be delivered by April 2007.
24. The introduction of a national free travel scheme also has the potential to impact on the revenue budget in later years. At this stage however, it is not possible to clearly state the level of the impact, as the precise details of the scheme are not known. The biggest risk to the authority would be from a scheme that is administered and funded centrally and therefore grant relating to travel would not be paid to Chorley as the Travel Concession Authority, but to the body that administers the scheme.

Job Evaluation remains a key variable that has the potential to impact significantly on the financial health of the Council. Whilst a worst case scenario is built into the forecasts the impact is plain for all to see.

### **FUTURE YEARS BUDGETS**

25. Appendix 2 of the main budget report shows the future year forecast and in summary shows that the Council will be able to deliver a balanced budget for 2007/08, but that in future years there is more work to be done.
26. The figures for 2008/09 are premised on an inflationary increase in Council Tax in both years, but show that even with an increase the size of the budget gap is significant. It will again be a policy choice for Members regarding the future levels of Council Tax. I shall be producing updated figures in the first quarter of the next financial year and producing the Council's financial strategy for dealing with issues faced by the Council. I would normally have the strategy produced within the budget cycle, but given the potential impact of both job evaluation and the stock transfer, I feel it is appropriate to wait until more robust information is available.

### **SAVINGS TARGETS AND BUDGET ASSUMPTIONS**

27. Inevitably the 2007/08 budget as in previous years contains a number of assumptions. However at this stage in the budget cycle plans are well advanced and there are very few speculative targets are currently factored into the budget. However key areas which remain as assumptions are:

Table 3 – Efficiency Savings

### **EFFICIENCY SAVINGS £'000**

Efficiency savings	(60,000)
TUPEII and SLA negotiation with Chorley	
Community Housing	(257,000)
Vacancy Savings	(228,000)
Reduction in Indoor Leisure costs to Management Fee	(25,000)
<b>TOTAL</b>	<b>(570,000)</b>

28. The table shows the total cost reductions included in the 2007/08 base budget that need to be delivered if the budget is to remain in balance. In relation to the particular items I would make the following observations.

**EFFICIENCY SAVINGS**

29. An annual target has previously been set by the Council. Again this target is usually met so I consider the risk to be minimal, and there are a number of schemes in the pipeline which I expect will contribute significantly to this target.

**VACANCY SAVINGS**

30. Traditionally the Council has achieved this target and a reduction to the base level of savings expected has been made in 2007/08 to reflect the fact that the Councils establishment has reduced, thus the opportunity for saving is also reduced.

**INCOME**

31. In terms of the income the Council generates from fees and charges, the bulk of the increases come from the following income streams:

Licensing Fees	£120k
Local Land Searches	£190k
Parking Fees	£780k
Market Toll	£300k
Planning and Building Control Fees	£664k
Investment Portfolio	£463k
<b>TOTAL</b>	<b>£2.517m</b>

32. In terms of the assumptions made, adjustments have been made to account for rent reviews, but the bulk of the income streams are subject to market competition and are demand led and a policy decision regarding the scale of fees has already been determined in relation to parking fees. Any significant increase in Land Search fees or Building Control fees could adversely affect income levels, where there is local competition for these services, so currently there are no changes proposed in this initial draft.

**CONCLUSION ON THE ADEQUACY OF RESERVES AND THE ROBUSTNESS OF THE BUDGET**

33. My overall conclusion therefore is that, whilst there are still some risks contained in the budget they are certainly no greater than those faced in previous years other than for Job Evaluation and Concessionary Travel. Whilst the impact of stock transfer has been mitigated to a great extent, the job evaluation process is still ongoing and will not be resolved for some time.
34. There are a number of dependencies built into the forecast, not least of which is the Job Evaluation outcome which will determine the final shape of the 2007/08 budget and the overall financial strategy of the Council. The Council has set an objective of making the process affordable, but only once negotiations are complete with the outcome be known.
35. Working balances will be mid range as compared to the target range set out in the Medium Term Financial Strategy and I propose that no change should be made to those limits until further information is available and I am able to update the Councils financial strategy.
36. With regard to the robustness of the budget for 2007/08 once again each service has had a line by line review completed of their budget and whilst there are still some issues to resolve clearly savings have been identified to bring the budget into balance. In almost all cases work is in hand to complete the work required and progress is well advanced. For this reason I believe the budget to be soundly based and achievable.

**TREASURY MANAGEMENT STRATEGY**

- 37. Appended to this report is the Annual Treasury Management Strategy which guides the Council in terms of its approach to borrowing and cash investments. For 2007/08 the Councils position in term of in particular cash to invest will change significantly where we will become cash rich as a result of the Capital Financing position regarding stock transfer.
- 38. Consequently, getting the investment strategy right is important if we are to achieve the targets set out and now include the Councils base budget.
- 39. Equally, borrowing at the right time to fund the Council’s Investment Programme is essential.

Whilst the Strategy is quite technical the message is relatively simple:

- Invest cash now as rate is likely to fall.
- Borrow at fixed rates and long.
- The Council’s borrowing is forecast to be well within the boundary set by the prudential code and is affordable.

**COMMENTS OF THE DIRECTOR OF HUMAN RESOURCES**

- 40. There are no direct Human Resource implications arising from this report.

**CONCLUSION**

- 41. The report set out the Councils overall financial position in relation to reserves and the delivery of a robust budget.
- 42. I have concluded that the budget is deliverable and does not represent a significant risk to the overall level of working balances the Council now has.
- 43. Likely future cost pressures indicate that it is prudent to maintain a significant level of working balances to protect the Council against that financial risk. Should that risk profile change in the light of more up to date information then this may require the Council to reassess its position.

**RECOMMENDATION(S)**

- 44. The Council are recommended to:
  - (a) Note of the Chief Finance Officer under S25 of the Local Government Act 2003 set out in this report and have regard to it when considering the budget for 2007/08.
  - (b) Approve the Treasury Management Strategy for 2007/08.

GARY HALL  
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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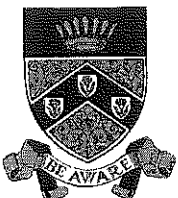
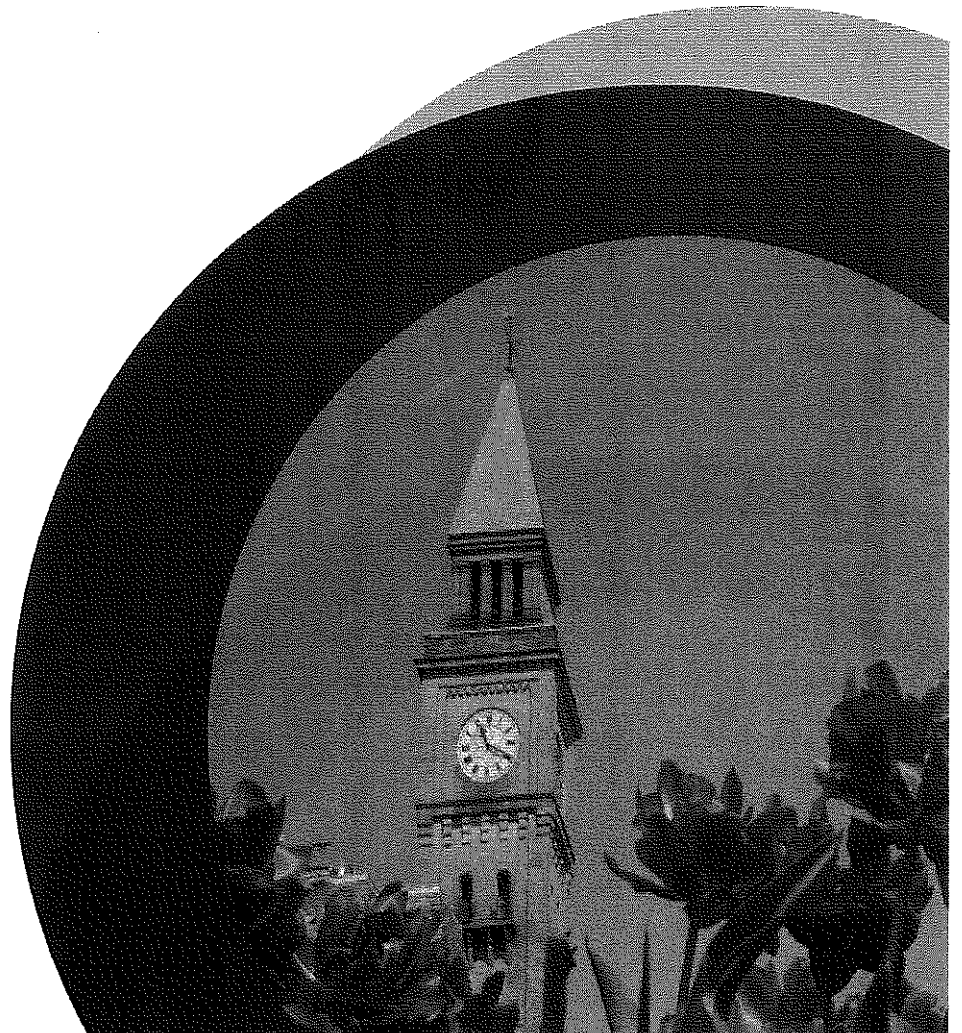


# Chorley Council

## Treasury Management Strategy Statement

and

## Annual Investment Strategy 2007/08



**TREASURY MANAGEMENT STRATEGY STATEMENT AND  
ANNUAL INVESTMENT STRATEGY 2007/08****1. INTRODUCTION**

The Local Government Act 2003 and supporting regulations requires the Council to 'have regard to' the Prudential Code and to set Prudential Indicators for the next three years to ensure that the Council's capital investment plans are affordable, prudent and sustainable.

The Act therefore requires the Council to set out its treasury strategy for borrowing and to prepare an Annual Investment Strategy (as required by Investment Guidance issued subsequent to the Act) (included as paragraph 9); this sets out the Council's policies for managing its investments and for giving priority to the security and liquidity of those investments.

The suggested strategy for 2007/08 in respect of the following aspects of the treasury management function is based upon the Treasury officers' views on interest rates, supplemented with leading market forecasts provided by, Sector Treasury, the Council's treasury advisor. The strategy covers:

- treasury limits in force which will limit the treasury risk and activities of the Council;
- Prudential Indicators;
- the current treasury position;
- the borrowing requirement;
- prospects for interest rates;
- the borrowing strategy;
- debt rescheduling;
- the investment strategy;
- the implications of the LSVT.

It is a statutory requirement under Section 33 of the Local Government Finance Act 1992, for the Council to produce a balanced budget. In particular, Section 32 requires a local authority to calculate its budget requirement for each financial year to include the revenue costs that flow from capital financing decisions. This, therefore, means that increases in capital expenditure must be limited to a level whereby increases in charges to revenue from: -

- (a) increases in interest charges caused by increased borrowing to finance additional capital expenditure, and
- (b) any increases in running costs from new capital projects

are limited to a level which is affordable within the projected income of the Council for the foreseeable future.

**2. TREASURY LIMITS FOR 2007/08 TO 2009/10**

It is a statutory duty under S.3 of the Local Government Act 2003 and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Affordable Borrowing Limit". In England and Wales the Authorised Limit represents the legislative limit specified in section 3 of the Local Government Act 2003.

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax and council rent levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years.

**3. PRUDENTIAL INDICATORS FOR 2007/08 – 2009/10**

The following prudential indicators (in table 2 below) are relevant for the purposes of setting an integrated treasury management strategy.

PRUDENTIAL INDICATOR	2005/06	2006/07	2007/08	2008/09	2009/10
(1). EXTRACT FROM BUDGET AND RENT SETTING REPORT	£'000	£'000	£'000	£'000	£'000
	actual	probable outturn	estimate	estimate	estimate
<b>Capital Expenditure</b>					
Non - HRA	7,910	11,793	3,479	1,336	520
HRA (applies only to housing authorities)	2,245	1,974	0	0	0
<b>TOTAL</b>	<b>10,155</b>	<b>13,767</b>	<b>3,479</b>	<b>1,336</b>	<b>520</b>
<b>Ratio of financing costs to net revenue stream</b>					
Non - HRA	1.7%	1.9%	0.9%	1.5%	2.1%
<b>Net borrowing requirement</b>					
brought forward 1 April	0	269	1,055	2,707	3,005
carried forward 31 March	269	1,055	2,707	3,005	3,525
in year borrowing requirement	269	786	1,652	298	520
<b>Capital Financing Requirement as at 31 March</b>					
Non – HRA	11,587	11,663	5,873	7,494	7,670
HRA (applies only to housing authorities)	2,419	2,499	0	0	0
<b>TOTAL</b>	<b>14,006</b>	<b>14,162</b>	<b>5,873</b>	<b>7,494</b>	<b>7,670</b>
<b>Annual change in Cap. Financing Requirement</b>					
Non – HRA	0	76	(5,790)	1,621	176
HRA (applies only to housing authorities)	0	80	(2,499)	0	0
<b>TOTAL</b>	<b>0</b>	<b>156</b>	<b>(8,289)</b>	<b>1,621</b>	<b>176</b>
<b>Incremental impact of capital investment decisions</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>	<b>£ p</b>
Increase in council tax (band D) per annum *	0.00	0.00	2.72	6.86	7.35
* or increase in precept for police, fire or other precepting authorities					

PRUDENTIAL INDICATOR	2005/06	2006/07	2007/08	2008/09	2009/10
<b>(2). TREASURY MANAGEMENT PRUDENTIAL INDICATORS</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
	<b>actual</b>	<b>probable outturn</b>	<b>estimate</b>	<b>estimate</b>	<b>estimate</b>
<b>Authorised Limit for external debt -</b>					
borrowing	1,500	2,100	3,980	3,980	4,980
other long term liabilities	6,500	900	20	20	20
<b>TOTAL</b>	<b>8,000</b>	<b>3,000</b>	<b>4,000</b>	<b>4,000</b>	<b>5,000</b>
<b>Operational Boundary for external debt -</b>					
borrowing	500	1,100	2,980	2,980	3,980
other long term liabilities	6,800	900	20	20	20
<b>TOTAL</b>	<b>7,000</b>	<b>2,000</b>	<b>3,000</b>	<b>3,000</b>	<b>4,000</b>
<b>Upper limit for fixed interest rate exposure</b>					
Net principal re fixed rate borrowing / investments	100%	100%	100%	100%	100%
<b>Upper limit for variable rate exposure</b>					
Net principal re variable rate borrowing / investments	30%	30%	30%	30%	30%
<b>Upper limit for total principal sums invested for over 364 days (per maturity date)</b>	10m	10m	10m	10m	10m

Maturity structure of fixed rate borrowing during 2007/08	upper limit	lower limit
	under 12 months	10%
12 months and within 24 months	10%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	50%	0%
10 years and above	100%	0%

**4. CURRENT PORTFOLIO POSITION**

The Council's treasury portfolio position at 31/01/07 comprised:

		Principal		Ave. rate
		£m		%
Fixed rate funding	PWLB	0		
	Market	<u>0</u>	0	0
Variable rate funding	PWLB	0		
	Market	<u>0</u>	0	0
Other long term liabilities			<u>0</u>	
<b>TOTAL DEBT</b>			<u><u>0</u></u>	<b>0</b>
<b>TOTAL INVESTMENTS</b>			<b>£925,004</b>	<b>@ 5.087871</b>

**5. BORROWING REQUIREMENT**

	2005/06	2006/07	2007/08	2008/09	2009/10
	£'000 actual	£'000 probable	£'000 estimate	£'000 estimate	£'000 estimate
New borrowing	0	1,055	1,652	298	520
Alternative finance arrangements	0	0	0	0	0
Replacement borrowing	0	0	0	0	0
<b>TOTAL</b>	<b>0</b>	<b>1,055</b>	<b>1,652</b>	<b>298</b>	<b>520</b>

**6. PROSPECTS FOR INTEREST RATES**

The Council has appointed Sector Treasury Services as treasury adviser to the Council and part of their service is to assist the Council to formulate a view on interest rates. Appendix A draws together a number of current City forecasts for short term (Bank Rate) and longer fixed interest rates. The following table gives the Sector central view.

**Sector interest rate forecast – 29 January 2007**

	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007	Q/F1 2008	Q/F2 2008	Q/E3 2008	Q/F4 2008	Q/F1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/F1 2010	Q/F2 2010	Q/E3 2010
Bank rate	5.50%	5.50%	5.25%	5.00%	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
5yr PWLB rate	5.50%	5.25%	5.00%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
10yr PWLB rate	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
25yr PWLB rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
50yr PWLB rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%

**Sector’s current interest rate view is that Bank Rate will:**

- **peak at 5.50% in quarter 1 2007**
- **fall to 5.25% in Q3 2007 and then to 5.00% in Q4 2007**
- **fall to 4.75% in Q3 2008 and then to 4.50% in Q1 2009 before rising back to 4.75% in Q1 2010.**

**7. BORROWING STRATEGY**

**The Sector forecast is as follows:**

- **The 50 year PWLB rate is expected to remain flat at 4.25%. As the Sector forecast is in 25bp segments there is obviously scope for the rate to move around the central forecast by +/- 25bp without affecting this overall forecast.**
- **The 25-30 year PWLB rate is expected to stay at 4.50% for the foreseeable future.**
- **The 10 year PWLB rate will fall from 5.00% to 4.75% in Q3 2007 and then fall again to 4.50% in Q1 2008 and remain at that rate for the foreseeable future.**
- **5 year PWLB rate will fall from 5.50% to 5.25% in Q2 2007 and continue falling until reaching 4.5% in Q1 2008 when it will remain at that rate for the foreseeable future.**

This forecast indicates, therefore, that the borrowing strategy for 2007/08 should be set to take very long dated borrowing at any time in the financial year. Variable rate borrowing and borrowing in the five year area are expected to be more expensive than long term

borrowing and will therefore be unattractive throughout the financial year compared to taking long term borrowing.

When the 50 year PWLB rate falls back to the central forecast rate of 4.25%, borrowing should be made in this area of the market at any time in the financial year. This rate will be lower than the forecast rates for shorter maturities in the 5 year and 10 year area. A suitable trigger point for considering new fixed rate long term borrowing, therefore, would be 4.25%.

Against this background caution will be adopted with the 2007/08 treasury operations. The Director of Finance will monitor the interest rate market and adopt a pragmatic approach to changing circumstances, reporting any decisions.

**Sensitivity of the forecast** - The main sensitivities of the forecast are likely to be the two scenarios below. The Council officers, in conjunction with the treasury advisers, will continually monitor both the prevailing interest rates and the market forecasts, adopting the following responses to a change of sentiment:

- *if it were felt that there was a significant risk of a sharp rise in long and short term rates, perhaps arising from a greater than expected increase in world economic activity or further increases in inflation, then the portfolio position will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates were still relatively cheap.*
- *if it were felt that there was a significant risk of a sharp fall in long and short term rates, due to e.g. growth rates weakening, then long term borrowings will be postponed, and potential rescheduling from fixed rate funding into short term funding will be considered.*

## 8. DEBT RESCHEDULING

If the Council chooses to borrow, opportunities to restructure long term debt will be monitored on an ongoing basis.

The reasons for any rescheduling to take place will include:

- the generation of cash savings at minimum risk;
- in order to help fulfil the strategy outlined in paragraph 7 above; and
- In order to enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

## 9. ANNUAL INVESTMENT STRATEGY

### 9.1 Investment Policy

The Council will have regard to the ODPM's Guidance on Local Government Investments ("the Guidance") issued in March 2004 and CIPFA's Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes ("the CIPFA TM Code"). The Council's investment priorities are:

- (a) the security of capital and



(b) the liquidity of its investments.

The Council will also aim to achieve the optimum return on its investments commensurate with proper levels of security and liquidity.

The borrowing of monies purely to invest or on-lend and make a return is unlawful and this Council will not engage in such activity.

Investment instruments identified for use in the financial year are listed below under the 'Specified' and 'Non-Specified' Investments categories. Counterparty limits will be as set through the Council's Treasury Management Practices – Schedules.

**Specified Investments**

(All such investments will be sterling denominated, with maturities up to maximum of 1 year, meeting the minimum 'high' rating criteria where applicable)

	* Minimum 'High' Credit Criteria	Use
Debt Management Agency Deposit Facility	--	In-house
Term deposits – local authorities	--	In-house
Term deposits – banks and building societies **	* Short-term F1, Long-term A, Individual C, Support 2	In-house and fund managers

Fixed term deposits with variable rate and variable maturities: -		
1. Callable deposits	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers
2. Range trade	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers
3. Snowballs	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers
Certificates of deposits issued by banks and building societies	* Short-term F1, Long-term A, Individual C, Support 2	In-house buy and hold and fund managers
UK Government Gilts	Long term AAA	In-house buy and hold and Fund Managers
Bonds issued by multilateral development banks	Long term AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Bonds issued by a financial institution which is guaranteed by the UK government	Long term AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers
Sovereign bond issues (i.e. other than the UK govt)	AAA	In house on a 'buy and hold basis' and Fund Managers
Treasury Bills	--	Fund Managers
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs):</b>		
-		
1. Money Market Funds	* Short-term __, Long-term __ volatility rating	In-house and fund managers
2. Enhanced cash funds	* Short-term __, Long-term __ volatility rating	In-house and fund managers
3. Short term funds	* Short-term __, Long-term __ volatility rating	In-house and fund managers
4. Bond Funds	* long-term AA- (to 2 years) *** long-term AA- (2 to 5 years) *** Volatility Rating?	In-house and Fund Managers
5. Gilt Funds	* long-term AA- (to 2 years) *** long-term AA- (2 to 5 years) *** Volatility Rating?	In-house and Fund Managers

\* LA to specify

\*\* If forward deposits are to be made, the forward period plus the deal period should not exceed one year in aggregate.

**Non-Specified Investments**

**1. Maturities of ANY period.**

	<b>* Minimum Credit Criteria</b>	<b>Use</b>	<b>*** Max % of total investments</b>	<b>Max. maturity period</b>
<i>(if using)</i> Term deposits with unrated counterparties : any maturity	* <i>state alternative to credit criteria</i>	In-house	0%	0 years
Corporate Bonds : <i>the use of these investments would constitute capital expenditure</i>	* Long-term AA- (to 2 years), * Long-term AA (2 to 5 years),	In house on a 'buy and hold basis' and Fund Managers	25%	10 years
Floating Rate Notes : <i>the use of these investments would constitute capital expenditure unless they are issued by a multi lateral development bank</i>	* Long-term AA- (to 2 years), * Long-term AA (2 to 5 years),	Fund managers	25%	5 years

**2. Maturities in excess of 1 year**

Term deposits – local authorities	--	In-house	25%	5 years
Term deposits – banks and building societies	* Short-term __, Long-term __, Individual __, Support __	In-house	25%	5 years
<b>Fixed term deposits with variable rate and variable maturities</b>				
1. Callable deposits	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers	25%	5 years
2. Range trade	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers		
3. Snowballs	* Short-term __, Long-term __, Individual __, Support __	In-house and fund managers		
Certificates of deposits issued by banks and building societies	* Short-term __, Long-term __, Individual __, Support __	In house on a 'buy and hold basis' and Fund managers	25%	5 years
UK Government Gilts	AAA	In house on a 'buy and hold basis' and Fund Managers	100%	10 years
Bonds issued by multilateral development banks	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	25%	10 years
Bonds issued by a financial institution which is guaranteed by the UK government	AAA	In-house on a 'buy-and-hold' basis. Also for use by fund managers	25%	10 years
Sovereign bond issues (i.e. other than the UK govt)	AAA (or state your criteria if different)	In house on a 'buy and hold basis' and Fund Managers	100%	10 years
Property fund: <i>the use of these investments would constitute capital expenditure</i>	--	Fund manager		
<b>Collective Investment Schemes structured as Open Ended Investment Companies (OEICs)</b>				
1. Bond Funds	* long-term __ volatility rating	In-house and Fund Managers		
2. Gilt Funds	* long-term __ volatility rating	In-house and Fund Managers		

\* LA to specify

The Council uses Fitch ratings to derive its counterparty criteria. Where a counterparty does not have a Fitch rating, the equivalent Moody's (*or other rating agency if applicable*) rating will be used. All credit ratings will be monitored monthly. The Council is alerted to changes in Fitch ratings through its use of the Sector creditworthiness service. If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

## 9.2 Investment Strategy

The Council's funds are managed on a non-discretionary basis by Sector Treasury Services who are contractually required to comply with this strategy.

The Council will discuss with its adviser instruments that they consider may be prudently used to meet the Council's investment objectives. The Council will evaluate the risk-reward characteristics of asset categories to decide whether to use instruments that complied with the Guidance.

The management agreement between the Council and the adviser formally document the terms for management, including guidelines and instruments they can use within pre-determined limits.

### **In-house funds:**

The Council's funds are currently entirely cash-flow. However, the Council is undertaking an LSVT during March 2007 and, accordingly, it is anticipated that core cash limits of approximately £8.5m will emerge which can be invested in the longer term. In the event of this changing, investments will accordingly be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e. rates for investments up to 12 months).

### **Interest rate outlook:**

Sector is forecasting Bank Rate to peak at 5.5% in Q1 2007 before falling to 5.25% in Q3 2007, to 5.00% in Q4 2007, to 4.75% in Q3 2008 and then to trough at 4.50% in Q1 2009, remaining at that level before rising again to 4.75% in Q1 2010.

Councils should, therefore, seek to lock in longer period investments at higher rates before this fall starts for some element of their investment portfolio which represents their core balances. For 2007/8 clients should budget for an investment return of 5.00%

The Council has identified the following trigger points for investments as follows:

- << 5.60% >> for 1-year lending
- << 5.60% >> for 2 year lending
- << 5.60% >> for 3 year lending
- << 5.50% >> for 4 year lending
- << 5.50% >> for 5 year lending

The 'trigger points' will be kept under review and discussed with Sector so that investments can be made at the appropriate time.

For its cash flow generated balances, the Council will seek to utilise its business reserve accounts and short-dated deposits (over night to three months) in order to benefit from the compounding of interest.

### **End of year investment report**

At the end of the financial year, the Council will report on its investment activity as part of its Annual Treasury Report.

**10. LARGE SCALE VOLUNTARY TRANSFER (LSVT)**

A proposed future LSVT, which is expected to be undertaken in March 2007, raises a number of complex and critical decisions which have been considered and planned for in advance of the physical cash transaction taking place. There is an overhanging debt payment from the Department of Communities and Local Government (formerly ODPM) to repay PWLB debt. In order to facilitate this transaction the Council will need to borrow long term funds from the PWLB and for this loan to be repaid at the time of the LSVT. As a result, the positioning/structure of borrowing will need to be considered from the outset, along with a strategy which takes account of the risk that the transfer may not proceed. This treasury management strategy therefore facilitates the necessary potential degree of flexibility required to manage the process.

**APPENDIX A**

**INTEREST RATE FORECASTS**

The data below shows a variety of forecasts published by a number of institutions. The first three are individual forecasts including those of UBS and Capital Economics (an independent forecasting consultancy). The final one represents summarised figures drawn from the population of all major City banks and academic institutions.

The forecast within this strategy statement has been drawn from these diverse sources and officers' own views.

**1. INDIVIDUAL FORECASTS**

**Sector interest rate forecast – 29.1.2007**

	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007	Q/E1 2008	Q/E2 2008	Q/E3 2008	Q/E4 2008	Q/E1 2009	Q/E2 2009	Q/E3 2009	Q/E4 2009	Q/E1 2010	Q/E2 2010	Q/E3 2010
Bank rate	5.50%	5.50%	5.25%	5.00%	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.75%	4.75%	4.75%
5yr PWLB rate	5.50%	5.25%	5.00%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
10yr PWLB rate	5.00%	5.00%	4.75%	4.75%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
25yr PWLB rate	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%	4.50%
50yr PWLB rate	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%	4.25%

**Capital Economics interest rate forecast – 6.2.2007**

	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007	Q/E1 2008	Q/E2 2008	Q/E3 2008	Q/E4 2008
Bank rate	5.25%	5.50%	5.50%	5.25%	5.00%	4.50%	4.50%	4.50%
5yr PWLB rate	5.55%	5.15%	4.85%	4.65%	4.45%	4.55%	4.65%	4.75%
10yr PWLB rate	5.15%	4.85%	4.45%	4.45%	4.55%	4.65%	4.75%	4.85%
25yr PWLB rate	4.45%	4.35%	4.25%	4.25%	4.25%	4.35%	4.45%	4.55%
30yr PWLB rate	4.25%	4.15%	3.95%	4.05%	4.05%	4.15%	4.25%	4.35%
50yr PWLB rate	4.05%	3.95%	3.95%	4.05%	4.05%	4.15%	4.15%	4.25%

**UBS interest rate forecast (for quarter ends) – 15.1.2007**

	Q/E1 2007	Q/E2 2007	Q/E3 2007	Q/E4 2007	Q/E1 2008	Q/E2 2008	Q/E3 2008	Q/E4 2008
Bank rate	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%	5.25%
10yr PWLB rate	4.85%	4.80%	4.80%	4.80%	4.80%	4.80%	4.80%	4.90%
25yr PWLB rate	4.25%	4.25%	4.25%	4.30%	4.35%	4.40%	4.45%	4.55%
50yr PWLB rate	4.15%	4.15%	4.25%	4.35%	4.40%	4.45%	4.55%	4.65%

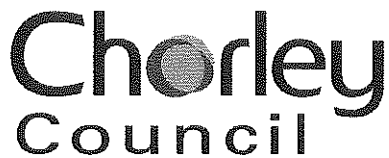
**2. SURVEY OF ECONOMIC FORECASTS**

**HM Treasury** – January 2007 summary of forecasts of 26 City and 14 academic analysts for Q4 2006 and 2007. (2008 – 2010 are as at November 2006 but are based on 18 forecasts)

	bank rate	Quarter ended		annual average bank rate		
	actual	Q4 2006	Q4 2007	ave. 2008	ave. 2009	ave. 2010
Indep. forecasters BoE Bank Rate	5.25%	4.98%	4.97%	4.86%	4.88%	4.85%
Highest bank rate	5.25%	5.00%	5.80%	5.90%	5.60%	6.10%
Lowest bank rate	5.25%	4.75%	4.50%	3.75%	4.00%	4.00%

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Report of	Meeting	Date
Shadow Cabinet	Council	27 February 2007

## **ALTERNATIVE BUDGET 2007/2008**

### **PURPOSE OF REPORT**

1. The purpose of the report is to propose an alternative budget for consideration by the Council.

### **BACKGROUND**

2. The current Administration have proposed a series of savings and investment options which develop further the building blocks put in place by the previous Administration.
3. However, there are areas where there are significant differences between the Shadow Cabinet and the current Administration. This paper examines those areas and puts forward an alternative approach for consideration by Members of the Council.

### **SPEND V TAX DEBATE**

4. The Administration have proposed no increase in the Chorley element of the Council Tax. We believe that this is a mistake, one which fundamentally undermines the capability to continue to deliver the quality of services the public now expects from this Council.
5. Such a strategy is unsustainable and is therefore a short-term political gimmick with long term implications for the Council. In total for the financial planning period a total of almost £1m in resources is lost to the Council. Resources that could have been spent on improving services to the public.
6. The average saving to a band D property being in the region of £0.09 per week, and for the majority of the Council tax payers who live in properties banded A – C, the savings would be less, at around £0.07 per week. (These figures exclude special expenses and all other precepts.)

### **ALTERNATIVE BUDGET**

7. As is clear from comments in the previous paragraphs we believe that the public is prepared to accept reasonable increases in Council tax for continued good service. Additionally the budget is premised on a number of assumptions, some of which we believe are pessimistic in nature and if changed create the opportunity for extra cash to be available to fund the Shadow Cabinet spending proposals. Set out in the table below is a summary of how the shadow cabinet would generate additional resources.



**Table 1 – Additional Funding**

	£
Increase Council tax by 3.2%	192,000
Amend the assumption regarding the cost of job evaluation from a 2% increase to 1%	128,000
Headroom identified in budget update	39,000
<b>Total additional resources available</b>	<b>359,000</b>

8. The table shows that the Alternative budget would be based on a less than inflationary Council tax increase. In addition the change in assumption of the anticipated cost of job evaluation would generate more budget headroom. The former Administration made it absolutely clear that the job evaluation process must be an affordable exercise. Whilst we accept there may have to be some additional costs it must be contained within the financial parameters set.
9. As a consequence of the proposed actions to generate additional budget headroom, opportunities will exist to revisit some of the policy decisions taken by the Administration in relation to the budget. Set out in the table below is a summary of the shadow cabinet’s alternative spending proposals.

**Table 2 Spending Proposals - Recurrent Expenditure**

	£	£
Additional budget available		359,000
Spending proposals		
Reinstate 10 Neighbourhood Wardens	229,000	
Remove the charge for rodent control	10,000	
Additional street cleansing	70,000	
Additional Activities for Young People	50,000	359,000

10. The table shows that the Shadow Cabinet are fundamentally opposed to two of the Administration’s budget proposals namely:

**Neighbourhood Wardens and Anti-Social behaviour**

11. The previous Administration recognised the value of having a responsive local service, supplementing the services offered by the Police in terms of dealing with what is termed low level crime (juvenile nuisance, anti-social behaviour and environmental vandalism) but which constantly blights the lives of ordinary people.
12. We believe the proposal to fund Police Community Support Officers rather than the Council’s Neighbourhood Wardens Scheme is flawed and will result in a lesser service being offered to our residents. We also believe that the Police will not be able to respond in the same way that the Neighbourhood Wardens have nor will they build the same

bridges with, in the main, young people who are currently the cause of much of the reported activity.

13. The Shadow Cabinet’s proposal to increase the resources available for young peoples’ activities is complementary to reinstating the Neighbourhood Wardens scheme. Our strategy is to create diversionary activities for young people. The success of the Get Up and Go programme is evident, but this cash would be used specifically to target some of the harder to reach groups who traditionally do not take part in the mainstream activities currently on offer.

**THE ENVIRONMENT**

14. One of the Council’s key priorities is to improve the look and feel of Chorley particularly as a place to live. Much of the tax payers’ dissatisfaction with the Council is in regard to street cleanliness where, even though our BVPI performance is good, people still believe that cleanliness could be improved.
15. Consequently the Shadow Cabinet propose to increase the amount spent on street cleansing. The Council’s use of resource analysis and budget scrutiny identified that in comparison with others Chorley spends significantly less on street cleansing. We propose to spend an additional £70k to fund 3 extra street cleansing operatives to provide additional capacity but to focus on smaller shopping centres and other problem areas around the district.
16. With regard to charging for rodent control services, this is a service that has always been free to encourage residents to report infestation. These infestations, if not dealt with, could potentially result in an increased risk to public health. Using the Council as the first point of contact for this service allows it to gather information which can be used to monitor trends and issues for something that is becoming an increasing problem. For these reasons the Shadow Cabinet propose that this service continues to be offered totally free.
17. In addition to the additional spend on recurrent expenditure, the Shadow Cabinet also propose to incur some non recurrent expenditure to be financed from the Council’s working balance.

Set out in the table below is a summary of the proposals:

**Table 3 Spending Proposals – Non-Recurrent Expenditure**

	£’000
Implement free concessionary travel for one year.	160
Provide more alley gating schemes	40
	200

18. The table shows that the Shadow Cabinet propose to commit £200k of the £1m of working balance that will be available for 2007/08 and beyond.

19. With regard to concessionary travel, whilst a free scheme will be implemented from April 2008, the Shadow Cabinet believes that it would be appropriate to begin the scheme earlier than planned. Theoretically the scheme will be funded from 2008/2009 therefore the Council will be required to fund the scheme for one year. Many of the Borough's residents would benefit from the early implementation.
20. The scheme to pay for more alley gates is based upon the success of the schemes currently operation. Community Safety is a key element of improving neighbourhoods and we believe that a relatively small investment would contribute significantly to residents feeling safer in their own homes.

The working balances would be restored post stock transfer from a number of potential sources, which will become available. The details of the proposal and relevant resolutions are shown in the Appendices attached.

### **SUMMARY AND CONCLUSIONS**

21. This Alternative budget is designed to ensure the Council builds on its current performance, invests in the right areas and delivers no reduction in the levels of service our residents enjoy.
22. There are fundamental differences with regard to the level of Council tax to be raised in 2007/08 and we fundamentally oppose a number of the Administration's proposals, particularly with regard to the Neighbourhood Wardens, who we feel offer a valued and important service to our residents.
23. Our proposals to extend the concessionary travel scheme to free travel for our residents is prudent in the fact it is a one year cost only.
24. The Shadow Cabinet believes our budget represents a better offer for residents who will acknowledge that they are prepared to pay a reasonable increase in Council tax for services to be maintained.

### **STATUTORY 25 REPORT**

25. Under the Local Government Act 2003, the Chief Finance Officer is expected to comment on any budget proposals in terms of their deliverability in financial terms alone. The policy choices are for members alone to decide. Therefore with regard to the financial aspects of the Alternative budget I have the following comments.
26. The proposed Council tax increase of 3.2% is within the target set by the government and will be within the CAP of 5%.

With regard to the adjustment to the assumption on the cost of the single status review, at this stage the likely cost is unknown. Therefore having a lesser provision increases the risk of unbudgeted costs occurring. The level of working balances is a key mitigating factor as, if the Council can pay the costs, affordability can be dealt with over the longer term.

27. As working balances will be circa £800k after allowing for funding the one off items. This represents a position within the range I have identified as acceptable. As such the proposal is fundable.
28. With regard to the spending proposals, the costs are based upon realistic assumptions and will therefore be compatible with the cash totals allowed and as presented.

	2006/07 £000	2007/08 £000	2008/09 £000	2009/10 £000
Base Budget Requirement	15,330	16,231	16,833	17,855
Less				
Recharges	-	3	20	20
Capital Charges	(2,581)	(2,581)	(1,998)	(1,984)
<b>Cash Base Budget Requirement</b>	<b>12,750</b>	<b>13,654</b>	<b>14,855</b>	<b>15,891</b>
Inflation				
Pay	352	325	334	355
Pensions	110	112	83	-
Non-Pay	90	62	34	23
Contractual	52	126	42	16
Income	91	13	(32)	(33)
Increments	118	96	85	61
Revenue Effects of the Capital Programme	(1)	10	50	-
Volume - Income	-	168	189	-
Volume - Expenditure	521	405	(277)	(20)
Investment	141	795	54	-
Savings - Star Chamber	-	(1,265)	74	(4)
Savings - Other	(580)	(416)	-	-
Senior Management Review		(114)		
Growth Proposals	245	-	-	-
Recharges Adjustments	-	34	-	-
Effects of stock transfer - To HRA	-	766	-	-
Effects of stock transfer - From HRA	-	(50)	-	-
Effects of stock transfer - Non Recharge Income	-	84	-	-
Effects of stock transfer - Reduction in cost	-	(105)	-	-
Effects of stock transfer - Other	-	55	-	-
Effects of stock transfer - Service Level Agreements	-	(76)	160	-
Contingency:				
- Genuine	100	-	-	-
- Salary Related Savings	(278)	10	-	-
- Procurement Savings	(35)	-	-	-
- Gershon Savings	(25)	-	-	-
- Headroom for Capital Investment	-	40	-	-
- Job Evaluation	-	128	241	248
- Housing Stock Transfer	-	-	-	-
<b>Directorate &amp; Corporate Cash Budgets</b>	<b>13,651</b>	<b>14,855</b>	<b>15,892</b>	<b>16,538</b>
Base Recharges	-	(3)	(20)	(20)
In year transfer of recharges to cash budgets	-	(17)	-	-
Capital:	2,581	1,684	1,998	1,984
In year transfer of capital	-	314	(14)	-
<b>Total Recharges</b>	<b>2,581</b>	<b>1,978</b>	<b>1,964</b>	<b>1,964</b>
<b>Total Directorate &amp; Corporate Budgets</b>	<b>16,231</b>	<b>16,833</b>	<b>17,855</b>	<b>18,502</b>
Reversal of Capital Charges	(1,412)	(1,678)	(1,678)	(1,678)
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	148	(234)	(234)	(234)
- Recharged Interest to HRA	(88)	-	-	-
- MRP less Commutation Adjustment	159	30	30	30
<b>Net Operating Expenditure</b>	<b>15,039</b>	<b>14,951</b>	<b>15,974</b>	<b>16,620</b>
Revenue Contribution to Capital	54	-	-	-
Use of Earmarked Reserves				
- e-Workforce Reserve	(34)	-	-	-
- Capital Financing Reserve re: Def Chge w/os	(1,168)	(320)	(320)	(320)
- Units Earmarked Reserves	(140)	(151)	(55)	(55)
Use of General Balances	-	(200)	-	-
<b>Total Expenditure</b>	<b>13,751</b>	<b>14,280</b>	<b>15,599</b>	<b>16,245</b>
Financed By				
Council Tax - Borough	(5,960)	(6,211)	(6,262)	(6,514)
Parish Precepts	550	550	550	550
Council Tax Parishes	(550)	(550)	(550)	(550)
Aggregate External Finance	(7,743)	(8,009)	(8,250)	(8,450)
Collection Fund Surplus	(49)	(60)	-	-
<b>Total Financing</b>	<b>(13,751)</b>	<b>(14,280)</b>	<b>(14,512)</b>	<b>(14,964)</b>
<b>Net Expenditure</b>	<b>(0)</b>	<b>0</b>	<b>1,087</b>	<b>1,281</b>
Analysis of Net Expenditure (Budget Gap)				
Net Expenditure Brought Forward	-	-	(0)	1,087
Net Expenditure in Year	-	0	1,087	194
<b>Net Expenditure Carried Forward</b>	<b>-</b>	<b>0</b>	<b>1,087</b>	<b>1,281</b>

**ANALYSIS OF MAJOR VARIANCES BETWEEN 2006/07 AND 2007/08 ESTIMATES**

Appendix 1

	DRAFT BUDGET £	BUDGET CHANGES £	TOTAL VARIANCES £
<b><u>INFLATION NON-PAY</u></b>			
Car Leases/NNDR/Insurances/Utilities/Subscriptions/Other	62,570		62,570
	<b>62,570</b>	<b>0</b>	<b>62,570</b>
<b><u>CONTRACTUAL</u></b>			
CLS contract	(21,970)	24,620	2,650
Refuse Collection - Market Walk	11,530		11,530
Rental Income	(21,270)		(21,270)
Refuse Contract	118,600	14,000	132,600
	<b>86,890</b>	<b>38,620</b>	<b>125,510</b>
<b><u>REVENUE EFFECTS OF CAPITAL PROGRAMME</u></b>			
Astley Park Grounds Maintenance	10,000		10,000
	<b>10,000</b>	<b>0</b>	<b>10,000</b>
<b><u>VOLUME - INCOME</u></b>			
Housing Benefit Grants/Subsidy	100,670	23,040	123,710
Licensing Income	(22,360)	(13,990)	(36,350)
Planning Delivery Grant - reduction in anticipated grant for 2007/08	67,400		67,400
Private Lifeline Alarms	(24,530)		(24,530)
NNDR Collection Allowance	3,850		3,850
Housing Benefits Admin. Grant	15,190		15,190
Duxbury Golf Course	(10,860)		(10,860)
Parking fees 1% increase - car parks	(7,720)		(7,720)
DPE Penalty Charge Notice net loss of income	32,580		32,580
Members Allowances - Special Allowances		(14,800)	(14,800)
Cotswold House - Unsubsidised Housing Benefit		7,000	7,000
Other	3,000		3,000
Remove charge for rodent control		10,000	10,000
	<b>157,220</b>	<b>11,250</b>	<b>168,470</b>
<b><u>VOLUME - EXPENDITURE</u></b>			
Increase in LCC Search Fees	8,360		8,360
Contact Centre restructure	47,400		47,400
Elections	9,960		9,960
Legal - Publications	6,000	2,000	8,000
Director of CUDL salary	9,650		9,650
External Audit	14,680		14,680
Bank Charges	7,000		7,000
External Contractors (Payroll)	6,270		6,270
Bus Passes - Concessionary Travel	39,040		39,040
External Funding Officer - no funding contributions to salary	19,950		19,950
Computer Software Licences/Maintenance Agreements	7,280	11,100	18,380
Roses Marketplace Licence	5,300		5,300
Allpay Cards	5,000		5,000
Community Management - Tatton	34,260		34,260
Corporate Training - Member Development Programme	5,000		5,000
Support services Officer Sc3 post SNED restructure phase 1	15,450		15,450
Increase in hours for Funding Officer	8,880		8,880
Miscellaneous Employee costs - Eng. Mngt. And Support Services	16,640		16,640
NNDR assessments - various sites	15,840		15,840
Survey expenses residents parking permits TRO's	5,000		5,000
Crime & Disorder Partnership - transfer of Sc4 post 18.125hrs	11,100		11,100
Bringsites recycling charges	12,000		12,000
Urban Designer post		12,000	12,000
Additional cleaning costs - Town Hall		6,030	6,030
Adjustment to Development & Regen. recharges.		15,780	15,780
Community Management Assistant		9,650	9,650
Recycling vehicles		17,000	17,000

**ANALYSIS OF MAJOR VARIANCES BETWEEN 2006/07 AND 2007/08 ESTIMATES**

Appendix 1

	<b>DRAFT BUDGET £</b>	<b>BUDGET CHANGES £</b>	<b>Appendix 1 TOTAL VARIANCES £</b>
Other	17,900	3,360	21,260
	<u>327,960</u>	<u>76,920</u>	<u>404,880</u>
<b>INVESTMENT</b>			
Reinstate 10 Neighbourhood Wardens		229,000	229,000
Additional street cleansing		70,000	70,000
Additional Activities for Young People		50,000	50,000
Free Concessionary Travel for one year		160,000	160,000
Provide more Alley Gating schemes		40,000	40,000
		<u>549,000</u>	<u>549,000</u>
Town Centre Management Post	40,000		40,000
LSP Consultancy	30,000		30,000
Contribution for 6 PCSO's per 2005/06	66,000		66,000
Market Walk Phase 2 Development	95,000		95,000
CCTV in Remote Areas	15,000		15,000
	<u>246,000</u>	<u>0</u>	<u>246,000</u>
<b><u>STAR CHAMBER SAVINGS</u></b>			
See Appendix 3 of the main report	<u>(1,265,010)</u>	<u>0</u>	<u>(1,265,010)</u>
<b><u>OTHER SAVINGS</u></b>			
Council Insurances Renewal	(72,000)		(72,000)
Job Evaluation Project (Non-recurrent expenditure)	(95,770)		(95,770)
Human Resources Staffing Savings	(67,940)		(67,940)
Corporate Training HR Approved per 2005/06 Savings	(10,000)		(10,000)
LHP, PSS, GM & SNED Phase 1 Restructure	(78,840)		(78,840)
Temp. Waste & Envir. Management post deleted	(30,390)		(30,390)
Removal of revenue effects of capitalised redundancy payments	(6,000)		(6,000)
Hospitality	(7,480)		(7,480)
Delete budget provision for Mayors Civic Dinner.		(4,000)	(4,000)
Savings identified from the car leasing scheme.		(12,000)	(12,000)
SLA with Chorley Community Housing for cleaning of Gill St		(4,920)	(4,920)
SLA with Chorley Community Housing for security of Gill St		(9,000)	(9,000)
SLA with Liberata for security of Gill St Annexe		(2,500)	(2,500)
Additional income from SLA with CCH.		(4,000)	(4,000)
Increase saving from £3,560 to £20,000		(16,440)	(16,440)
SLA with CCH reduced from £24,840 to £6,000		18,840	18,840
No SLA with Liberata. Delete saving in draft budget.		4,680	4,680
Savings on rentals/calls under new contract.		(20,000)	(20,000)
No saving from LSVT. Delete saving in draft budget.		11,380	11,380
Further misc. savings identified within Streetscene Directorate.		(10,000)	(10,000)
	<u>(368,420)</u>	<u>(47,960)</u>	<u>(416,380)</u>
<b><u>OTHER CHANGES</u></b>			
Net Financing		(130,000)	(130,000)
External Financing		22,170	22,170
	<u>0</u>	<u>(107,830)</u>	<u>(107,830)</u>
<b><u>ADDITIONAL RESOURCES IDENTIFIED</u></b>			
Increase in Council Tax by 3.2%		(192,000)	(192,000)
Amend assumption for Job Evaluation to 1%		(128,000)	(128,000)
	<u>0</u>	<u>(320,000)</u>	<u>(320,000)</u>
<b>LESS USE OF WORKING BALANCES</b>		(200,000)	
<b>NET TOTAL</b>		<u><u>NIL</u></u>	

Parish	Taxbase No.	Grounds Maintenance Costs £	Borough Special Expenses at Band D £	Borough General Expenses £	Borough Services Council Tax £	Parish Precept £	2007/08		2006/07		Appendix 2			
							Parish Precept £	2007/08 Combined Borough and Parish £	Band D Parish Precept £	2006/07 Combined Borough and Parish £	Percentage Increase		Percentage Increase	
											£	%	£	%
Adlington	1,959.40	35,560	18.52	156.54	175.06	17,655	9.01	8.79	178.43	2.5%	8.79	3.2%		
Anderton	474.00	980	2.07	156.54	158.61	3,800	8.02	8.00	161.69	0.2%	8.00	3.1%		
Anglezarke	16.50	-	-	156.54	156.54	-	-	-	151.69	0.0%	-	3.2%		
Astley Village	1,112.50	28,302	25.44	156.54	181.98	22,000	19.78	19.69	196.02	0.5%	19.69	2.9%		
Bretherton	284.20	-	-	156.54	156.54	8,443	29.71	28.13	179.81	5.6%	28.13	3.6%		
Brindle	453.30	2,086	4.60	156.54	161.14	6,000	13.24	11.52	167.66	14.9%	11.52	4.0%		
Charnock Richard	669.50	2,558	3.82	156.54	160.36	20,600	30.77	30.89	186.28	-0.4%	30.89	2.6%		
Clayton le Woods	4,744.50	172,578	36.37	156.54	192.91	118,612	25.00	25.00	211.93	0.0%	25.00	2.8%		
Coppull	2,341.60	33,841	14.45	156.54	170.99	74,630	31.87	31.02	196.71	2.7%	31.02	3.1%		
Croston	1,036.30	9,233	8.91	156.54	165.45	20,800	20.07	20.07	180.39	0.0%	20.07	2.8%		
Cuerden	41.20	438	10.62	156.54	167.16	900	21.84	22.95	184.92	-4.8%	22.95	2.2%		
Eccleston	1,551.80	7,291	4.70	156.54	161.24	40,840	26.32	26.32	182.56	0.0%	26.32	2.7%		
Euxton	3,283.20	60,387	18.39	156.54	174.93	97,050	29.56	28.98	198.49	2.0%	28.98	3.0%		
Heapey	378.60	6,324	16.70	156.54	173.24	8,920	23.56	22.96	190.83	2.6%	22.96	3.1%		
Heath Charnock	796.70	16,085	20.19	156.54	176.73	5,000	6.28	7.49	178.74	-16.2%	7.49	2.4%		
Heskin	347.00	1,390	4.01	156.54	160.54	7,634	22.00	17.50	173.07	25.7%	17.50	5.5%		
Hoghton	364.70	2,353	6.45	156.54	162.99	4,000	10.97	9.68	167.62	13.3%	9.68	3.8%		
Mawdesley	746.60	976	1.31	156.54	157.85	23,000	30.81	30.48	183.44	1.1%	30.48	2.8%		
Rivington	50.30	-	-	156.54	156.54	1,100	21.87	20.41	172.09	7.2%	20.41	3.7%		
Ulnes Walton	261.10	-	-	156.54	156.54	4,500	17.23	15.47	167.15	11.4%	15.47	4.0%		
Wheelfton	396.70	-	-	156.54	156.54	10,480	26.42	25.58	177.27	3.3%	25.58	3.2%		
Whittle Woods	1,838.40	42,948	23.36	156.54	179.90	27,571	15.00	13.55	187.88	10.7%	13.55	3.7%		
Withnell	1,245.50	10,247	8.23	156.54	164.77	26,300	21.12	20.40	180.05	3.5%	20.40	3.2%		
All other parts of the Council's area	10,571.40	282,215	26.70	156.54	183.24	-	-	-	177.55	0.0%	-	3.2%		
<b>Total</b>	<b>34,965.00</b>	<b>715,794</b>	<b>20.48</b>	<b>156.54</b>	<b>177.02</b>	<b>549,835</b>	<b>15.73</b>	<b>15.41</b>	<b>186.94</b>	<b>2.0%</b>	<b>15.41</b>	<b>3.1%</b>		



**Draft resolution on setting of 2007/08 Council Tax for the Borough to be passed in approving the Executive Cabinet's recommendations for the Council's Budget.**

1. That it be noted that acting under delegated powers the Director of Finance calculated the amount of 34,965.00 as its Council Tax Base for the year 2007/08 in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992 made under Section 33(5) of the Local Government Finance Act 1992.
- (a) 34,965.00 being the amount calculated by the Council, in accordance with Regulation 3 of the Local Authorities (Calculation of Council Tax Base) Regulations 1992, as its Council Tax Base for the year.

(b) **Part of the Council's Area**

	<b>(b)Part of the Council's area</b>	<b>2007/08</b>
		<b>£</b>
<b>Parish of:</b>	Adlington	1,959.40
	Anderton	474.00
	Anglezarke	16.50
	Astley Village	1,112.50
	Bretherton	284.20
	Brindle	453.30
	Charnock Richard	669.50
	Clayton le Woods	4,744.50
	Coppull	2,341.60
	Croston	1,036.30
	Cuerden	41.20
	Eccleston	1,551.80
	Euxton	3,283.20
	Heapey	378.60
	Heath Charnock	796.70
	Heskin	347.00
	Hoghton	364.70
	Mawdesley	746.60
	Rivington	50.30
	Ulnes Walton	261.10
	Wheelton	396.70
	Whittle Woods	1,838.40
	Withnell	1,245.50
	All other parts of the Council's area	10,571.40
	<b>Total</b>	<b>34,965.00</b>

being the amounts calculated by the Council, in accordance with Regulation 6 of the Regulations, as the amounts of its Council Tax Base for the year for dwellings in those parts of its area to which one or more special items relate.

2. That the following amounts be now calculated by the Council for the year 2007/08 in accordance with Sections 32 to 36 of the Local Government Finance Act 1992:
- (a) £40,420,136 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(2)(a) to (e) of the Act;

- (b) £25,672,360 being the aggregate of the amounts which the Council estimates for the items set out in Section 32(3)(a) to (c) of the Act;
- (c) £14,747,776 being the amount by which the aggregate at 2(a) above exceeds the aggregate at 2(b) above, calculated by the Council, in accordance with Section 32(4) of the Act, as its budget requirement for the year;
- (d) £8,008,230 being the aggregate of the sums which the Council estimates will be payable for the year into its general fund in respect of redistributed non-domestic rates, Revenue Support Grant, increased by the amount of the sums which the Council estimates will be transferred in the year from its collection fund to its general fund in accordance with Section 97(3) of the Local Government Finance Act 1988;
- (e) £192.75 being the amount at 2(c) above less the amount at 2(d) above, all divided by the amount at 2(a) above, calculated by the Council, in accordance with Section 33(1) of the Act, as the basic amount of its Council Tax for the year;
- (f) £1,265,629 being the aggregated amount of all special items referred to in Section 34(1) of the Act;
- (g) £156.54 being the amount at 2(e) above less the result given by dividing the amount at 2(f) above by the amount at 1(a) above, calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no special items relates;
- (h) **Part of the Council's Area**

		£
<b>Parish of:</b>	Adlington	178.64
	Anderton	161.71
	Anglezarke	151.69
	Astley Village	196.12
	Bretherton	181.40
	Brindle	169.38
	Charnock Richard	186.16
	Clayton le Woods	211.93
	Coppull	197.56
	Croston	180.39
	Cuerden	183.82
	Eccleston	182.56
	Euxton	199.07
	Heapey	191.43
	Heath Charnock	177.53
	Heskin	177.57
	Hoghton	168.91
	Mawdesley	183.76
	Rivington	173.56
	Uines Walton	168.92
	Wheelton	178.11
	Whittle le Woods	189.32
	Withnell	180.78
	All other parts of the Council's area	177.55

being the amounts given by adding to the amount at 2(g) above to the amounts of the special item or items relating to dwellings in those parts of the Council's area mentioned above divided in each case by the amount at 1(b) above, calculated by the Council in accordance with Section 34(3) of the Act, as the basic amounts of its Council Tax for the year for dwellings in those parts of its area to which one or more special items relate;

(i) **Part of the Council's Area**

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
<b>Parish of:</b>								
Adlington	119.09	138.94	158.79	178.64	218.34	258.04	297.73	357.28
Anderton	107.81	125.77	143.74	161.71	197.65	233.58	269.52	323.42
Anglezarke	101.12	117.98	134.83	151.69	185.39	219.10	252.81	303.37
Astley Village	130.75	152.54	174.33	196.12	239.70	283.28	326.87	392.24
Bretherton	120.93	141.09	161.24	181.40	221.71	262.02	302.33	362.80
Brindle	112.92	131.74	150.56	169.38	207.02	244.66	282.30	338.76
Charnock Richard	124.11	144.79	165.48	186.16	227.53	268.90	310.27	372.32
Clayton le Woods	141.29	164.83	188.38	211.93	259.03	306.12	353.22	423.86
Coppull	131.71	153.66	175.61	197.56	241.46	285.36	329.27	395.12
Croston	120.26	140.30	160.35	180.39	220.48	260.56	300.65	360.78
Cuerden	122.55	142.97	163.40	183.82	224.67	265.52	306.37	367.64
Eccleston	121.71	141.99	162.28	182.56	223.13	263.70	304.27	365.12
Euxton	132.71	154.83	176.95	199.07	243.31	287.55	331.78	398.14
Heapey	127.62	148.89	170.16	191.43	233.97	276.51	319.05	382.86
Heath Charnock	118.35	138.08	157.80	177.53	216.98	256.43	295.88	355.06
Heskin	118.38	138.11	157.84	177.57	217.03	256.49	295.95	355.14
Hoghton	112.61	131.37	150.14	168.91	206.45	243.98	281.52	337.82
Mawdesley	122.51	142.92	163.34	183.76	224.60	265.43	306.27	367.52
Rivington	115.71	134.99	154.28	173.56	212.13	250.70	289.27	347.12
Ulnes Walton	112.61	131.38	150.15	168.92	206.46	244.00	281.53	337.84
Wheellton	118.74	138.53	158.32	178.11	217.69	257.27	296.85	356.22
Whittle le Woods	126.21	147.25	168.28	189.32	231.39	273.46	315.53	378.64
Withnell	120.52	140.61	160.69	180.78	220.95	261.13	301.30	361.56
All other parts of the Council's area	118.37	138.09	157.82	177.55	217.01	256.46	295.92	355.10

being the amounts given by multiplying the amounts at 2(g) and 2(h) above by the number which, in the proportion set out in Section 5(1) of the Act, is applicable to dwellings listed in a particular valuation band divided by the number which in that proportion is applicable to dwellings listed in valuation band D, calculated by the Council, in accordance with Section 36(1) of the Act, as the amounts to be taken into account for the year in respect of categories of dwellings listed in different valuation bands.

3. That it be noted that for the year 2007/08 the Lancashire County Council, Lancashire Police Authority, and the Lancashire Combined Fire Authority have stated the following amounts in precepts issued to the Council, in accordance with Section 40 of the Local Government Finance Act 1992, for each of the categories of dwellings shown below:

	Valuation Bands							
	A	B	C	D	E	F	G	H
	£	£	£	£	£	£	£	£
<b>Precepting authority</b>								
Lancashire County Council *	697.47	813.71	929.96	1,046.20	1,278.69	1,511.18	1,743.67	2,092.40
Lancashire Combined Fire Authority *	38.29	44.68	51.06	57.44	70.20	82.97	95.73	114.88
Lancashire Police Authority*	83.97	97.96	111.96	125.95	153.94	181.93	209.92	251.90

\* These values are assessments and have to be confirmed by the precepting authority.

4. That, having calculated the aggregate in each case of the amounts at 2(i) and 3 above, the Council, in accordance with Section 30(2) of the Local Government Finance Act 1992, hereby sets the following amounts as the amounts of Council Tax for the year 2007/08 for each of the categories of dwellings shown below:

(i) **Part of the Council's Area**

	<b>Valuation Bands</b>							
	<b>A</b>	<b>B</b>	<b>C</b>	<b>D</b>	<b>E</b>	<b>F</b>	<b>G</b>	<b>H</b>
<b>Parish of:</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
Adlington	938.82	1,095.29	1,251.77	1,408.23	1,721.17	2,034.12	2,347.05	2,816.46
Anderton	927.54	1,082.12	1,236.72	1,391.30	1,700.48	2,009.66	2,318.84	2,782.60
Anglezarke	920.85	1,074.33	1,227.81	1,381.28	1,688.22	1,995.18	2,302.13	2,762.55
Astley Village	950.48	1,108.89	1,267.31	1,425.71	1,742.53	2,059.36	2,376.19	2,851.42
Bretherton	940.66	1,097.44	1,254.22	1,410.99	1,724.54	2,038.10	2,351.65	2,821.98
Brindle	932.65	1,088.09	1,243.54	1,398.97	1,709.85	2,020.74	2,331.62	2,797.94
Charnock Richard	943.84	1,101.14	1,258.46	1,415.75	1,730.36	2,044.98	2,359.59	2,831.50
Clayton le Woods	961.02	1,121.18	1,281.36	1,441.52	1,761.86	2,082.20	2,402.54	2,883.04
Coppull	951.44	1,110.01	1,268.59	1,427.15	1,744.29	2,061.44	2,378.59	2,854.30
Croston	939.99	1,096.65	1,253.33	1,409.98	1,723.31	2,036.64	2,349.97	2,819.96
Cuerden	942.28	1,099.32	1,256.38	1,413.41	1,727.50	2,041.60	2,355.69	2,826.82
Eccleston	941.44	1,098.34	1,255.26	1,412.15	1,725.96	2,039.78	2,353.59	2,824.30
Euxton	952.44	1,111.18	1,269.93	1,428.66	1,746.14	2,063.63	2,381.10	2,857.32
Heapey	947.35	1,105.24	1,263.14	1,421.02	1,736.80	2,052.59	2,368.37	2,842.04
Heath Charnock	938.08	1,094.43	1,250.78	1,407.12	1,719.81	2,032.51	2,345.20	2,814.24
Heskin	938.11	1,094.46	1,250.82	1,407.16	1,719.86	2,032.57	2,345.27	2,814.32
Hoghton	932.34	1,087.72	1,243.12	1,398.50	1,709.28	2,020.06	2,330.84	2,797.00
Mawdesley	942.24	1,099.27	1,256.32	1,413.35	1,727.43	2,041.51	2,355.59	2,826.70
Rivington	935.44	1,091.34	1,247.26	1,403.15	1,714.96	2,026.78	2,338.59	2,806.30
Ulnes Walton	932.34	1,087.73	1,243.13	1,398.51	1,709.29	2,020.08	2,330.85	2,797.02
Wheelton	938.47	1,094.88	1,251.30	1,407.70	1,720.52	2,033.35	2,346.17	2,815.40
Whittle le Woods	945.94	1,103.60	1,261.26	1,418.91	1,734.22	2,049.54	2,364.85	2,837.82
Withnell	940.25	1,096.96	1,253.67	1,410.37	1,723.78	2,037.21	2,350.62	2,820.74
All other parts of the Council's area	938.10	1,094.44	1,250.80	1,407.14	1,719.84	2,032.54	2,345.24	2,814.28

5. That the Director of Finance and his officers be authorised to take any action necessary to ensure collection and recovery of the Council Tax and Non-Domestic Rates.

## EXPLANATION OF COUNCIL TAX SETTING RESOLUTION

### RESOLUTION 1

- (a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2007/08 we estimate that a £1.00 Council Tax at Band D would raise £34,965.00 in the Chorley area.
- (b) This shows the “base” figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Adlington would raise £1,959.40.

### RESOLUTION 2

- (a) This is the grand total of money which the Council estimates it will spend on all services in 2007/08. It also includes £549,835 which Parish Councils need to run their services.
- (b) This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes, for example, car park charges, housing rents, government grants in respect of benefits, etc.
- (c) This is the difference between 2(a) and 2(b) and is in effect the Council’s and Parishes net spending on services.
- (d) This is the amount that the Government will contribute towards the cost of our services. Also included is extra Council Tax resulting from new properties and expected collection rates in previous years.
- (e) The difference between 2(c) and 2(d) is £6,739,546 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 1(a) above) and the resulting figure of £192.75 is the average Band D Council Tax for all Borough and Parish services.
- (f) The total of all the amounts needed from Council Taxpayers by the Parish Councils in the area and for Chorley Borough Special Expenses.
- (g) This is the Band D Council Tax for Chorley Borough Council’s own services, ie excluding Parish Council spending and Special Expenses
- (h) This table shows the Band D Council Tax for all parishes including the cost of the Parish Councils and Chorley Borough Council. For example, Adlington’s Band D Council Tax is £156.54 for Chorley Borough services and £9.01 for Adlington Town Council services and £18.52 for Chorley Borough Special Expenses.

(i) The rate for each property Band is calculated by reference to the Band D charge. The following ratios apply:

Band A	$\frac{6}{9}$ ths of Band D
Band B	$\frac{7}{9}$ ths of Band D
Band C	$\frac{8}{9}$ ths of Band D
Band D	$\frac{9}{9}$ ths of Band D
Band E	$\frac{11}{9}$ ths of Band D
Band F	$\frac{13}{9}$ ths of Band D
Band G	$\frac{15}{9}$ ths of Band D
Band H	$\frac{18}{9}$ ths of Band D

For Adlington Band A, for example, the charge is £184.07 x  $\frac{6}{9}$  = £122.71; for Band B it is £184.07 x  $\frac{7}{9}$  = £143.17.

**RESOLUTION 3**

Lancashire County Council, Lancashire Fire Authority and Lancashire Police Authority are separate bodies who have worked out their own estimates of spending and income for 2007/08 and have set taxes in a similar way to Chorley Borough Council. This resolution notes their final decision.

**RESOLUTION 4**

This pulls together the Council Taxes for Lancashire County Council, Lancashire Fire Authority, Lancashire Police Authority, Chorley Borough Council and the Parish Councils. For example, the Band D for Adlington is £1,413.66 made up as follows:

	£
Lancashire County Council (as in 4 above)	1,046.20
Lancashire Fire Authority (as in 4 above)	57.44
Lancashire Police Authority (as in 4 above)	125.95
Chorley Borough Council (as in 3(g) above)	156.54
Adlington Town Council	9.01
Special Expenses	18.52

**RESOLUTION 5**

Formally authorise the necessary staff to take legal action to collect arrears as and when this is necessary. ***For the vast majority of taxpayers, this is not needed***

## **REPORT OF EXECUTIVE CABINET**

### **GENERAL REPORT**

1. The Executive Cabinet has met once on 22 February 2007 since the last ordinary Council meeting and this report summarises briefly the principal matters considered at that meeting. Separate reports appear on the Council's agenda in respect of the matters that require specific Council decisions.

### **Provision of Overview and Scrutiny Training Sessions**

2. We received a report of the Director of Customer, Democratic and Legal Services and gave approval to the provision of overview and training sessions for Members and officers in June 2007.
3. One of the key actions identified in the Overview and Scrutiny Improvement Plan seeks the provision of appropriate training on overview and scrutiny matters. This has also been included in the Member Development Programme for 2007/08 following an analysis of individual Members' training needs.
4. The training sessions will be delivered by the Improvement and Development Agency, in conjunction with the Centre for Public Scrutiny, and will focus on general overview and scrutiny issues, Chairing of Overview and Scrutiny bodies and scrutiny of financial matters. The total cost of the training programme will be funded from the Member Development budget.
5. During consideration of this item, we accepted a request from a Councillor for a review of the procedures for the publication of individual executive decisions in order to allow sufficient time for the lodging of requests for the decisions to be 'called-in'.

### **Maximising Opportunities in the Local Government White Paper – Improving Two-Tier Working in Lancashire**

6. The Executive Cabinet received an update report from the Chief Executive on the action that has been taken since the Officer's report in December 2006 on the implications of the provisions contained in the new Local Government White Paper.
7. We noted that bids for Unitary status have been lodged by Preston Council and Lancaster Council, together with a joint bid by Burnley and Pendle Councils.
8. The Chief Executive's report was accompanied by a copy of a document which has been developed jointly by District and County partners across Lancashire. This document sets out the vision and long-term aspirations of the Authorities to improve the delivery of services to communities and how the vision can be realised through improved collaboration and working within the two-tier system across Lancashire.
9. The Chief Executive advised us at the meeting of the plans for the selection of Chorley as a pilot areas for a Locality Plan which will set out what the County Council and District Council plan to deliver in the area.
10. We welcomed the proposals outlined in the document and authorised the continuation of discussions with Lancashire and other District Councils under the Chairmanship of the Council's Director of Policy and Performance, with a view to progressing the 'Improving Two-Tier' proposal. We have also agreed the submission of a bid to the North West Improvement

Network's Communities of Interest programme for resources to support the development of the proposals.

### **Ethnic Minorities Consultative Committee**

11. The Executive Cabinet received, for information, the minutes of the meeting of the Ethnic Minorities Consultative Committee held on 24 June 2007.
12. We have previously requested sight of the Consultative Committee's minutes and were pleased to note the initiatives and activities being promoted or supported by the Committee.
13. The Chair of the Committee (Councillor P Malpas) referred, in particular, to the setting up of a Sub-Group to examine ways in which the Committee's role and operating practices might be altered to improve the effectiveness of the Committee.

### **Chorley Community Charter**

14. We endorsed the wording contained in the draft Community Charter for Chorley which was attached to a report of the Chief Executive.
15. The Charter has evolved from on-going work with the faith community in Chorley which aims to build relationships with, and between, the various faith groups in order to build understanding and balance within the Borough's communities. The Charter promotes community cohesion and the right of every person to be respected and valued.
16. All Members and Officers of the Council, together with all residents of the Borough and locally-based organisations, are invited to sign up to the Charter. We will be examining various means of launching and promoting the Charter, particularly in local schools.

### **Third Quarter Performance Report, 2006/07 – Monitoring Report**

17. The Executive Cabinet received and considered a report prepared by the Director of Policy and Performance monitoring the Council's performance during the third quarter period of 2006/07 against the key projects identified in the Council's Corporate Strategy and the Council's Best Value Performance Indicators (BVPs).
18. The performance report confirms that, generally, the organisation is continuing to perform well, and service performance levels remain high.
19. The overall performance on the key Corporate Strategy projects continues to be good, with the majority of projects performing as planned. Only two Corporate Strategy performance targets have not been achieved this quarter and action plans have been put in place to enhance performance in these areas. Similarly, performance measured against the BVPs has improved since the second quarter monitoring, with 71% of indicators meeting target. Again, action plans have been introduced to improve performance in the areas where targets are being missed by more than 5%.
20. The Council will focus on new target setting in the next quarter in preparation for the forthcoming round of business improvement planning and performance round tables.

### **Comprehensive Performance Assessment Service Performance Toolkit, 2005/06**

21. We were presented with a report of the Director of Policy and Performance which enclosed a copy of the Comprehensive Performance Assessment (CPA) Performance Information Toolkit for Chorley recently published by the Audit Commission.



22. The Audit Commission had produced in August 2006 a toolkit which examined the Council's 2004/05 performance information and set our level of improvement and relative positioning nationally in terms of that basket of indicators. The new toolkit published in December 2006 has been updated to examine the Council's 2005/06 performance in the same manner.
23. The Audit Commission's revised toolkit shows that 71% of BVPIs improved in 2005/06 when compared with 2002/03 (the date used for the last CPA categorisation). When compared to an improvement average of 55.3% for all District Councils, this clearly illustrates that Chorley continues to perform extremely well comparatively. In addition 57% of Chorley Council's indicators fell into the top quartile in 2005/06, compared to an average 30% for other 'fair' rated Authorities and a 34% average for 'excellent' Councils.
24. We welcomed the report and toolkit, which will be a powerful tool in our commitment to continuous improvement and quest for 'excellent' status. In this respect, the Council is currently working on a possible application for a reassessment of our CPA ranking in October 2007.

### **Householder Designer Guidance Supplementary Planning Document**

25. We received a report of the Director of Development and Regeneration and endorsed for adoption the revised Householder Design Guidance Supplementary Planning Document.
26. The guidance document, which has been compiled after taking account of the responses to the recent consultation exercise on the draft guidelines, aims to provide design guidance to people contemplating residential alterations and extensions and to assist consistency in the determination of planning applications.

### **Sustainable Resources – Preferred Options Document**

27. The Executive Cabinet was presented with a report by the Director of Development and Regeneration and approved, for consultation purposes, the draft Preferred Options Document on Sustainable Resources that will form part of the Local Development Framework.
28. The Document sets out alternative options for measures to ensure both the incorporation of sustainable resources into developments and renewable energy. The Document has been revised to include alternative options following consultations with the Government Office for the North West.

### **Consultation on changes to Planning Obligations – A Planning Gain Supplement**

29. The Executive Cabinet considered a report of the Director of Development and Regeneration seeking the Council's response to a consultation from the Department of Communities and Local Government on planned changes to Planning Obligations (ie Section 106 agreements or planning contributions and Highways Act Section 278 monies for road improvements).
30. The Government proposes to introduce a Planning Gain Supplement (PGS), a levy that will be applied to virtually all residential and non-residential developments. A total of 70% of the PGS will be returned to the local authority area from which the money is generated, with the remaining 30% being allocated regionally to provide for strategic infrastructure. It is envisaged that the use of Planning Obligations will be reduced to relate solely to site specific issues, such as 'direct impact mitigation' and affordable housing, but further consultation will be required on the detailed criteria to be used to define the range of Planning Obligations.
31. Members expressed concern at the meeting that the introduction of the Planning Gain Supplement will reduce the level of monies the Council could expect to receive from Section 106 Agreements and, consequently, will restrict the level of community benefits that could

otherwise be achieved. The proposed changes to Planning Obligations will eliminate the Authority's flexibility to use Section 106 monies to meet local needs and Councillors considered that monies generated from local developments should be re-invested to fund locally based improvement schemes.

32. We took on board the Members' and Officers concerns on the Planning Gain Supplement proposals which will be communicated to the Government Department as part of our response to the consultation.

### **Children's Play Initiatives Portfolio Bid – Big Lottery**

33. The Director of Leisure and Cultural Services presented a report seeking the Executive Cabinet's endorsement of a portfolio bid for Big Lottery funding of a number of children's play initiatives.
34. The Executive Cabinet had, at its meeting in March 2006, authorised the development of a play strategy by the Play Partnership in advance of the compilation of a funding bid from the Big Lottery Fund's Children's Play Initiative. Subsequently, a Final Assessment Panel had evaluated a number of potential project bids, from which five were short-listed. The Assessment Panel then selected and recommended the schemes for inclusion in the initial funding bid.
35. We have endorsed the selection and approved the submission of the Chorley 'Able to Play' portfolio bid to the Big Lottery Play Initiatives Fund under the third bidding round which expires in March 2007. The portfolio proposals include the 'Get Up and Play' Play Rangers scheme to employ four part-time Play Rangers to work across the Borough; an 'Able to Play' designated worker to facilitate actions to address young people's concerns about play; and a lighting scheme on Coronation Recreation Ground.
36. In the event of the rejection of the proposals within this initial bid, we have granted delegated power to the Final Assessment Panel to re-assess the remaining short-listed schemes and agree a second portfolio submission

### **Gillibrand Development Agreement**

37. We considered a report of the Director of Development and Regeneration and the Director of Leisure and Cultural Services seeking our approval to the negotiation of an amendment to the Gillibrand Development Agreement.
38. As the originally identified site on which to construct a Community Centre is not now suitable for the type of proposed Centre, it has been necessary to consider alternative locations for the Centre. Having regard to the volume of objections that were raised to the possible siting of the Centre on land off Burgh Wood Way (Site A), a widespread consultation was undertaken on the respective merits of Site A and Site B located between Lakeland Gardens and Ennerdale Road.
39. A member of the public attended the meeting to submit a question requesting to be advised of the intended procedures in the event of planning permission being refused for Site B. In response, the Executive Member for Economic Development and Regeneration indicated that, in this eventuality, the Council would need to undergo a further round of consultation on other available options.
40. We were informed that 78% of the households polled favour the development of Site B. The Community Centre, if located on this site will be more central to the wider community and will be closer to CCTV facilities. With this in mind, we authorised the Officers to negotiate amendments to the Gillibrand Development Agreement in order to allow the changing of the

play provision and the re-siting of the Community Centre to Site B and to lodge a planning application for the development.

### **Revenue Budget, 20096/07 – Monitoring**

41. We received a report of the Director of Finance monitoring the current financial position of the Council in comparison with the budgetary and efficiency savings targets for 2006/07 in respect of the General Fund and the Housing Revenue Account.
42. We were pleased to note that the overall corporate savings target of £338,000 from management of the establishment and efficiency savings has been achieved and that the forecasted overspend on the General Fund has now been reduced from £67,000 to £12,000.
43. With regard to the Housing Revenue Account, the report indicated that, owing to predicted changes during the year, the forecast balance at the end of the 2006/07 financial year will fall to £899,000.

### **Housing Revenue Account Budget, 2007/08**

44. The Executive Cabinet, at its meeting in January 2007, approved changes to Council House rents and service charges in anticipation of the transfer of the housing stock to Chorley Community Housing.
45. We were presented with a further report of the Director of Finance putting forward for approval a contingency Housing Revenue Account of income and expenditure for 2007/08 in the eventuality of the stock transfer being delayed or abandoned. We accepted and agreed the HRA budget proposals, as presented, which forecast a year end surplus of £1,455,000.
46. We also agreed changes to the charges to be levied for homelessness accommodation at Cotswold House to become effective from 2 April 2007. Pending resolution of issues surrounding the funding to enable the refurbishment of Cotswold House or reconstruction, the facility will remain in the ownership of the Borough Council, but will be run by Chorley Community Housing.

### **Information and Communication Technology Strategy**

47. We received a report from the Director of Information and Communications Technology and approved the new ICT Strategy.
48. The Strategy plans the development of all ICT and associated services delivered by the Directorate and defines the roles and strategic contributions of the Directorate in the distinct areas of Customer Services, Systems Development and Integration and Graphical Information System/Local Land and Property Gazetteer. The Strategy will help to continue our drive to improve the accessibility, efficiency and quality of our services and will contribute significantly to the delivery of the Council's corporate objectives through ICT workstreams and support of the work of other Directorates.

### **Restructure of Customer, Democratic and Legal Services Directorate**

49. The Director of Customer, Democratic and Legal Services presented a confidential report on the proposals to restructure his Directorate.
50. The proposals have been compiled in the light of the need to address a number of managerial and operational issues and are aimed at providing a firm base for a more 'fit for purpose' Directorate.

51. We approved the restructure proposals for consultation with affected staff and trade unions, the responses to which will be reported to a future meeting of the Executive Cabinet.

**Recommendation**

51. The Council is recommended to note this report.

COUNCILLOR P GOLDSWORTHY  
Executive Leader

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There are no background papers to this report.

## **REPORT OF OVERVIEW AND SCRUTINY COMMITTEE AND PANELS**

### **GENERAL REPORT**

1. This report summarises the business transacted at the Overview and Scrutiny Committee held on 20 February 2007, as well as a brief summary of the recent activities and matters discussed at meetings of the Environment and Community Overview and Scrutiny Panel held on 25 January 2007 and two meetings of the Corporate and Customer Overview and Scrutiny Panel held on 30 January and 15 February 2007 (Special Meeting).

### **OVERVIEW AND SCRUTINY COMMITTEE – 20 FEBRUARY 2007**

#### **Executive Decision ‘Call-In’ Request**

2. The Committee considered a call-in request in respect of an Executive decision taken by the Executive Leader.
3. The decision related to proposals to revise the staffing structure of the Streetscene, Neighbourhoods and Environment Directorate.
4. The ‘call-in’ request received on 31 January 2007 requested the Committee to recommend that the Executive Leader or the Council should reconsider the Executive decision.
5. In accordance with the call in procedure the request was considered by myself as Chair of Overview and Scrutiny Committee and I agreed that the request be referred to this Committee for consideration.
6. The report set out the objection, the alternative decision/proposal and the case for the alternative.
7. The Committee agreed that the call-in request be rejected.

#### **Overview and Scrutiny Inquiry**

8. (a) Comprehensive Performance Assessment Service Performance Toolkit

We received a report and a presentation from the Director of Policy and Performance outlining the key messages emerging from the recently published CPA Performance Information Toolkit from the Audit Commission.

It was indicated that those District Councils that feel that they have made significant progress could apply for CPA reassessment and that the authority was currently working on a possible submission date of 1 October 2007. The strengths of case for re-categorisation would be the primary driver for determining whether a request for re-assessment is accepted.

The Audit Commission toolkit looks at each of the performance indicators in the CPA Basket in detail examining individual performance trends and quartile positions. This information will be utilised going forward to identify areas for improvement for target setting and to inform resource targeting.

The document produced by the Audit Commission is a powerful tool for us in demonstrating that we are delivering on our commitment to continuous improvement and to show that in terms of service performance we are an excellent Council.

(b) Presentation by Council's Relationship Officer

As part of the Committee's inquiry on the Council's performance against the key lines of inquiry to be assessed by the Audit Commission during CPA and Directions of Travel, the Committee received a presentation from the Council's Relationship Manager (Audit Commission) Mike Thomas. The presentation highlighted:

- The re-categorisation model.
- An assessment was required as to why we required to be re-categorised.
- The background to the Council's CPA inspection in 2003 and the significant improvements that have been made in the way the Council delivers its services.
- Specific areas of weakness had been identified which would require action if the Council's bid for re-categorisation was successful.

(c) Feedback on Deliberations of the Sub-Group

The Chair of the Capacity/Achievement Sub-Group and the Chair of the Equality and Diversity Sub-Group reported on the current position regarding their deliberations on the key issues of Overview and Scrutiny function and the Equality Standard for Local Governance relating to the CPA.

Significant progress had been made at meetings of these Sub-Groups.

The Capacity/Achievement Sub-Group had looked at the Overview and Scrutiny Improvement Plan and received information on the provision of Overview and Scrutiny Training Sessions for Members and Officers aimed at reviewing and updating the Council's Overview and Scrutiny Structure and Toolkit to ensure that it was fit for purpose and in line with best practice.

The Sub-Group had carried out a Strengths, Weaknesses, Opportunities and Threats (SWOT) analysis into the Council's current Overview and Scrutiny function and the results would be examined particularly those areas of weakness and threats to establish methods of improvements.

The Equality and Diversity Sub-Group had looked into the Equality and Diversity as an aspect of Comprehensive Performance Assessment with Members made aware of the Council's existing gaps and areas of under performance which may impact upon the Council's performance in any future CPA assessment.

### **Provision of Overview and Scrutiny Training Sessions**

9. We received a report of the Director of Customer, Democratic and Legal Services on the proposal to provide Overview and Scrutiny Training Sessions for Members and officers by the Improvement and Development Agency (IDeA) in June 2007.
10. Following the completion of the Centre for Public Scrutiny Self Assessment Framework for Overview and Scrutiny, an Overview and Scrutiny Improvement Plan had been produced which had identified two key actions. The training sessions would be based around general Overview and Scrutiny issues, charing Overview and Scrutiny and Financial Strategy.
11. The Committee fully supported the proposals in the report.

**Planning Services Best Value Performance Indicators – Decisions on Major Planning Applications**

12. The Committee at its last meeting had requested this report which advised us of the impact of the Best Value Performance Indicators (BVPI's) on the decisions made on planning applications, in particular the more complex applications and the length of time they take for a decision.
13. The report outlined the practices and procedures in dealing with planning applications with limited time to deal with them. The majority of applications are dealt with within 8 weeks but major planning applications are more complex and they have 13 weeks in which to be determined. During that process it may become apparent that further information or amendments necessary before it may be considered acceptable such as requirement under the Habitats Directive. In these circumstances the applicants are advised to withdraw the application or it will be refused on the basis lack of information on an unacceptable scheme.
14. The report set out the three BVPIs and how these are reported to the Department of Communities and Local Government and in turn can reflect the amount of Planning Delivery Grant and on the Council's Comprehensive Performance Re-Assessment.

**Third Quartile Performance Report, 2006/07 – Monitoring Report for Period Ending 31 December 2006**

15. We received the third quartile performance management report indicating the Authority's performance in relating to both the Best Value Performance Indicators and the Council's Corporate Key Performance Indicators.
16. The report indicated the full list of Best Value Performance Indicators that are relevant to this Council and which are collected in accordance with definitions issued by the Department of Communities and Local Government. The report impacts on all of the Corporate Priorities as the areas of performance covered by the report relate to all four the Council's priorities.
17. Overall, the performance of key projects continues to be good within the majority of projects performing as planned. Performance against BVPI's show 71% of our indicators are currently meeting targets, a significant improvement on quarter two (66%) and fewer of our indicators are showing deteriorating performance than in the second quarter (20 as opposed to 22).
18. The report indicated that the organisation continues to perform well and service performance levels remain high with the Council maintained in a good quartile position. Even though our quartile position remains high our relative position has dropped slightly in this quarter.

**Policy and Performance Third Quarter Business Plan Monitoring Statement**

19. We received from the Director of Policy and Performance a report relating to her Directorate, identifying the progress made against the key actions and performance indicators for the period 1 October to 31 December 2006.
20. The report indicated the activities of the Directorate and reported that good progress had been made with further strengthening of the Directorate's approach to performance management with the aim of driving forward real improvements.
21. Focus remained on evaluating the current position and preparation for a future CPA re-inspection as well as raising the profile of the Council with a view to raising citizen understanding of the work of the Council and of the services it provides with the aim of improving public perception.

**Budget Scrutiny by the Overview and Scrutiny Panels**

22. The Committee received a report of the Director of Finance that had been submitted to both Scrutiny Panels on the way forward for the budget scrutiny for 2007/08 that had been suggested by this Committee at its meeting in December 2006.
23. For this year's budget scrutiny it was agreed for the Panels to focus their attention on the following:
  - To receive an update on the high cost areas identified during the 2006/2007 scrutiny relating to Planning Services, Environmental Services and Revenue Benefits.
  - To review the 2006 cost profiles prepared by the Audit Commission as compared to those in 2005 for the Planning Services and Environmental Services.
  - To review the likely impact of the efficiencies and savings on the Council's ability to deliver the promises in the Corporate Plan and the mitigation being put in place.
  - A review of the low cost areas where a small increase in cost may bring a relatively bigger improvement.
24. The Corporate and Customer Overview and Scrutiny Panel also examined the areas of recharges relating to ICT and Human Resources which affected the overall costs.
25. The Audit Commission had undertaken some benchmarking of costs compared with previous years data to provide analysis for the scrutiny review.
26. Both Panels agreed to submit a number of questions and comments to the Executive Cabinet which would form part of this year's budget consultation exercise. The Committee endorsed the questions for submission to the Executive Cabinet.

**Revenue Budget 2006/07 – Monitoring**

27. We received from the Director of Finance a report setting out the current financial position of the Council compared against the budgets and efficiency savings targets it set itself for 2006/07 for the General Fund and Housing Revenue Account.
28. The report confirmed an improved position in respect of the General Fund with the projected outturn forecast an overspend of just £12,000 compared to the figure of £67,000 reported in the last monitoring report. The report showed the areas of significant improvements since the last monitoring report.
29. Progress continues to be made towards the Corporate Savings Targets with £338,000 savings from management of the establishment and efficiency savings with further savings possible as the year progresses and more vacancies occur.

**Capital Programme 2006/07 – Monitoring**

30. We considered the report of the Director of Finance on the committed Capital Programme for 2007/08 to 2009/10 which listed the Category C bids for inclusion in the programme, together with a number of recommendations from the Corporate Improvement Board.
31. The report indicated that the Board was continuing to make good progress ensuring a more controlled and successful delivery of the programme. The latest Capital Programme forecast for 2006/07 showed a decrease in the programme of £2,928,060 to £13,767,340 with



slippage from 2006/07 of £2,402,730 to be added to the approved Capital Programme for 2007/08 to 2009/10.

### **Timetable of Meetings 2007/08**

32. The Committee received a report from the Director of Customer, Democratic and Legal Services which included the draft schedule of dates for meetings to be held during the 2007/08 Municipal Year. The Committee endorsed the proposals for consideration by the Executive Cabinet and Council.

### **Forward Plan**

33. We received the Council's Forward Plan, which sets out details of the key executive decisions expected to be taken between 1 March 2007 to 30 June 2007.
34. Members considered that one of the areas for possible examination by the Scrutiny Panels in the future would be the Strategic Housing function.

## **ENVIRONMENT AND COMMUNITY OVERVIEW AND SCRUTINY PANEL – 25 JANUARY 2007**

### **Budget scrutiny for 2007/08**

35. The Panel received from the Director of Finance a report on the way forward for the budget scrutiny for 2007/08 that had been suggested by the Overview and Scrutiny Committee in December 2006.
36. Brief details and the areas the Panels focussed on are referred to elsewhere in this report. The Panel agreed a series of comments and questions for the Executive Cabinet to respond.

### **Neighbourhood Working – Inquiry**

37. The Panel's inquiry on "Neighbourhood Working" continues, within a Sub-Group established for Members to meet witnesses that will provide evidence for the Inquiry.
38. To date, three meetings have taken place with a main theme for each meeting with selected witnesses present to give evidence to the Panel.
39. The Inquiry will:
- consider the extent to which Council and other public services are now provided on a 'neighbourhood' basis in some form.
  - Examine the costs and benefits of neighbourhood management generally and of alternative models as they might apply to Chorley.
  - Recommend an appropriate model for neighbourhood working for Chorley.
  - Produce a final report including a practical action plan for implementing the proposed mode.

## **CORPORATE AND CUSTOMER OVERVIEW AND SCRUTINY PANEL – 30 JANUARY 2007**

### **Budget Scrutiny for 2007/2008**

40. The Panel received the report of the Director of Finance entitled "Budget Scrutiny for 2007/2008". The objective of the item was to consider the aspects relating to Corporate and Customer and to formulate any questions on the report to the Executive Cabinet. The Director of Finance highlighted that the Overview and Scrutiny Committee had determined that the budget scrutiny exercise should concentrate on Value for Money (VFM) and the provision of quality services. The Panel agreed to a series of questions to be put to the Executive Cabinet.

**Contact Centre Efficiencies and Partnership with Lancashire County Council Inquiry**

41. The Chair of the Partnership Sub-Group, updated the Panel on the deliberations of the Sub-Group under the above Inquiry. The Group have recently visited the Red Rose Hub at Lancashire County Council, received feedback from representatives from Pendle and Ribble Valley Borough Councils and received feedback from Councillors Dennis Edgerley and John Walker. The Group will formulate their recommendations at the next meeting and report back to the Panel.
42. The Chair of the Efficiency Sub-Group updated the Panel on the work undertaken by the Sub-Group. She explained that information had been requested from Partner districts in the County, with a limited response. There was a lot of complex information considered and being collated. The findings and recommendations of the Group would be reported to the Panel.

**SPECIAL CORPORATE AND CUSTOMER OVERVIEW AND SCRUTINY PANEL – 15 FEBRUARY 2007****Chorley Markets Inquiry – Monitoring of Inquiry Recommendations**

43. The Panel received the report of the Deputy Chief Executive updating Members on the progress made in implementing the Panel's recommendations following the Inquiry into the performance of Chorley Markets.
44. The Executive Cabinet had initially accepted two, and later three, of the recommendations but had deferred a decision on the remaining recommendations pending the outcome of the investigation into partnering or outsourcing opportunities. A preferred bidder had been selected as a partner to run the markets but the Executive Cabinet had decided not to proceed with the outsourcing after the due diligence exercise had revealed a number of issues of concern.
45. The Markets would be reviewed as part of the Town Centre management initiative and development of phase two of Market Walk. Members highlighted the enthusiasm and support for the Markets from Traders and the public and the need to continually strive for improvements. Officers had worked on those recommendations with no budgetary implications.
46. The Panel agreed to request the Executive Cabinet to reconsider implementing the recommendations with limited budget implications. A report on this issue will be submitted to the Overview and Scrutiny Committee for consideration prior to its submission to the Executive Cabinet.

**Decriminalised Parking Enforcement – Monitoring of Inquiry Recommendations**

47. The Panel considered the report of the Director of Streetscene, Neighbourhoods and Environment reporting progress on the implementation of the recommendations made during the Decriminalised Parking Enforcement Inquiry.
48. The Panel discussed the recommendations and noted that excellent progress had been made, in particular relating to Blue Badges. A sticker was now used to indicate which side the Blue Badge should be displayed and this had been implemented throughout Lancashire.
49. The recommendation to trial mystery shoppers had been implemented with a good response. In future a member of the contractor's Management Team will act as the mystery shopper.

**Attendance Management**

50. The Panel received a report of the Director of Human Resources updating Members on progress against BVPI 12 sickness absence for 2006/2007 and advising how sickness absence is managed since the implementation of a revised Absence Policy in March 2006.
51. The revised policy introduced return to work interviews and a proactive use of Occupational Health. Disciplinary warnings were triggered at certain times. Employees who were on long term sick were managed in accordance with the policy.
52. It was noted that at the third quarter there was a slight reduction on last years figure, although slightly higher in comparison with other Lancashire districts. From 1 April the way sickness was reported would be amended to reflect long term sickness as over 20 working days. It had come to light that the first 20 days are currently recorded as short-term absence with the remainder shown as long term, this meant that figures were incorrect and skewed.
53. In 2005/2006 173 employees had no sickness absence at all and that the Chief Executive had introduced "The Chief Executives Award for Attendance" to reward the team with the lowest sickness absence. It was noted that the amount of half-day sickness had reduced since the implementation of the new flexi policy.
54. Future actions included a more proactive approach, for example, blood pressure monitoring and to review the monitoring of attendance to identify trends, for example, if there was a pattern of Monday and Friday sickness. It was noted that there was a cost associated with sickness in terms of their impact on other members of staff having to cover their colleagues' work.

COUNCILLOR DENNIS EDGERLEY  
Chair of the Overview and Scrutiny Committee

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There are no background papers to this report.

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