

27 November 2008

Dear Councillor

OVERVIEW AND SCRUTINY COMMITTEE - MONDAY, 1ST DECEMBER 2008

I am now able to enclose, for consideration at the above meeting of the Overview and Scrutiny Committee, relating to **Item 8** that was unavailable when the agenda was printed.

Agenda No Item

4. **Minutes (Pages 29 - 34)**

Please find enclosed an amended version of the minutes of the meeting of the Overview and Scrutiny Committee held on 10 November 2008.

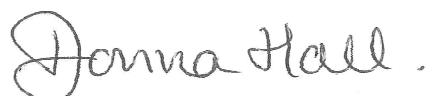
8. **Overview and Scrutiny Inquiries - Chorley Community Housing (Pages 35 - 46)**

To receive and consider the final report and recommendations in respect of the Overview and Scrutiny Task Group inquiry into Chorley Community Housing (enclosed)

11. **Local Government Pension Scheme and Redundancy Discretionary Payments (Pages 47 - 52)**

A request has been received from the Chair for the under mentioned report of the Corporate Director of Human Resources and Organisational Development to be considered by the Committee. The report is on agenda for the Council meeting to be held on 2 December 2008 (enclosed)

Yours sincerely



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Chief Executive

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Distribution

1. Agenda and reports to all Members of the Overview and Scrutiny Committee (Councillor Dennis Edgerley (Chair) and Councillors Nora Ball, Mike Devaney, Marie Gray, Harold Heaton, Kevin Joyce, Adrian Lowe, Mark Perks, Rosie Russell, Joyce Snape and Peter Wilson for attendance.
2. Agenda and reports to Eric Bell (Executive Member (Neighbourhoods)) for attendance.

This information can be made available to you in larger print or on audio tape, or translated into your own language. Please telephone 01257 515118 to access this service.

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 کیجئے: 01257 515823

Overview and Scrutiny Committee

Monday, 10 November 2008

Present: Councillor Dennis Edgerley (Chair), Councillor Alan Cain (Vice-Chair) and Councillors Mike Devaney, Marie Gray, Harold Heaton, Kevin Joyce, Adrian Lowe, Mark Perks and Joyce Snape

Also in attendance: Officers Lesley-Ann Fenton, (Assistant Chief Executive (Policy and Performance)), Gary Hall, (Assistant Chief Executive (Business Transformation)), Jamie Carson, (Corporate Director (People)), Jane Meek, (Corporate Director (Business)), Ishbel Murray, (Corporate Director (Neighbourhoods)), Carol Russell (Head of Democratic Services) and Dianne Scambler (Trainee Democratic Services Officer)

08.OS.74 APOLOGIES FOR ABSENCE

Apologies for absence were received on behalf of Councillors Nora Ball, Rosie Russell and Peter Wilson.

08.OS.75 DECLARATIONS OF ANY INTERESTS

No declarations of interest were declared.

08.OS.76 PUBLIC QUESTIONS

There were no question from members of the public.

08.OS.77 MINUTES

RESOLVED – That the minutes of the meeting of the Overview and Scrutiny Committee held on 29 September 2008 be held as a correct record for signing by the Chair.

08.OS.78 MATTERS ARISING FROM THE MINUTES

There were no matters arising from the minutes.

08.OS.79 THE COUNCIL INVESTMENT PROCESS AND THE DEPOSIT IN LANDSBANKI

The Chair asked the Committee to consider the undertaking of a review of the Council's Investment Process and the deposit in Landsbanki.

Although the item had been discussed at the recent Council meeting, the Chair felt that there were several questions that remained unanswered that needed further investigation.

Councillor Alan Cullens, Executive Member for Resources stated that although he was not opposed to the review, he did have some concerns about the costs and amount of officers time that would be incurred on matters which had already been looked at both locally and nationally.

Members of the Committee discussed the request; there was an opinion that the actions of the officers concerned had already been investigated and that to gain anything extra would rely on obtaining information from the credit agencies. It was also highlighted that it had been agreed at Council that the draft Treasury Management Strategy for 2009/10 would be brought to Overview and Scrutiny Committee for comments.

RESOLVED - That the draft Treasury Management Strategy which is currently under review be brought to the Overview and Scrutiny Committee as well as the Executive Cabinet for comment.

08.OS.80 EXECUTIVE CABINET - 13 NOVEMBER 2008

The Chair reported that there had been no requests from any of the Committee Members for specific consideration of any of the reports to be presented to the 13 November 2008 meeting of the Executive Cabinet.

08.OS.81 CHORLEY TOWN CENTRE AUDIT AND DESIGN STRATEGY

Members received a report of the Corporate Director (Business) summarising the key aspects of the Chorley Town Centre Audit and Urban Design Strategy. The Strategy envisages Chorley as a vibrant, diverse, sustainable, accessible and attractive place. It highlighted the opportunities and challenges for Chorley Town Centre and recommended a number of Urban Design Objectives, and associated projects and implementation processes as a means to realise this vision.

Members welcomed the strategy and acknowledged that it was a document that had been widely consulted on. Consideration was given to how the Council could encourage the evening economy of the Town Centre and improve our cultural offer beyond daytime activities.

Members also asked to be kept fully informed of when the works mentioned in the project timetable were commencing or had actually been completed on a regular basis and it was thought that this could best be achieved through the Members e.bulletin, 'intheknow'.

RESOLVED – 1. That the Town Centre Audit and Urban Design Strategy as a guide to future town centre interventions be endorsed.

2. That the 10 objectives and related projects as set out in the Implementation Timetable, be adopted and approved, subject to a review of the medium term financial strategy and agreement of the budget for 2009/10

3. That Members be kept informed of the projects progress through the Member e.bulletin 'intheknow'.

08.OS.82 REVENUE BUDGET MONITORING 2008/09 REPORT 2 (END OF SEPTEMBER 2008)

The Assistant Chief Executive presented a report setting out the Council's current financial position as compared against the budget and efficiency savings targets it set itself for 2008/09 for the General Fund.

The report indicated that the Council was expected to make overall target savings of £320,000 in 2008/09, which equated to £160,000 for the first two quarters. Excellent progress had been made with savings of £234,000 already achieved.

Significant savings had been made relating to salaries mainly as a result of vacant posts being kept vacant pending the outcome of directorate and departmental restructures due to take effect within the coming months.

There were a number of areas that will be monitored closely as the year progresses, these are:

- Contributions to corporate savings and efficiency targets
- Major income streams, in particular car parking fees, land charges and markets
- Concessionary travel costs

- Benefit costs.

With the economy now moving towards recession, the impact was starting to be felt across several areas of the Council's services with income levels being significantly lower than those budgeted for.

The report highlighted a potential overspend of up to £250,000 in respect of concessionary costs and it was recommended that contingency plans be developed to identify further savings that could mitigate the effect of this, should a significant overspend materialise.

Members raised concerns that the twelve districts had not yet all signed up to the pooling arrangements for the concessionary travel scheme and consideration was given to what would be the impact on the Council should the pooling arrangement fall down.

The Assistant Chief Executive also reported that two pots of money had been identified for Neighbourhood Working. Staffing costs of £100,00 had been committed, but the £150,000 identified to pump prime projects had not yet been committed and would be dependant of the outcomes identified within the neighbourhood action plans.

RESOLVED – 1. That the report be noted.

2. That the additional sum of £10,800 be taken out of working balances to specific reserve to meet the final costs of equal pay claims.

3. That contingency plans be developed to make additional savings to mitigate the impact of potential overspending in respect of concessionary travel, estimated to be up to £250,000 in 2008/09 and to work towards accelerating the process of the LCC pooling arrangements.

08.OS.83 BUSINESS PLAN MONITORING STATEMENTS - 1 JULY TO 30 SEPTEMBER 2008

The Committee received the second quarter Business Plan Monitoring Statements from the following Directorates:

- Business Directorate
- Neighbourhoods Directorate
- People Directorate
- Business Transformation Directorate
- Policy and Performance Directorate

The Assistant Chief Executive (Policy and Performance) submitted a report summarising the Business Plan Monitoring Statements that had been completed by the directorates.

Members noted the various key messages of the Directorates, drawing particular attention to the negotiations of the Section 106 monies for the Group One, Buckshaw Village outline planning application, the cost to the Council with regard to fly tipping and the possibility of more allotments in the Borough.

RESOLVED – That the Business Plan Monitoring Statements be noted.

08.OS.84 PERFORMANCE MONITORING REPORT - SECOND QUARTER OF 2008/09

The Assistant Chief Executive (Policy and Performance) submitted the second quarter performance management report, which set out performance against the 2008/09, 1 July to 30 September 2008.

The report indicated that the overall performance of the key projects in the Corporate Strategy was very good with 27 (87%) of the projects either completed, progressing ahead of plan or on plan.

The report identified the completed projects and showed the key outcomes from the projects that had been completed to date. In total 20 (64.5%) of key projects, in the refreshed Corporate Strategy had now been completed, an increase of 22% on the position last quarter.

The Assistant Chief Executive also explained that the Council had registered its concerns with Lancashire County Council that the Local Area Agreement performance target for percentage of land assessed as having below acceptable levels of detritus was too high (22%) and the Council had set itself a much lower target of 4%

Members requested more information on National Indicator 156, number of households in temporary accommodation and also projects that Groundwork had contributed too within the Borough.

RESOLVED – 1. That the report be noted.
2. That the Strategic Housing Manager be asked to provide information on NI156 to a further meeting of the Committee..

08.OS.85 CHORLEY PARTNERSHIP 2ND QUARTER PERFORMANCE REPORT

The Committee received a report of the Assistant Chief Executive (Policy and Performance) outlining the improvements made by the Chorley Partnership (the Local Strategic Partnership for Chorley) since last quarter, to keep Cabinet informed about the current work being co-ordinated by the LSP and future plans for the LSP.

The report outlined how the Chorley Partnership had performed over the second quarter and contained updates on:

- The work of the LSP, through its 11 strategic projects, including expenditure.
- The key performance indicators from the Sustainable Community Strategy and the first reporting period of the LAA

The report indicated that the Chorley Partnership's projects are in the main on track and are progressing well and were already starting to deliver on its Local Area Agreement targets.

Members raised concerns that there was no information on the project on raising Mental Health Awareness, which would hopefully help to tackle the stigma attached to mental health. The Assistant Chief Executive (Policy and Performance) reported that there had been some personnel changes at the PCT but that every effort was being made to collect this information.

Members raised an issue about the level of advice and information that Age Concern gives to people in need relation to benefits that they maybe entitled too. The Corporate Director (People) advised a meeting of Chorley Old People's Forum was due to take place the following day and any issues could be addressed through this forum.

RESOLVED – That the report be noted.

08.OS.86 FORWARD PLAN

The Committee received the Forward Plan for the period 1 November 2009 to the 28 February 2009.

RESOLVED – That the Forward Plan be noted.

08.OS.87 OVERVIEW AND SCRUTINY WORK PROGRAMME AND REPORTS FROM THE TASK AND FINISH GROUPS

The Committee received the updated Overview and Scrutiny Wok Programme for the remainder of the Municipal year.

The programme included the envisaged timescale for the ongoing scrutiny inquiries and the planned monitoring of past inquiry recommendations.

The Committee also received from the Chair of each of the Task and Finish Groups an update on their prospective inquiries.

(1) Chorley Community Housing

Councillor Devaney informed the Committee that the Task Group had now met five times and that the final meeting of the Task Group would be taking place on 12 November 2008 and that the final report would be presented to the next Committee meeting on 1 December 2008.

(2) Streetscene

Councillor Adrian Lowe reported that the Task Group had met 6 times and at its meeting on 20 November would consider evidence from the Parish Councils and the Equality Forum and it was intended that the draft final report would be presented to this Committee on 1 December 2008.

(3) Joint Scrutiny Inquiry with Preston and South Ribble on Affordable Housing.

Councillor Dennis Edgerley reported that the Group had met twice; they had agreed the scoping document and the division of labour between the three authorities. However the Chair expressed his concern about the administrative difficulties that could arise from moving the meetings from one place to another.

(4) Chorley Partnership

Councillor Devaney informed the Committee that the Group had met twice and was still scoping the document, as there was a need for the Members of the Group to understand more about the Partnership and its Thematic Groups. This subject had also been identified by one third of Members in the recent Member training and development interviews and as a result a member learning session was to be held on 17 November 2008 to which all Members of the Council were invited. Comments raised would be taken to the next meeting of the Task Group on 24 November 2008 for consideration.

- RESOLVED – 1. That the work programme be noted.**
2. That the verbal reports from the Task Groups be noted.

Chair

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Draft Report of the Overview and Scrutiny Task Group - Chorley Community Housing

November 2008



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1. EXECUTIVE SUMMARY

Chorley Community Housing is a not for profit organisation. In March 2007 it contracted with Chorley Council to take on the housing stock of the Borough. Included in the contract is a Chorley Community Housing commitment to invest £26 million pounds over the first five years. At the start of the inquiry the contract had been running for fourteen months.

The Chorley Community Housing report presented to Executive Cabinet monitoring progress indicated that all six promises made to tenants on the transfer of houses were on target. This coincided with major changes to staffing at Chorley Community Housing. Initial inquiries showed that the performance statistics presumed to be year one were in fact treated by Chorley Community Housing as an initial year for fact finding.

The Overview and Scrutiny Committee asked a task and finish group to examine the report in more detail.

The members of the task and finish group concluded that:

- there are question marks that the improvement of the delivery rate would be seen,
- That generally residents are happy with the service provided by Chorley Community Housing, although further work needs to be done on the provision of affordable housing and monitoring contractors.
- The performance monitoring of Chorley Community Housing would benefit from a review. This is the responsibility of the Corporate Director (Business).
- The delivery of affordable housing needs to be addressed.

Objectives

To investigate and evidence that the promises made by Chorley Council and provided under contract by Chorley Community Housing are being delivered to tenants. Of the six initially considered the group decided to investigate the following four in detail:

1. Delivery of home improvements,
2. Service improvement,
3. Tenant involvement in decision making,
4. Regeneration.

The promise relating to affordable rents was not considered as rents are set in accordance with a national formula set by the government. However, Members did investigate aspects of the delivering sustainable communities promise.

Desired Outcomes

- To have documentary evidence that the services delivered to our customers meet those promised in themes by Chorley Council.
- To make recommendations in areas where improvements are required.
- To identify any barriers Chorley Community Housing face in delivering their services and any solutions Chorley Council can provide.

Group Membership

Councillor Mike Devaney (Chair)

Councillor Alistair Bradley

Councillor Pat Haughton

Councillor Kevin Joyce

Councillor Marion Lowe

Councillor Rosemary Russell

Councillor Julia Berry

Councillor Harold Heaton

Councillor Roy Lees

Councillor June Molyneux

Councillor Stella Walsh

Officer Support

Lead Officer

Lesley-Ann Fenton

Performance

Democratic Services

Ruth Hawes

Assistant Chief Executive (Policy and

Assistant Democratic Services Officer

Meetings

The meeting papers of the Group can be found on the Council's website: <http://www.chorley.gov.uk/scrutiny>. This includes the inquiry project outline and other relevant information on policy and procedures.

Contribution of Evidence

The Group would like to thank all those who have provided evidence and contributed to the Inquiry.

Recommendations

The Executive Cabinet is asked to consider the following recommendations:

1. The format of the report monitoring progress on all six promises made to tenants should be amended to include the targets, achievement against the target, sufficiently detailed evidence to support this and actions to be taken where the target has not been met. Perhaps short, medium and long term targets could be identified. Any tenant perception and satisfaction surveys should be included with this report.
2. Review progress in six months to ensure that the recent restructuring has bedded in.
3. It is noted that the provision of additional affordable homes is a key issue and progress on this should be monitored closely.
4. The report monitoring progress on all six promises made to tenants should be presented to the Executive Cabinet every six months by the Council's contract management officer in addition to the performance of key partnerships report.
5. That an updated list of contact details for Chorley Community Housing staff be sent to Customer Services at the Council every six months. Other information relevant to Councillors be sent to Democratic Services at the Council, e.g. refurbishment projects being delayed or new initiatives.
6. The reporting and monitoring systems between Chorley Community Housing and Lancashire County Council should be strengthened, in particular requests for work on the highways.

7. Contractors undertaking work on behalf of Chorley Community Housing should carry an ID badge at all times in line with the approach taken by Chorley Community Housing staff and have an increased level of supervision.
8. Contractors should provide tenants with information to enable tenants to contact them throughout the course of work being undertaken on their property.
9. To collect and monitor tenant satisfaction before, during and after work is undertaken on their property.
10. To secure an updated service level agreement with Chorley Community Housing for the provision of streetscene services.
11. It is recognised that strong residents associations supports a cohesive society and the Council and Chorley Community Housing need to work together towards this. Councillors with social housing in their ward are encouraged to participate in and support residents associations and be in contact with the social housing provider.
12. To reinforce the importance of the Development Control Committee in focussing Section 106 agreements on rented houses rather than shared ownership.

Financial Implications: There are no financial implications for Chorley Council to implement any of the recommendations made.

2. METHOD OF INVESTIGATION

Evidence

The Group received and considered several reports and documents, these included:

- An extract of the report submitted to Executive Cabinet on 29 May 2008 on the performance of key partnerships, monitoring progress on all six promises made to tenants,
- A briefing note on the Council's contract with Chorley Community Housing,
- Various leaflets, newsletters and surveys from Chorley Community Housing, including a residents perception survey (completed by just over 10% of tenants),
- The updated report monitoring progress on all six promises made to tenants.

Witnesses

Adactus:

Paul Lees (Managing Director), Annabelle Robinson (Group Housing Management Director) and Morna Maines (Project Manager).

Residents Associations:

Representatives from Devonport United Group, Eaves Green Residents' Group and The Ryes Residents' Group. Chorley Moor Residents' Group were invited to attend.

Chorley Council officers:

Gary Hall (Assistant Chief Executive (Business Transformation)), Ishbel Murray (Corporate Director (Neighbourhoods)), Zoe Whiteside (Strategic Housing Services Manager) and Councillor Peter Malpas (Executive Member (Business)).

Members contribution

An important feature of the inquiry has been the degree of feedback from Members about their constituents at each meeting.

3. FINDINGS AND RECOMMENDATIONS

Objective 1: Delivery of home improvements.

One of the key aims of the inquiry has been to ensure that Chorley Community Housing are delivering a good service to customers. The main way tenants will have contact with Chorley Community Housing is through the delivery of home improvements. The “Chorley Standard” has been agreed by tenant representatives setting out the improvements and modernisation to be completed on each house. There are concerns that 18 months into the contract there is a lack of progress specifically on home improvements.

Communication has previously been an issue for customers both with Chorley Community Housing and contractors used. A project manager now monitors the performance of contractors and quarterly key performance indicator reports are now presented to the Chorley Community Housing Board for monitoring purposes. It has been evident that, although issues within Chorley Community Housing have been addressed, concerns remain regarding contractors. This includes supervision of contractors generally and tenants being able to contact contractors during work being carried out on their house.

It was clarified that if tenants do not take up the offer of a new kitchen or bathroom (for example as they have just decorated) the money not spent on a particular property will be ring fenced to keep the money in the renovations account. Accurate records are kept about work done to each property for the decent homes standard. A particular issue has been the state of the central heating systems, including boilers over 10 years old and the compatibility between the actual heating installation and the central heating unit. A clerk of works inspects all works on completion and the resident has to say that they are satisfied prior to accepting formal handover of a property.

Where urgent work is identified in houses to bring them up to the Chorley standard not in the programme of work for this year these will be reviewed on a case by case basis.

Following discussions the three houses requiring total refurbishment in Charnock Richard have now been surveyed, although the project is not in the budget for this year. This is important as there is a need for rented homes in rural areas.

Members were assured that Chorley Community Housing will consider alternative accommodation needs when properties are being renovated and have acknowledged past shortcomings in this area.

One of the areas highlighted by the residents' perception survey, carried out by Chorley Community Housing showed the need for additional residents' car parking spaces. The group felt that the resolution of this would encourage tenants to take ownership of the parking area, leading to a reduction in litter. 168 additional car parking spaces have been identified to provide hard standing areas for residents and these are in the Chorley Community Housing programme.

Other highway issues like speeding and requests for traffic calming measures indicate that improvements could be made in communications between Chorley Community Housing and Lancashire County Council.

Throughout the inquiry Members stressed the importance of partnership working on issues such as anti social behaviour, car parking, speeding motorists and litter. This will be taken forward by the Council through the locality plan and neighbourhood working.

Recommendations:

1. The format of the report monitoring progress on all six promises made to tenants should be amended to include the targets, achievement against the target, sufficiently detailed evidence to support this and actions to be taken where the target has not been met. Perhaps short, medium and long term targets could be identified. Any tenant perception and satisfaction surveys should be included with this report.
2. Review progress in six months to ensure that the recent restructuring has bedded in.
3. It is noted that the provision of additional affordable homes is a key issue and progress on this should be monitored closely.
4. The report monitoring progress on all six promises made to tenants should be presented to the Executive Cabinet every six months by the Council's contract management officer in addition to the performance of key partnerships report.
5. That an updated list of contact details for Chorley Community Housing staff be sent to Customer Services at the Council every six months. Other information relevant to Councillors be sent to Democratic Services at the Council, e.g. refurbishment projects being delayed or new initiatives.
6. The reporting and monitoring systems between Chorley Community Housing and Lancashire County Council should be strengthened, in particular requests for work on the highways.
7. Contractors undertaking work on behalf of Chorley Community Housing should carry an ID badge at all times in line with the approach taken by Chorley Community Housing staff and have an increased level of supervision.
8. Contractors should provide tenants with information to enable tenants to contact them throughout the course of work being undertaken on their property.
9. To collect and monitor tenant satisfaction before, during and after work is undertaken on their property.

Objective 2: Service improvement.

It was notable that when maintenance problems are reported to Chorley Community Housing residents are happy with the service received. When reporting a defect tenants are informed when a repairperson will come. If the problem is urgent this will be the same day. In most instances the service received is, in fact, better than that received from the Council.

Residents associations raised street scene issues. An area of concern for the Council is the inconsistency between the properties on the work schedule and the Chorley Community Housing property schedule. Houses are sold or alternative arrangements have been made with residents and the Council are not always advised of this. It has been made more difficult as Chorley Community Housing don't appear to have the up to date information either.

There is a service level agreement between the Council and Chorley Community Housing for grounds maintenance, including mowing and bedding provisions. The service level agreement is currently running on an annual contract basis, this position requires to be reviewed and an extended contract arrangement secured.

A review of records and work schedules has been instigated by the Council to clarify the service level agreement and to map Chorley Community Housing areas on the geographical information system (GIS). The Council want to provide a consistent service to residents and the need for this has been highlighted through the neighbourhood working agenda. Chorley Community Housing has a role to play in monitoring the work of the Council, as do the Council supervisors.

If the Council do not continue to provide this service for Chorley Community Housing it is important to ensure that good standards of service are provided to all residents of the borough. The Council have suggested to Chorley Community Housing that they tender the process in 2010 to enable the records issues to be resolved and to establish a satisfactory specification for services. This is still on-going and is with Chorley Community Housing.

Recently there has been a problem with mowing work not being undertaken due to the wet weather, in particular with the cut and collect scheme. Generally with the cut and collect scheme areas are mown at least every three weeks with a maximum of fifteen cuts per year. Hedges are cut and bedding schemes are renewed twice a year.

Litter has been highlighted as an issue in the residents' perception survey. Areas are litter picked as and when required, but always prior to mowing. Chorley Community Housing has the responsibility to provide the litterbins. Although additional litterbins could be considered this will lead to additional costs, both in provision and servicing. It is thought that larger litter bins will solve some of the problems. This will be considered as part of the ongoing street scene inquiry.

Equality recording and monitoring is evident from the literature produced by Chorley Community Housing,

Recommendation:

10. To secure an updated service level agreement with Chorley Community Housing for the provision of streetscene services.

Objective 3: Tenant involvement in decision-making.

The established residents association, The Ryes, in a free ranging discussion with the group gave evidence that they have widened their role to try and improve things further. Rather than being issue based there is a concentration on community cohesion and social events and the association has received grants for various projects. This is something that other associations could consider doing.

Chorley Community Housing do give assistance when requested, including attending meetings, finding venues for meetings, setting up constitutions etc. There is also a Tenants' and Residents' Panel, buddy scheme, monthly meetings with residents associations, tenants newsletters, a resource room and an annual grant to each residents association. The residents associations advised the most important aspect they needed help with was getting people involved, in particular having someone to lead the residents association. It also helps having Borough Councillors involved.

Residents advise that Chorley Community Housing do ask for their opinions on how things could be improved, but feel they could be kept better informed of when improvements in their area will be made.

From the residents association, in the main, a positive response was reported in the way that Chorley Community Housing deals with antisocial behaviour. Chorley Community Housing will not tolerate anti-social behaviour and a dedicated team is in place to combat this. This reassured Members as this problem has been raised through feedback from residents. It was recognised that the control of anti-social behaviour is a major factor in "delivering sustainable communities" and although this promise was not considered in detail by the inquiry this part of the report is considered the best place to report the findings.

Recommendation

11. It is recognised that strong residents associations supports a cohesive society and the Council and Chorley Community Housing need to work together towards this. Councillors with social housing in their ward are encouraged to participate in and support residents associations and be in contact with the social housing provider.

Objective 4: Regeneration.

The definition of affordable housing is the Borough median income (£29600) times 2.5, which equals £74,000.

Chorley Community Housing is committed to providing affordable housing and it is acknowledged that Adactus are an experienced deliverer. They are contractually committed to deliver the target to provide and fund forty affordable housing units per year, although this can roll over for a maximum of four years. These are above those which Adactus provides that are funded via the Housing Corporation's mainstream funding programme. It should be noted that the Council is not under contract to help achieve the target.

Concern had been expressed at the difference of opinion between Chorley Community Housing and the Council on the delivery of affordable housing, in particular, the units on the Gillibrand estate.

The Council has identified privately owned land that Chorley Community Housing could buy. On the plus side, working with a Registered Social Landlord means more chance of achieving rented units than low cost or shared ownership units. The current financial position has increased the need for rented housing, compounded by lack of mortgage finance. Rented houses need to be viewed financially over a longer term and this was not as attractive to Registered Social Landlords.

Where there are Section 106 agreements the Council do promote Chorley Community Housing and also focus on rented houses rather than shared ownership, which is better financially for the developer. The Council need to push for this and Development Control Committee Members can play an important role here.

It was understood that the restructure at Chorley Community Housing has generated a significant financial saving. All rent and other money Chorley Community Housing receive from the property transferred (including right to buy receipts) has to be spent on expenses relating to the Chorley houses and for other social housing etc. purposes primarily in Chorley.

Recommendation:

12. To reinforce the importance of the Development Control Committee in focussing Section 106 agreements on rented houses rather than shared ownership.

Report of	Meeting	Date
Corporate Director of Human Resources & Organisational Development (Introduced by the Executive Member for Resources)	Council	2 nd December 2008

LOCAL GOVERNMENT PENSION SCHEME AND REDUNDANCY DISCRETIONARY PAYMENTS

PURPOSE OF REPORT

1. To request that Members approve the recommendations outlined as a result of changes to the Local Government (Early Termination of Employment) Regulations 2006 – in particular those that relate to the discretions around early retirement and voluntary redundancy.

RECOMMENDATION(S)

2. That the Council be recommended to approve the following recommendations outlined within the report:
 - a) Not to introduce pensionable service augmentation for all employees
 - b) To continue to offer statutory redundancy payment based on actual salary
 - c) To note that enhanced severance payments are no longer paid to employees under the age of 50.
 - d) To approve the policy on late applications into the pension fund.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

3. To ensure that the Council complies with its statutory obligations within the Local Government pension scheme, redundancy discretionary payments and ensures that costs related to these are contained.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

4. None considered

CORPORATE PRIORITIES

5. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional		Improved access to public services	
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economic development in the central Lancashire sub region			
Improving equality of opportunity and life chance		Develop the character and feel of Chorley as a good place to live	
Involving People in their Communities		Ensure Chorley is a performing Organisation	√

BACKGROUND

6. Since 1976 there have been discretions available to Councils to allow payments to employees whose employment is terminated early on the grounds of redundancy or efficiency of the service. In effect, these discretionary powers allowed Chorley Council to:
- Calculate redundancy pay on actual pay rather than on the ceiling in the Employment Rights Act
 - Pay up to 66 weeks pay as a one off lump sum payment based on a service and age related formula
 - Award of up to 5 added years service in the LGPS to eligible employees aged 50 plus and less than 65 years of age
 - Award of ½ weeks pay per years service in addition to statutory redundancy payment to eligible employees under the age of 50.

These benefits have been used to encourage volunteers for both redundancy and 'interests of efficiency' staff reductions in restructures as the Councils priorities have changed over the years.

ISSUES

7. From 1st October 2006, the Employment Equality (Age) Regulations took effect to comply with the age related provisions of the European Employment Directive.
8. The Governments position is that age and length of service related formula that governs the above payments will discriminate under the new Age Regulations. The existing regulations were therefore replaced with new regulations that required the Council to review and amend its policy relation to discretionary payments to employees whose employment terminates early on the grounds of redundancy or efficiency.
9. In summary the new regulations allow Councils to:
- Retain the power to calculate redundancy payments on actual pay
 - Remove the power to award added years
 - Discretion to award a one off lump sum payment of up to 104 weeks pay inclusive of any statutory redundancy payment made.
10. The Government did not intend to prescribe formula by which the award of up to 104 weeks pay should be made, it does however, require Local Authorities to formulate publish and keep under review their policy decision on how they intend to exercise their new discretionary power.
11. The regulations specify that any change to the policy must be published for one month before they can take effect. Any policy must have regard to any serious loss of confidence in public services and be satisfied that the policy is workable, affordable and reasonable having regard to foreseeable costs.

OPTIONS

12. To consider introducing pensionable service augmentation for all employees subject to ERVS regardless of age.

Awarding of added years ceased with effect from 31st March 2007, Under the LGPSR 1997 an employer can award extra membership to any active member of the LGPS known as augmentation. From April 2006 the maximum an employer can award is the least of 6 years or 243 days or the period between the date of leaving and age 65. Chorley Council does not offer added years to any employer and it is recommended to continue this practice, as any changes would have to be made to all employees regardless of age.

13. To offer statutory redundancy payment at the maximum statutory level of £330 per week

The Government believes that the current statutory redundancy arrangements (subject to the removal of the upper and low age limits for redundancy payments) can be justified under Regulation 33 of the Age Regulations i.e. ½ weeks pay for service under aged 22, 1 weeks pay for service from aged 22 to 41 and 1 ½ weeks pay for service over 41 up to a maximum of 30 weeks pay. If the Council were to adopt the maximum statutory level of £330 per week option it would be unlikely to produce volunteers for redundancy and may provoke confrontation with the Trade Unions but it would be the lowest cost, it is therefore recommended not to adopt the statutory level of £330 per week.

14. To continue to offer a statutory redundancy payment based on actual salary.

This reflects the current position of the Council and uses the statutory tables as outlined above but the actual weekly salary of employees. It is recommended that in the spirit of positive employee relations this discretion be maintained.

Employees under the aged of 50 were previously awarded an additional ½ weeks pay per years service in recognition that they were unable to have immediate access to their pension, this is now not permissible to under 50s only on the grounds of age discrimination. Unison have been advised that this has been withdrawn at a previous LJCC and are in agreement that if the additional award is not offered to all employees regardless of age then it is discriminatory.

15. To offer enhance severance payments for staff subject to voluntary redundancy.

Under the revised regulations the Council may exercise discretion to award an additional severance payment up to 104 weeks (including the statutory redundancy payment). It is argued that using a multiplier using age and service can comply with the Age regulations and therefore the Council has discretion to offer a multiplier to either the number of weeks pay, the statutory redundancy amount or both up to a maximum of 104 weeks.

Employees can only receive a discretionary payment if they do not receive augmentation to pensionable service.

Voluntary severance costs have been a local agreement paid previously to those employees under the age of 50 who are not eligible for pension. This agreement has now ceased with the new age discrimination regulations.

16. Cash sum to convert into LGPS membership.

All authorities can now allow an employee to convert an enhanced payment up to 104 weeks pay into pensionable service, ensuring that any statutory payment has been made.

The impact of this option would vary by individual employees, is quite complex and if offered can only be used wholly, not in part.

17. Termination on the grounds of interests of efficiency.

The exception of the Age Regulations only applies to redundancy payments. If the Council were considering making payments for cases of IES the formula would have to be free from age discrimination. The recommendation from the Employers Organisation if we were to consider this option is to offer a 'one off' payment.

18. Late requests for transfer into the pension fund.

A policy is required in relation to the acceptance of transfers into the pension fund, where the member makes a request after the expiry of the first 12 months of active membership of the LGPS. New starters are provided with a comprehensive information pack on the LGPS and advised that the transfers of any pensions from other schemes will only be accepted in the first 12 months of service. After 12 months it is the Assistant Chief Executive (Transformation) discretion under delegated powers whether to approve the late transfer or not.

It is recommended that a policy be approved that takes immediate effect and is worded as follows:

Not to approve such requests unless the reason for the late request is either:

- a) That the member was not given the option to transfer as a result of an administrative error or
- b) That the initial request was received within the first 12 months of entitlement to membership of the scheme and there was an administrative delay in processing the request.

IMPLICATIONS OF REPORT

19. This report has implications in the following areas and the relevant Directors' comments are included:

Finance	√	Customer Services	
Human Resources	√	Equality and Diversity	
Legal			

COMMENTS OF THE CORPORATE DIRECTOR HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT.

20. Contained within the report

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

21. The report sets out a variety of options in relation to severance and pensions all of which would mean additional costs to the Council. Our current approach is to offer no enhancements, other than the age related enhancement on severance paid at actual salary. The purpose of this approach has always been to contain costs. To date the Council has not

experienced any issues in attaining efficiencies through voluntary severance and no augmentation has been needed in recent times. Members should make their decision on the options with this in mind and the Council is always at liberty to alter policies if at any later stage a different approach is required.

LORRAINE CHARLESWORTH

CORPORATE DIRECTOR HUMAN RESOURCES & ORGANISATIONAL DEVELOPMENT

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
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