

Chief Executive's Office

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Date: 1 November 2005

Chorley
Borough Council

Town Hall
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PR7 1DP

Chief Executive:
Jeffrey W Davies MA LLM

Dear Councillor

EXECUTIVE CABINET - THURSDAY, 3RD NOVEMBER, 2005

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

Agenda No Item

5. **Revenue Budget 2005/06 - Monitoring** (Pages 145 - 166)

Report of the Director of Finance (enclosed)

6. **Capital Budget 2005/06 - Monitoring** (Pages 167 - 184)

Report of the Director of Finance (enclosed)

7. **Draft Budget Outlook 2006/2007 - 2008/2009** (Pages 185 - 204)

Report of the Director of Finance (enclosed)

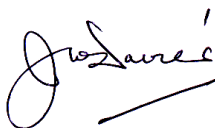
12. **Capital Plan - Play Area Development** (Pages 205 - 216)

Report of the Head of Public Space Services (enclosed)

16. **Enhanced Recycling Service** (Pages 217 - 230)

Revised report of the Head of Environmental Services incorporating the comments of the Director of Finance (enclosed). This version is in place of the original report (pages 59-70) previously circulated.

Yours sincerely



Chief Executive

Encs

Distribution

1. Agenda and reports to all Members of the Executive Cabinet and Chief Officers for attendance.
2. Agenda to all remaining Councillors for information.

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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 کیجئے: 01257 515823

Report of	Meeting	Date
Director of Finance	Executive Cabinet	3 November 2005

REVENUE BUDGET MONITORING 2005/06 - REPORT 3 (END OF SEPTEMBER)

PURPOSE OF REPORT

- This paper sets out the current financial position of the Council as compared against the budgets and efficiency savings targets it set itself for 2005/06 for the General Fund and the Housing Revenue Account.

CORPORATE PRIORITIES

- This report does not directly relate to the 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	

- Actions to manage the budget have the potential to impact on all of the above risk categories.

BACKGROUND

- The Council's budget for 2005/06 included real cash savings targets of £228,000 from the management of the establishment and a further £100,000 of savings to come from efficiency and Gershon related activities.

CURRENT FORECAST POSITION

- In my last report I advised on the projected outturn which forecast an overspend of £160,000, and recommended that some limited action was taken in order to address this issue. This report shows that the forecast deficit has continued to increase and the overspend is now forecasted to be £270,000.

7. The latest forecast shows how the position has deteriorated. The significant movements since my last report are shown in the table below, further details are contained in the attached appendices:

Table 1 – Significant Variations since the last monitoring report

	£'000
Savings identified in line by line review	-24
Additional Services provided under recycling contract	+57
Reduction in salary savings forecast	+40
Increase in cost of concessionary travel	+17
Net cost of savings on telephones not realised	+20
Net change since Aug report	+110

8. In the last report I recommended that a line by line review of budgets be conducted by finance staff in conjunction with heads of service. This exercise has now been completed and savings of £24,000 have been identified so far for this year.
9. An assessment of the current recycling contract has been completed based on costs to date. The additional demand for refuse containers and a higher than anticipated level of recycling has increased the year end outturn by £57,000 i.e. the implementation costs of the recycling contract. In addition the increase in recycling particularly of green waste may ultimately result in even more cost, this will only be known in the next quarter.
10. The previously reported forecast for salary savings has reduced. This is partly due to funding the Young Persons Development programme over two years, increases in Honorarium payments for staff carrying out additional duties and making virements from the salaries budget to other expenditure areas.
11. The cost of concessionary travel for this year is anticipated to increase by £17,000 based on estimates from Lancashire County Council who administer the payments to bus operators on our behalf.
12. The forecast rental cost of telephone lines has increased by £40,000. The increase in costs is partially offset by a reduction in forecasted call costs of £20,000 based on actual costs incurred for the first 6 months of this year. In the base budget for 2005/2006 an anticipated saving was factored in of £20k, clearly this is now not going to be realised and this is predominantly a result of the significant change programme currently ongoing in relation to the office accommodation.
13. Taking into account the points raised above, the current forecast position is that General Fund balances will be £270,000 lower than anticipated at the end of the year unless further savings accrue.
14. I now feel it is appropriate to take further actions to help ensure the budget comes back into balance. My suggestions are that:
- Vacant positions are not filled unless there is a statutory or other critical reason for providing the service, and then only with the express permission of the two Group Directors until such time as the budget position improves.
 - A review is conducted of existing agency staff being used by the council, and if they are fulfilling non-statutory or non business critical roles, then consideration be given to ending this employment.
 - Discretionary spending in all but essential areas is identified and stopped.

15. Whilst the aim of the exercise is to bring the 2005/2006 budget back into balance, any cash saving over and above the amount required would be carried forward into 2006/2007 to assist with the anticipated deficit.

HOUSING REVENUE ACCOUNT

BACKGROUND

16. The higher than expected contributions to balances at the end of 2004/05 has taken the forecast for the HRA at the end of 2005/06 to £618,000

CURRENT POSITION

17. Since my last report, there have been no significant changes to the Housing Revenue Account.
18. I am pleased to report that both the repairs budget and the trading account are only slightly off target. This situation can be recovered by the end of the year.
19. The forecast balancing position for the HRA now stands at £549,000 at the end of the year.

SUMMARY

20. Despite identifying some savings as a result of conducting a line by line review with service heads, the forecast outturn position has continued to deteriorate. This is mainly due to quantifying the anticipated additional costs relating to the recycling service and other costs pressures being identified.
21. Progress has been made towards the Efficiency Savings Target of £100,000, although there is still some way to go to achieve the full target for the year, although work is still ongoing in this area.
22. Given the limited progress being made in achieving Corporate savings targets which is mainly made up of a vacancy factor saving, further action needs to be taken in an attempt to redress the expected budget deficit.
23. For the HRA, whilst there are some cost pressures causing an increase in expenditure, the reduction in the right to buy sales means additional rental income is being generated for the account, and overall the budget remains on target.
24. Given the issues referred to above, it is recommended that the position to freeze expenditure from the remaining contingency fund is maintained.

RECOMMENDATIONS

25. Executive Cabinet are asked to:
 - a) Note the report.
 - b) Agree to the actions outlined in paragraph 14 until such time that the budget position improves.

REASONS FOR RECOMMENDATIONS
(If the recommendations are accepted)

26. To ensure the Council's budgetary targets are achieved.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

27. None

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Phil Eskdale-lord	5483	October 2005	ADMINREP/REPORT

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1I	Legal Services
1J	Leisure & Cultural Services
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2	Housing Revenue Account Summary
2A	Housing Revenue Account Budget Monitoring Statement
2B	Housing Building Maintenance Trading Account

General Fund Revenue Budget Monitoring 2005/06

Forecast Outturn as at September 2005

	(1) Original Budget £	(2) Agreed Changes £	(3) Original Cash Budget £	(4) Contribution to Corporate Savings £	(5) Current Cash Budget £	(6) Outturn	Forecast £	(7) Variance £	(8) Variance %
Corporate and Policy Services	517,770	-	517,770	-	517,770		513,770	(4,000)	-0.77%
Customer, Democratic & Office Support Services	2,930,540	160,000	3,090,540	(48,000)	3,042,540		3,049,000	6,000	0.20%
Economic Regeneration	246,140	-	246,140	(8,000)	238,140		247,000	9,000	3.78%
Environmental Services	3,090,290	-	3,090,290	-	3,090,290		3,108,000	18,000	0.58%
Finance	1,430,010	50,000	1,480,010	(41,000)	1,439,010		1,411,460	(27,550)	-1.91%
Housing Services (GF)	270,090	7,500	277,590	-	277,590		278,000	410	0.15%
Human Resources	621,720	97,500	719,220	(19,000)	700,220		721,500	21,688	3.10%
Information & Communication Technology Svs	905,440	4,000	909,440	-	909,440		929,000	19,560	2.15%
Legal Services	100,580	-	100,580	-	100,580		200,000	99,420	98.85%
Leisure & Cultural Services	1,042,810	41,550	1,084,360	-	1,084,360		1,034,360	(50,000)	-4.61%
Planning Services	467,950	-	467,950	-	467,950		458,950	(9,000)	-1.92%
Property Services	80,550	-	80,550	(15,000)	65,550		32,890	(32,610)	-49.75%
Public Space Services	1,331,330	-	1,331,330	-	1,331,330		1,323,330	(8,000)	-0.60%
Budgets Excluded from Finance Unit Monitoring:									
Benefit Payments	(514,440)		(514,440)		(514,440)		(514,440)	-	0.00%
Concessionary Fares	228,980		228,980		228,980		245,980	17,000	7.42%
Less									
Corporate Savings Targets		(328,050)	(328,050)	131,000	(197,050)		-	197,050	-100.00%
Total Service Expenditure	12,749,760	32,500	12,782,260	-	12,782,260		13,038,800	256,968	2.0%
Non Service Expenditure									
Contingency Fund	100,000	(63,000)	37,000		37,000		-	(37,000)	0.0%
Contingency - Corporate Savings	(328,050)	328,050	-		-		-	-	0.0%
Notional Capital Charges	1,168,630		1,168,630		1,168,630		1,168,630	-	0.0%
Revenue Contribution to Capital	-		-		-		-	-	0.0%
Net Financing Transactions	70,350		70,350		70,350		120,350	50,000	71.1%
Parish Precepts	412,562		412,562		412,562		412,562	-	0.0%
Total Non Service Expenditure	1,423,492	265,050	1,688,542	-	1,688,542		1,701,542	13,000	0.8%
Financed By									
Council Tax	(6,057,272)		(6,057,272)		(6,057,272)		(6,057,272)	-	0.0%
National Non-Domestic Rates	(2,945,840)		(2,945,840)		(2,945,840)		(2,945,840)	-	0.0%
Revenue Support Grant	(3,704,920)		(3,704,920)		(3,704,920)		(3,704,920)	-	0.0%
Collection Fund Surplus	(47,550)		(47,550)		(47,550)		(47,550)	-	0.0%
Use of Earmarked Reserves	(1,167,670)	(297,550)	(1,465,220)		(1,465,220)		(1,465,220)	-	0.0%
Use of General Balances	(250,000)		(250,000)		(250,000)		(250,000)	-	0.0%
Total Financing	(14,173,252)	(297,550)	(14,470,802)	-	(14,470,802)		(14,470,802)	-	0.0%
Net Expenditure	-	-	-	-	-		269,540	269,968	2.11%

General Balances Summary Position	Budget £	Forecast £
General Fund Balance at 1.4.05	1,000,000	1,000,000
Variations agreed utilising General Fund Balance	(250,000)	(250,000)
Forecast (Over)/Under Spend	-	(269,540)
Forecast General Fund Balance at 31.3.06	750,000	480,460

SERVICE LEVEL BUDGET MONITORING 2005/2006**CORPORATE & POLICY SERVICES**

September 2005 **£'000**

ORIGINAL CASH BUDGET 518

Add Adjustments for In year cash movements

Slippage from 2004/2005
- Use of Earmarked Reserves

Cabinet approved decisions
Delegated Authority decisions

ADJUSTED CASH BUDGET 518

Less Corporate Savings

Contribution to Corporate savings targets

CURRENT CASH BUDGET 518

FORECAST**EXPENDITURE**

Staffing costs - Corporate Policy	(12)
Consultants Fees - Corporate Strategy	6
Lancashire Local Area Agreement	6
Staffing costs - Community Safety/CCTV	(10)
CCTV Maintenance	10
Base Budget Review - various minor savings	(4)

INCOME

FORECAST CASH OUTTURN 2005/2006 514

Key Assumptions

- Staffing savings will be offset by additional costs.

Key Issues/Variables

- The above staffing savings are required to offset additional costs to be incurred later in the year, though no firm details are available at this stage.

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006**Customer, Democratic & Office Support Services**

September 2005 £'000

ORIGINAL CASH BUDGET 2,931**Add Adjustments for In year cash movements**

Slippage from 2004/2005

- Use of Earmarked Reserves 151

Virements (to)/from other Services

- Transfer of Allpay to Finance (50)

Transfer from Contingency

- Additional Office Accommodation Costs 59

E-workforce Reserve

- Intranet Rollout Campaign 6

Other

Cabinet approved decisions

Delegated Authority decisions

- Accommodation Project Costs *

ADJUSTED CASH BUDGET 3,097**Less Corporate Savings**

Contribution to Corporate savings targets

- Salaries savings (48)

CURRENT CASH BUDGET 3,049**FORECAST****EXPENDITURE**

Staffing costs - Office Support Services (4)

Software/equipment - Office Support Services 8

Printing & copying - copier charges 17

Staffing costs - Corporate Procurement (11)

Roses Marketplace Licence 5

Staffing costs - Customer Services (19)

Staffing costs - Democratic Services (2)

Staffing/Running costs - Closure of Lancastrian (17)

Base Budget Review - various minor savings (4)

INCOME

Room Hire - Closure of Lancastrian 9

Recharges to HRA 18

FORECAST CASH OUTTURN 2005/2006 3,049**Key Assumptions**

- use of King St Offices to end of September
- use of Duxbury Offices to end of December

Key Issues/Variables

- some of the Customer Services Staffing savings may be required to offset additional costs likely to be incurred later in the year, though no firm details are available at this time

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006**Economic Regeneration**

SEPTEMBER 2005	£'000	£'000
ORIGINAL CASH BUDGET		246
Add Adjustments for In year cash movements		
Slippage from 2004/2005		
- Use of Earmarked Reserves		
Cabinet approved decisions		
Delegated Authority decisions		
ADJUSTED CASH BUDGET		246
Less Corporate Savings		
Contribution to Corporate savings targets		(8)
CURRENT CASH BUDGET		238

FORECAST

EXPENDITURE	£'000	
Savings on vacant posts		(21)
Agency staff		2
Car allowances		1
Computer software/hardware		5
Base budget review savings:		
Postages	(1)	
Grant to Groundwork Trust	(1)	(2)
Expenditure under(-) or over (+) current cash budget		(15)
INCOME		
Pro rata reduction in recharges to Astley Park LHF capital scheme re salary costs		16
Income under (+)/ over (-) achieved		16
FORECAST CASH OUTTURN 2005/2006		247

Key Assumptions

Astley Park Project Officer post filled from 1st December 2005

The United Utilities funded Rivington Park Project is scheduled to finish at the end of this financial year.

Key Issues/Variables

Maintaining matched funding for Project Officer posts

Key Actions

It is critical that all costs associated with the Rivington Park Project are promptly recovered from United Utilities to prevent them falling on the Units revenue account which has no budget provision for a net cost or surplus.

SERVICE LEVEL BUDGET MONITORING 2005/2006**Environmental Services**

SEPTEMBER 2005	£'000	£'000
ORIGINAL CASH BUDGET		3,090
Add Adjustments for In year cash movements		
DEFRA Grant income transferred to Capital		18
Matched reduction in supplies and services budget		(18)
ADJUSTED CASH BUDGET		3,090
Less Corporate Savings		
Contribution to Corporate savings targets		0
CURRENT CASH BUDGET		3,090

FORECAST**EXPENDITURE**

Recycling Contract	57	
Graffiti removal volume increase	20	
Savings on vacant posts: Neighbourhood Wardens	(16)	
Student EHO's	(27)	
Training Fees Student EHO's	(3)	
Agency staff	11	
Scientific fees	(1)	
Contaminated Land investigations	(2)	
Composting Scheme	(3)	
Abandoned vehicles	(9)	
Recycling banks service	6	
Base budget review savings:		
Miscellaneous savings	(10)	
Expenditure under(-) or over (+) current cash budget		23
INCOME		
Pest Control	9	
Air Pollution Authorisations volume reduction	5	
Abandoned vehicles	1	
Butchers fees	2	
Recycling banks service	(15)	
Litter fixed penalty notices	(2)	
Civic Amenity collection	(5)	
Income under (+)/ over (-) achieved		(5)

FORECAST CASH OUTTURN 2005/2006	3,108
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Key Assumptions

Young Persons Development Programme to be funded in full from salary savings in Neighbourhood Warden Service in 2005.
Activity levels in refuse collection service to return to budgeted levels from September.
Projected overspend in recycling contract relating to Additional Services payments in first 5 months of the new scheme.

Key Issues/Variables

Higher than anticipated demand for refuse containers has generated additional costs in the refuse collection service.
It will be another couple of months before a reliable estimate of recycling volumes to year end can be made, due to seasonal effects on green waste.

Key Actions

Closely monitor activity levels on new refuse collection service and report significant changes

SERVICE LEVEL BUDGET MONITORING 2005/2006**SEPTEMBER 2005**

Finance	£'000
ORIGINAL CASH BUDGET	1,145
Add Adjustments for In year cash movements	
Slippage from 2004/2005 - Use of Earmarked Reserves	
Virements (to)/from other Services - Transfer of Allpay to Finance	50
Transfer from contingency	
Cabinet approved decisions :-	
Technical adjustments: Budget correction - increased contribution from HRA	(40)
ADJUSTED CASH BUDGET	<u>1,155</u>
Less Corporate Savings	
Contribution to Corporate savings targets	(41)
CURRENT CASH BUDGET	<u><u>1,114</u></u>

FORECAST	£'000	£'000
EXPENDITURE		
Pay in lieu of notice		8
Agency staff:		
Accountancy	5	
Exchequer	<u>8</u>	13
Saving on vacant posts:		
Benefits Administration	(16)	
Finance	<u>(26)</u>	(42)
Concessionary travel		17
Consultants fees		13
Audit and Inspection Fee reduction		(13)
IT Software Annual Licences		4
Microfilming		4
Bailiffs Fees		8
Documents Online Service		(3)
Magistrates Costs (2004/05) - Council Tax		<u>10</u>
Expenditure under(-) or over (+) current cash budget		19
INCOME		
Miscellaneous contributions (External Funding Officer)		<u>10</u>
Income under (+)/ over (-) achieved		10
FORECAST CASH OUTTURN 2005/2006		<u><u>1,143</u></u>

Key Assumptions

Young Persons Apprenticeships to be funded from internally generated savings.
 Audit and Inspection Fee reduction based on Audit Commission inspection plan
 Bailiffs fees based on current activity level. No existing budget
 Magistrates Costs not accrued in 2004/05.
 Concessionary Travel increased based on LCC projection for Bus passes

Key Issues/Variables**Key Actions**

Appendix 1F

SERVICE LEVEL BUDGET MONITORING 2005/2006**HOUSING SERVICES UNIT (GEN FUND)**September 2005 £'000**ORIGINAL CASH BUDGET** **270****Add Adjustments for In year cash movements**Slippage 8

Cabinet approved decisions

ADJUSTED CASH BUDGET **278****Less Corporate Savings**

Contribution to Corporate savings targets

CURRENT CASH BUDGET **278****FORECAST****EXPENDITURE**Salaries - Housing Renewal 9Agency Cover 31 40Salaries - Housing Needs (40)**INCOME****FORECAST CASH OUTTURN 2005/2006** **278****Key Assumptions**

Postponement of HIA

Vacant Housing Needs Post covered by acting up arrangements

Key Issues/Variables

Saving from R Roe post now chargeable to Stock Transfer

Postponement of HIA

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006**HUMAN RESOURCES UNIT****September 2005**

	£'000
ORIGINAL CASH BUDGET	622
Add Adjustments for In year cash movements	
Virements for other Services	
Transfer from contingency Reward & Retention	5
Cabinet approved decisions Job evaluation costs 05/06	93
Delegated Authority decisions	
ADJUSTED CASH BUDGET	<u>720</u>
Less Corporate Savings	
Contribution to Corporate savings targets	0
CURRENT CASH BUDGET	<u><u>720</u></u>
FORECAST	
EXPENDITURE	
Staffing Costs	(29)
Young Persons Development Programme	15
Reward & Recognition	5
Legal Fees	4
Occupational Health Fees	1
Recruitment Advertising Fees	(20)
INCOME	
South Ribble Health & Safety Contract	26
FORECAST CASH OUTTURN 2005/2006	<u><u>722</u></u>

Key Assumptions**Key Issues/Variables**

- Saving on staffing costs from restructure of Health & Safety Unit and vacant posts.
- Loss of income from termination of contract with South Ribble B.C.
- Saving on advertising costs from new advertising initiative

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006
INFORMATION & COMMUNICATION TECHNOLOGY SERVICES

September 2005

	£'000	£'000
ORIGINAL CASH BUDGET		905
Add Adjustment for In Year Cash Movements		
Slippage from 2004/2005		
- Use of Earmarked Reserves		0
Transfer from Contingency		0
Cabinet approved decisions		0
Increase in salaries budget re project support officer		40
Increase in income re project support officer recharge to capital		(40)
Delegated Authority decisions		0
Correction of Accounting Error		4
ADJUSTED CASH BUDGET		909
Less Corporate Savings		
Contribution to Corporate savings targets		
CURRENT CASH BUDGET		909
FORECAST		
EXPENDITURE		
Salaries (Technician/E-Gov Prog Man/Cust Serv Assist.)	(59)	
Young Person's Development Programme	5	
Temporary Staff	49	
Telephones Rental	42	
Telephone calls charges	(13)	
Expenditure under (-) or over (+) current cash budget		24
INCOME		
Telephones (private calls)	(4)	
Income under (+)/ over (-) achieved		(4)
FORECAST CASH OUTTURN 2005/2006		929

Key Assumptions

Young Person's Development Programme to be funded from salary saving. Cust Servs Assist post to be kept vacant until Jan 2006
 E-Gov Programme Manager post vacant until Jan 2006
 Technician cover continues at current levels
 Review of Tel Rentals led to 20k reduction in 2005/6 budget further investigation reveals unable to achieve savings being identified as server or alarm lines or due to accommodation programme
 Income from private telephone calls will continue at current levels.

Key Issues/Variables

Key Actions

Appendix 1I

SERVICE LEVEL BUDGET MONITORING 2005/2006**LEGAL SERVICES**

September 2005 **£'000**

ORIGINAL CASH BUDGET 101

Add Adjustments for In year cash movements

Slippage from 2004/2005
Virements for other Services
Transfer from contingency

Cabinet approved decisions
Delegated Authority decisions

ADJUSTED CASH BUDGET 101

Less Corporate Savings

Contribution to Corporate savings targets

CURRENT CASH BUDGET 101

FORECAST**EXPENDITURE**

Agency Staff costs	23
Legal Fees - solicitors costs	12
Land Charges Search Fees	(8)
Land Charges Network Fees	(15)

INCOME

Land Charge Searches	124
Licence Fees	(37)

FORECAST CASH OUTTURN 2005/06 200

Key Assumptions**Key Issues/Variables**

- reduced volume of Land Charges
- increase in fee income under new Licensing Act 2003
- agency staff covering vacant posts

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006**LEISURE & CULTURAL SERVICES****SEPTEMBER 2005**

	£'000
ORIGINAL CASH BUDGET	1,043
Add Adjustments for In year cash movements	
Slippage from 2004/2005	
Golf course consultancy	16
Midsummer Festival	1
Virements for other Services	
Transfer from contingency	
Cabinet approved decisions	
Trf from Change management Reserve for Community mgmt	25
Delegated Authority decisions	
ADJUSTED CASH BUDGET	<u>1,085</u>
Less Corporate Savings	
Contribution to Corporate savings targets	
CURRENT CASH BUDGET	<u><u>1,085</u></u>
FORECAST	
EXPENDITURE	
Expenditure under(-) or over (+) current cash budget	
Professional and consultancy fees for golf bid and indoor leisure	32
INCOME	
Income under (+)/ over (-) achieved	
Arts officer funding	(17)
Savings on indoor Leisure contract	(65)
FORECAST CASH OUTTURN 2005/2006	<u><u>1,035</u></u>

Key Assumptions

Expenditure & income will be in line with budgets

Key Issues/Variables**Key Actions**

Line by line review was conducted with the Head of Service on 24/10/2005
 Arising from the meeting were a number of issues that budget holders will be reviewing and feeding in to the monitoring report for October
 The new Indoor Leisure Contract is expected to come into force on 01/11/2005

Appendix 1K

SERVICE LEVEL BUDGET MONITORING 2005/2006**PLANNING SERVICES**

September 2005 **£'000**

ORIGINAL CASH BUDGET 468

Add Adjustments for In year cash movements

Slippage from 2004/2005
- Use of Earmarked Reserves

Cabinet approved decisions
Delegated Authority decisions

ADJUSTED CASH BUDGET 468

Less Corporate Savings

Contribution to Corporate savings targets

CURRENT CASH BUDGET 468

FORECAST**EXPENDITURE**

PDG Funded Expenditure 123
Relocation Expenses 3

INCOME

Planning Application Fees 3
Building Control Fees (15)
Additional Planning Delivery Grant (123)

FORECAST CASH OUTTURN 2005/2006 459

Key Assumptions

- current income levels are maintained

Key Issues/Variables

- level of grant received higher than budgetted
- reduction in level of Planning Application fees received

Key Actions

SERVICE LEVEL BUDGET MONITORING 2005/2006**PROPERTY SERVICES UNIT****September 2005****£'000****ORIGINAL CASH BUDGET**

81

Add Adjustments for In year cash movements

Slippage from 2004/2005

- Use of AMF Reserve

Virements for other Services

Transfer from contingency

Cabinet approved decisions

- Transfers to Corporate & Policy

Delegated Authority decisions

ADJUSTED CASH BUDGET81

Less Corporate Savings - Vacancy savings taken in July Monitoring

(15)

CURRENT CASH BUDGET66

FORECAST

EXPENDITURE

Expenditure under(-) or over (+) current cash budget

Additional agency staff costs not in budget

15

Savings from staff vacancies

(15)

Savings from line by line review

(6)

(6)

INCOME

Income from Friday Street Depot

(28)

(28)**FORECAST CASH OUTTURN 2005/2006**33**Key Assumptions**

Income from rents and market tolls broadly in line with estimates

Key Issues/Variables**Key Actions**

Line by line review conducted with Head of Service on 21/10/2005.

Savings of £5.5k identified as well as additional rental income of £27.6k.

Additional income relates to Friday Street depot that should have

been sold, but is now expected to be in our ownership until March 2006.

SERVICE LEVEL BUDGET MONITORING 2005/2006

PUBLIC SPACE SERVICES		£'000
September 2005		
ORIGINAL CASH BUDGET		1,331
Add Adjustments for In year cash movements		
Slippage from 2004/2005		
ADJUSTED CASH BUDGET		<u>1,331</u>
Less Corporate Savings		
Contribution to Corporate savings targets		
CURRENT CASH BUDGET		<u><u>1,331</u></u>
FORECAST		
EXPENDITURE		
Expenditure under(-) or over (+) current cash budget		
Car Lease Payments	4	
Purchase/Maintenance of Playground Equipment	8	
Purchase of Furniture	5	
Maintenance of Tools and Equipment Savings	(4)	
Car Allowance Savings	(5)	
Consultants re ISO 9001	4	
Savings on DSO Highways Material Budget	(55)	
Street Cleansing Client Budget	(20)	
NNDR-Bengal St Depot	8	
Miscellaneous Expenses	4	(51)
		<u>4</u>
INCOME		
Income under (+)/ over (-) achieved		
DSO Highways shortfall on budgeted LHP income	30	
Roundabout Sponsorship Income not achievable	4	
Misc Income	(2)	
Car Parking Fees under profile	11	43
		<u>11</u>
FORECAST CASH OUTTURN 2005/2006		<u><u>1,323</u></u>

Key Assumptions

>Likely shortfall on revenue salary recharge to capital schemes of £42,070. This additional cost on the revenue account could be offset by not recruiting the three currently vacant posts Cad Technician, Project Officer and Play Area Officer.

Key Issues/Variables**Key Actions**

Housing Revenue Account Budget Monitoring 2005/06

Forecast Outturn as at Sept 2005

	(1) Original Budget £	(2) Agreed Changes £	(3) Current Cash Budget £	(4) Forecast Outturn £	(5) Variance £
Income					
Dwelling Rents	(6,801,510)		(6,801,510)	(6,961,510)	(160,000)
Non-dwelling rents	(96,170)		(96,170)	(90,170)	6,000
Service Charges	(108,000)		(108,000)	(78,000)	30,000
Contributions Towards Expenditure	(341,530)		(341,530)	(341,530)	-
Government Subsidy	-		-	-	-
Total Income	(7,347,210)	0	(7,347,210)	(7,471,210)	(124,000)
Expenditure					
Repairs and Maintenance	1,533,000		1,533,000	1,560,000	27,000
Supervision and Management					
- General	1,328,830		1,328,830	1,461,830	133,000
- Special	694,280		694,280	694,280	-
Rent. Rates, taxes and other charges	19,800		19,800	19,800	-
Rent Rebates	-		-	-	-
Bad Debt Provision	54,220		54,220	47,220	(7,000)
Negative Housing Subsidy	1,344,310		1,344,310	1,344,310	-
Rent Rebate Subsidy Limitation	100,000		100,000	100,000	-
Transfer to Gen Fund	-		-	40,000	40,000
Capital Financing etc	2,097,830		2,097,830	2,097,830	-
Total Expenditure	7,172,270	0	7,172,270	7,365,270	193,000
Surplus (-) or Deficit (+) for year	(174,940)	-	(174,940)	(105,940)	69,000

Housing Revenue Account Balances Summary Position	
	£
Balance at 1.4.05	442,848
Budget Deficit 2004-05	174,940
Agreed variations	0
Under (+) / Over (-) spend in year	(69,000)
Forecast HRA Balances at 31.3.05	548,788

Appendix 2A

SERVICE LEVEL BUDGET MONITORING 2005/2006**HOUSING REVENUE ACCOUNT****SEPTEMBER 2005****£'000**

ORIGINAL SURPLUS (-) / DEFICIT (+) FOR YEAR (175)
BALANCE AS AT 1.4.05 (443)

Add Adjustments for In year cash movements

Slippage from 2004/2005
 Virements for other Services
 Transfer from contingency

Cabinet approved decisions
 Delegated Authority decisions

ADJUSTED HRA BALANCES EXPECTED at 31.3.05 (618)

FORECAST**EXPENDITURE**

Salaries - Housing Services Temp Staffing Arrangements		83
Transfer to General Fund - Contribution to Hsg Benefits Costs		40
Recharges adjustment		40
Repairs and Maint - Trading account deficit	14	
- additional Gas Servicing	<u>13</u>	27
Tenant Profiling - Beacon Research		10
Bad Debt Provision		(7)
Expenditure under(-) or over (+) current cash budget		<u>193</u>

INCOME

Rents & Other Charges	(130)
Garage Rents	6
Income under (+)/ over (-) achieved	<u>(124)</u>

FORECAST BALANCES AS AT 31.3.06 (549)

Key Assumptions

Rent forecast assumes 1 sale per week to end of year
 Assumes full staffing for the year

Key Issues/Variables

Repairs and Maint expenditure
 Management and Maint Expenditure
 Rent Income

Key Actions

To maintain control of Maint and Mgmt Expenditure

SERVICE LEVEL BUDGET MONITORING 2005/2006**HOUSING TRADING ACCOUNT**

September 2005

	£'000
ORIGINAL SURPLUS / DEFICIT	0

Add Adjustments for In year cash movements

Previously Reported

Virements for other Services

Cabinet approved decisions

Delegated Authority decisions

ADJUSTED SURPLUS / DEFICIT	<u>0</u>
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Less Corporate Savings

Contribution to Corporate savings targets

CURRENT SURPLUS / DEFICIT	<u>0</u>
----------------------------------	----------

FORECAST**EXPENDITURE**

Employees

External contractors

Materials

Hired Staff 27

Expenditure under(-) or over (+) current cash budget	<u>27</u>
--	-----------

INCOME

Income under (+)/ over (-) achieved	(13)
-------------------------------------	------

FORECAST SURPLUS(-) / DEFICIT(+) 2005/2006	<u><u>14</u></u>
---	------------------

Key Assumptions

Above trading position based on monitoring of the following key risk areas:

- Agency expenditure
- Sub-contractor expenditure
- Materials
- Internal labour

Assumes all other expenditure items are within budget

Key Issues/Variables

Control of sub-contractor budget

Control of agency budget

Control of material usage/cost

Achieving all income targets

Key Actions

to manage above

to reduce deficit to break-even

SIGNED

Head of Service

Report of	Meeting	Date
Director of Finance (Introduced by the Executive Leader)	Executive Cabinet	3 November 2005

CAPITAL BUDGET 2005/06 - MONITORING

PURPOSE OF REPORT

- To report forecast expenditure position for the 2005/06 Capital Programme, and to revise the split of the programme into categories.

CORPORATE PRIORITIES

- The schemes in the Capital Programme contribute to achieving all 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	

- Detailed estimates have not yet been prepared for all schemes. Increases in budget provision may be required when tenders are received or, in respect of land assembly, compensation terms are agreed.

The estimated financing of the programme in 2005/06 takes into account capital receipts from the sale of assets that have not yet been received. Should there be a shortfall of usable receipts, it may be necessary to increase the level of external borrowing to bridge the gap. This would involve increased revenue costs for the General Fund.

BACKGROUND

- The Capital Programme for 2005/06 was approved at £18,885,370 at Executive Cabinet of 29 September 2005 and was divided into categories according to the stage of approval of the schemes. Since then the Capital Programme Board, together with the budget holders, has reviewed forecast expenditure; and has revised scheme categories.
- In my previous report I indicated that to finance the full Capital Programme would require more prudential borrowing than the £782,600 allowed for in the original estimate. I estimated that external borrowing during 2005/06 could rise by £1.5 million to £2.28 million. The principal reason for the increased borrowing requirement is a reduction in the level of usable capital receipts. This has resulted from slippage of asset disposals to later years; a significant reduction in the volume of Right To Buy (RTB) Council dwellings sales



from the end of 2004 onwards: and deletion from the capital resource estimate of land sales not expected to materialise in the foreseeable future. A summary of the changes to date is given in the table below.

	£ m
Slippage of asset disposals to later years	0.600
Reduction in unrestricted RTB receipts	0.095
Reduction of land sales from estimate	0.669
Increase in expenditure 29/9/05	0.136
	<hr/>
Increased borrowing estimate as at 29/9/05	1.500
	<hr/>
Increase in expenditure 3/11/05	0.067
Further reduction in estimated receipts	0.153
	<hr/>
Increased borrowing estimate as at 3/11/05	<u>2.500</u>

7. The table shows that the main reason for the additional borrowing required is either the slippage of or reduction in expected receipts. The bulk of the slippage figure of £600k relates to the Yarrow Valley depot and the reduction in land sale is attributable to the expected receipts from the Gillibrand developments where there is still a great deal of uncertainty regarding the sum the Council may receive.

REVISED CAPITAL PROGRAMME 2005/06

8. Following the review of scheme budgets, it is estimated that there will be a further net increase in expenditure of £65,080 during 2005/06. However, it is likely that it will be possible to report reductions in the forecast expenditure outturn at a later date as savings are expected on some schemes; and it may prove possible to meet some overspending from existing resources. In addition, several schemes have not yet started so slippage of expenditure to 2006/07 may occur. A detailed analysis of the forecast increase, with explanations, is presented as Appendix A. Of the total increase, the Head of Property Services will reallocate the Planned Maintenance programme to cover the £13,430 increase required in respect of Ackhurst Lodge.
9. The Head of Property Services has presented a separate report on the Town Hall alterations, in which he indicates that an additional £48,000 would be required for design alterations and upgrades. It is proposed that this increase be met from the resources available for Planned Maintenance. The increased budget requirement is not reflected in the current capital programme but will be taken account of in subsequent monitoring should the Head of Property Services' recommendations be approved.
10. The following table shows in summary the effect of the forecast expenditure increases and movements between categories. The detailed revised programme for 2005/06 is presented as Appendix B.

Capital Programme 2005/06 - Summary

	Category A £	Category B £	Category C £	No Category £	Total 2005/06 £
Programme as at 29 September 2005	6,851,490	8,054,020	2,484,200	1,495,660	18,885,370
Change of Category	2,299,490	(1,945,000)	987,510	(1,342,000)	0
Sub Total	9,150,980	6,109,020	3,471,710	153,660	18,885,370
Other Changes November 2005	52,910	12,170	0	0	65,080
Programme as at 3 November 2005	9,203,890	6,121,190	3,471,710	153,660	18,950,450

11. Taking account of the increase in Category A schemes to £9.204 million, mainly due to existing schemes being brought forward from other categories, it would no longer be possible to finance the programme without use of prudential borrowing. The increase in Category A Scheme relates predominantly to the inclusion of schemes to refurbish the Council's leisure assets. This has change Category as a result of the new leisure contract being ready to sign and implement. I estimate that £1.409 million borrowing would be required to finance Category A schemes, of which 95% would be in respect of the capital investment required for the Leisure Management contract. A further £1.091 million would be required for Category B and C schemes, if implemented during 2005/06, therefore bringing the total borrowing requirement to £2.5 million. In estimating the impact on the revenue budget of the increased use of borrowing to finance the Capital Programme in 2005/06, I have assumed that the full £2.500 million would be required. Borrowing of £2.500 million in 2005/06 would add £100,000 to the revenue budget for repaying external borrowing in 2006/07, which is approximately £67,000 more than would have been required had borrowing remained at the £0.783 million in the 2005/06 original programme.
12. Should there be slippage of the capital expenditure that is expected to be financed with the Council's own resources, or an increase in the level of capital receipts above the current estimate, the need to borrow – and its impact on revenue - would be reduced. However, it is not anticipated that there will be significant slippage of expenditure on Category A schemes. The Capital Programme Board will investigate whether Category B or C schemes can be slipped to 2006/07, or budget savings made, in order to minimise the increase in the borrowing requirement in 2005/06.
13. An analysis of the usable capital receipts required to finance the 2005/06 Capital Programme is reported in Appendix C. This shows the receipts received to date and the total that must be received in the remainder of the year. In brief, it is necessary to receive a further £1.224 million in capital receipts from asset disposals and RTB sales in the second half of 2005/06. As indicated under risk issues, any shortfall in capital receipts could lead to an increase in borrowing above the £2.500 million currently expected. Should a shortfall be due to a delay in selling assets, when the capital receipts are achieved they would be used to repay borrowing in order to reduce the cost to the revenue budget.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

13. There are no direct human resource implications of the recommendations.

RECOMMENDATIONS

14. That the addition to the 2005/06 Capital Programme of the expenditure totalling £65,080 be approved.
15. That the changes in categories of the Capital Programme schemes be noted.
16. That the Capital Programme Board continues to work with budget holders in order to identify savings to match the expenditure increases.

REASONS FOR RECOMMENDATIONS**(If the recommendations are accepted)**

17. Updating the split of the fully approved and budgeted schemes from those still in the pipeline means that the revenue consequences of the Capital Programme can be monitored more accurately.
18. The addition of the forecast expenditure increases to the programme is necessary to take a realistic view of the capital financing situation.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

19. None.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael L. Jackson	5490	20 October 2005	Exec Cabinet Nov 2005.doc

Analysis of Increase in Programme November 2005

	Change £	£	Reason
<u>Schemes funded with CBC resources</u>			
<u>Corporate Programmes - e-Government</u>			
Replacement financial system	3,930		To increase capacity for scanning creditor invoices.
National Land & Property Gazetteer	1,590		Completion of 2004/05 scheme.
		5,520	
<u>Corporate Programmes - Office Accommodation</u>			
Capitalisation of Office Accommodation consultant	9,980		Reorganisation of depot yard/release of accumulated retention on Union St refurbishment.
Other increases - Bengal Street/Union Street	25,950		
		35,930	
<u>Environmental Services</u>			
Recycling schemes		13,190	Additional recycling containers.
<u>Property Services</u>			
Ackhurst Lodge Refurbishment		13,430	To be met from reallocation of planned maintenance budget.
<u>Development & Regeneration</u>			
Yarrow Valley Park Extension (phases I and II)	(13,890)		Saving.
Astley Park Heritage Lottery Scheme	12,170		Part year cost of Project Officer, not covered by HLF.
		(1,720)	
Net increase in use of CBC resources		<u>66,350</u>	
<u>Schemes funded with external resources</u>			
<u>Public Space Services</u>			
Euxton Play Facilities (S106 funded)		700	Use of full developer's S106 contribution.
<u>Corporate & Policy Services</u>			
Coppull Leisure Centre CCTV		(1,970)	Reduction in sum required.
Net reduction in use of external resources		<u>(1,270)</u>	
Total increase in programme November 2005		<u>65,080</u>	
Contribution from planned maintenance budget		(13,430)	To cover Ackhurst Lodge overspend.
Net increase in capital resources required		<u>51,650</u>	

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Capital Programme - 2005/06

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>CATEGORY A SCHEMES</u>						
<u>Corporate Programmes - e-Government</u>						
Contact Centre & One Stop Shop	56,290	(46,790)	(2,500)	7,000	7,000	0
Financial systems upgrades (PARIS income system)	20,200		2,500	22,700	22,700	0
Replacement core financial systems	4,930		38,930	43,860	0	43,860
Scanning of Creditors Invoices	35,000		(35,000)	0	0	0
Digitisation of Records	85,330			85,330	75,310	10,020
Computer Network Improvements (Business Continuity)	62,670			62,670	0	62,670
e-Democracy Software	30,000			30,000	30,000	0
PSS Computer Aided Design Systems	14,180			14,180	0	14,180
PSS Computerised Cemetery records	13,670			13,670	0	13,670
Intranet Redesign and Update	33,790			33,790	0	33,790
Annual leave & flexitime system	15,000			15,000	0	15,000
IT Support (incl. salary capitalisation)	30,000			30,000	30,000	0
Records management		600		600	600	0
Pay Modeller System re Job Evaluation		17,500		17,500	0	17,500
National Land & Property Gazetteer			1,590	1,590	0	1,590
Total - e-Government	401,060	(28,690)	5,520	377,890	165,610	212,280
<u>Corporate Programmes - Office Accommodation</u>						
Bengal Street Improvements, CCTV and New Building	97,760		40,350	138,110	0	138,110
Bengal Street Workplace Enhancements 2005/06	22,000		(22,000)	0	0	0
Town Hall Disabled Access and Refurbishment	1,333,910			1,333,910	0	1,333,910
Gillibrand Street Annexe Refurbishment 2005/06	55,000			55,000	0	55,000
Union Street Offices - Refurbishment			17,580	17,580	0	17,580
Union Street Offices Heating and Ventilation	51,500	(46,500)		5,000	0	5,000
Total Office Accommodation	1,560,170	(46,500)	35,930	1,549,600	0	1,549,600

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>Corporate Programmes - Strategic Measures</u>						
Capitalised Restructuring Costs	116,460			116,460	0	116,460
Project Management Support Capitalisation	40,000			40,000	0	40,000
EGLR - contribution to Holy Cross AW Pitch		250,000		250,000	250,000	0
EGLR - environmental mitigation works		103,020		103,020	103,020	0
ODPM e-Voting 2004/05 - 2005/06		903,880		903,880	903,880	0
Total Strategic Measures	156,460	1,256,900	0	1,413,360	1,256,900	156,460
<u>Leisure and Cultural Services</u>						
Replace filter Brinscall swimming pool	20,000			20,000	0	20,000
All Seasons Leisure Centre Refurbishment	9,630			9,630	0	9,630
Astley Hall Refurbishment (Phase I slippage & II)	20,560			20,560	0	20,560
YVP Replacement of Bridges	95,660			95,660	20,700	74,960
Leisure Centres Capital Grant for Investment		845,000		845,000	0	845,000
Leisure Centres Maintenance Liability		350,000		350,000	0	350,000
Leisure Centres DDA Works		147,000		147,000	0	147,000
Total Leisure and Cultural Services	145,850	1,342,000	0	1,487,850	20,700	1,467,150
<u>Public Space Services</u>						
Traffic Calming/Estate Improvements	185,230			185,230	0	185,230
Replacement Borough Boundary Signs	23,360			23,360	0	23,360
Extension to Chorley Cemetery (new burial area)	157,510			157,510	0	157,510
Car parking measures following new Chorley Interchange	16,700			16,700	0	16,700
Euxton Play Facilities (S106 funded)	400		700	1,100	1,100	0
Total Public Space Services	383,200	0	700	383,900	1,100	382,800
<u>Environmental Services</u>						
New and Replacement Litter and Dog Waste bins	18,610			18,610	0	18,610
DEFRA 2004/05	111,490		4,930	116,420	110,710	5,710
Public Toilets Upgrade and Refurbishment Programme	129,690			129,690	0	129,690
Improvement and Development of Recycling Sites	13,740		(13,740)	0	0	0
Recycling bins, boxes, lids and sacks 2005/06	100,000		22,000	122,000	0	122,000
Total Environmental Services	373,530	0	13,190	386,720	110,710	276,010

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>Housing Services (General Fund)</u>						
Vacant Property Initiative	36,000			36,000	0	36,000
Gillibrand Disabled Adaptations (S106 funded)	10,000			10,000	10,000	0
Disabled Facilities Grants	399,130			399,130	206,480	192,650
Home Repair Assistance & Energy Grants	280,000			280,000	0	280,000
Handy Person Scheme	15,000			15,000	0	15,000
Group Repair Schemes	24,500			24,500	0	24,500
Slum Clearance	34,000			34,000	0	34,000
Total Housing Services (General Fund)	798,630	0	0	798,630	216,480	582,150
<u>Corporate & Policy Services</u>						
Town Centre CCTV	5,670	(5,670)		0	0	0
Coppull Leisure Centre CCTV	1,970		(1,970)	0	0	0
Adlington CCTV Cameras		40,000		40,000	40,000	0
Coppull Spendmore Lane CCTV Cameras		30,000		30,000	30,000	0
Total Corporate & Policy Services	7,640	64,330	(1,970)	70,000	70,000	0
<u>Property Services</u>						
Service Centre on Portland St Car Park	5,370			5,370	0	5,370
Ackhurst Lodge Refurbishment	71,540		13,430	84,970	0	84,970
Total Property Services	76,910	0	13,430	90,340	0	90,340
<u>Development & Regeneration</u>						
Chapel Street Environmental Enhancement (Phase II)	316,450			316,450	0	316,450
Strategic Regional Site	2,274,650	(2,159,220)		115,430	115,430	0
Yarrow Valley Park Extension (phases I and II)	13,890		(13,890)	0	0	0
Adlington Rail Station Improvements	7,500	(7,500)		0	0	0
Design Fees	103,550			103,550	0	103,550
Astley Park Improvements - Construction		12,170		12,170	0	12,170
Total Development & Regeneration	2,716,040	(2,154,550)	(13,890)	547,600	115,430	432,170
TOTAL GENERAL FUND PROGRAMME	6,619,490	433,490	52,910	7,105,890	1,956,930	5,148,960

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>Housing Services (Housing Revenue Account)</u>						
Achieving Decent Homes Standard	232,000			232,000	82,000	150,000
Replacement Windows & Doors		886,000		886,000	886,000	0
Community Safety		91,000		91,000	91,000	0
Estate Improvements & Regeneration		119,000		119,000	79,000	40,000
Adaptations for Disabled		250,000		250,000	250,000	0
Major Void Works		250,000		250,000	250,000	0
External Site Works		100,000		100,000	100,000	0
Fascias and Soffitts		60,000		60,000	60,000	0
Capitalised Salaries		110,000		110,000	0	110,000
TOTAL HOUSING REVENUE ACCOUNT PROGRAMME	232,000	1,866,000	0	2,098,000	1,798,000	300,000
TOTAL CATEGORY A SCHEMES	6,851,490	2,299,490	52,910	9,203,890	3,754,930	5,448,960
<u>Financing the Programme (Category A)</u>						
Prudential Borrowing	0	1,354,170	54,640	1,408,810	0	1,408,810
Unrestricted Capital Receipts	3,081,490	(52,170)	(13,890)	3,015,430	0	3,015,430
Capital receipt earmarked for Strategic Regional Site	2,164,650	(2,164,650)		0	0	0
Housing Investment Programme Restricted Capital Receipts *	582,150	150,000		732,150	0	732,150
Ext. Contributions - Developers	19,870	345,520	(1,270)	364,120	364,120	0
Ext. Contributions - Other Local Authorities	20,700			20,700	20,700	0
Ext. Contributions - Regional Development Agency etc	110,000	5,430		115,430	115,430	0
Ext. Contributions - Other	0	100,000		100,000	100,000	0
Government Grants - Local Government On Line	211,800	(46,190)		165,610	165,610	0
Government Grants - e-Voting Schemes	0	903,880		903,880	903,880	0
Government Grants - DEFRA Recycling	110,710			110,710	110,710	0
Government Grants - Disabled Facilities Grants	206,480			206,480	206,480	0
Government Grants - Planning Delivery Grant	0			0		
Revenue Budget - Specific Revenue Reserves or Budgets	111,640	17,500	13,430	142,570	0	142,570
Revenue Budget - Housing Revenue Account	150,000			150,000	0	150,000
Major Repairs Allowance	82,000	1,686,000		1,768,000	1,768,000	0
TOTAL CAPITAL RESOURCES (CATEGORY A)	6,851,490	2,299,490	52,910	9,203,890	3,754,930	5,448,960

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>CATEGORY B SCHEMES</u>						
<u>Corporate Programmes - e-Government</u>						
e-Claims travel and subsistence	6,000			6,000	0	6,000
Microsoft Upgrade	63,960			63,960	0	63,960
Corporate DIP implementation	30,000			30,000	0	30,000
Integration of CRM & Workflow with Back Office	50,000			50,000	50,000	0
Total - e-Government	149,960	0	0	149,960	50,000	99,960
<u>Corporate Programmes - Strategic Measures</u>						
Invest in Success - Gillibrand Scheme	757,300			757,300	0	757,300
Junction Improvements A49/Lancaster Lane (S106 funded)	175,530			175,530	175,530	0
ODPM e-Voting 2004/05 - 2005/06	903,880	(903,880)		0	0	0
External Funding Pot	20,000			20,000	0	20,000
Eaves Green Link Road	4,420,000	(103,020)		4,316,980	4,316,980	0
EGLR - contribution to Holy Cross AW Pitch	250,000	(250,000)		0	0	0
Total Strategic Measures	6,526,710	(1,256,900)	0	5,269,810	4,492,510	777,300
<u>Leisure and Cultural Services</u>						
Community Centre Ecclestone - Capital Grant	150,000	(150,000)		0	0	0
YVP Extension Flood Alleviation	2,500			2,500	0	2,500
Astley Hall Gas Supply		12,000		12,000	0	12,000
Total Leisure and Cultural Services	152,500	(138,000)	0	14,500	0	14,500
<u>Public Space Services</u>						
Cemetery memorial safety	1,130			1,130	0	1,130
Signage - Chorley and Adlington cemeteries	5,000			5,000	0	5,000
Resurface Footpaths Chorley and Adlington Cemeteries	6,890			6,890	0	6,890
Tesco superstore cycle path	63,000			63,000	63,000	0
Purchase and erection of bus shelters	8,130			8,130	0	8,130
Parks and Play Areas Refurbishment	43,470	(43,470)		0	0	0
Changing Rooms Jubilee Playing Field Adlington	30,000	(30,000)		0	0	0
Euxton Play Facilities (S106 funded)	50,780			50,780	50,780	0
Chorley Play Facilities (S106 funded)	30,000			30,000	30,000	0

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
Total Public Space Services	238,400	(73,470)	0	164,930	143,780	21,150
<u>Corporate & Policy Services</u>						
Town Centre CCTV/Control Room equipment		5,670		5,670	0	5,670
Total Corporate & Policy Services	0	5,670	0	5,670	0	5,670
<u>Development & Regeneration</u>						
Elwood Initiative	101,670	(101,670)		0	0	0
Groundwork Projects	30,000			30,000	0	30,000
Astley Park Improvements - Construction	486,320	(12,170)	12,170	486,320	400,800	85,520
Big Wood Reservoir	368,460	(368,460)		0	0	0
Total Development & Regeneration	986,450	(482,300)	12,170	516,320	400,800	115,520
TOTAL GENERAL FUND PROGRAMME	8,054,020	(1,945,000)	12,170	6,121,190	5,087,090	1,034,100
TOTAL CATEGORY B SCHEMES	8,054,020	(1,945,000)	12,170	6,121,190	5,087,090	1,034,100
<u>Financing the Programme (Category B)</u>						
Prudential Borrowing	847,740	(281,840)	41,110	607,010	0	607,010
Unrestricted Capital Receipts	437,830	(37,800)	(28,940)	371,090	0	371,090
Ext. Contributions - Developers	4,989,310	(353,020)		4,636,290	4,636,290	0
Ext. Contributions - Lottery Bodies	400,800			400,800	400,800	0
Ext. Contributions - Regional Development Agency etc	368,460	(368,460)		0	0	0
Government Grants - Local Government On Line	50,000			50,000	50,000	0
Government Grants - e-Voting Schemes	903,880	(903,880)		0	0	0
Revenue Budget - Specific Revenue Reserves or Budgets	56,000			56,000	0	56,000
TOTAL CAPITAL RESOURCES (CATEGORY B)	8,054,020	(1,945,000)	12,170	6,121,190	5,087,090	1,034,100

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>CATEGORY C SCHEMES</u>						
<u>Corporate Programmes - e-Government</u>						
Records management	600	(600)		0	0	0
Pay Modeller System re Job Evaluation	17,500	(17,500)		0	0	0
PSS Fleet Management	7,000			7,000	0	7,000
PSS Planting Schemes	3,500			3,500	0	3,500
PSS DIP/FLARE	24,000			24,000	0	24,000
Integration to Land & Property Gazetteer	22,500			22,500	22,500	0
Building Control - applications on-line	50,000			50,000	50,000	0
Planning - applications on-line	78,000			78,000	78,000	0
e-Enabling HR systems	84,000			84,000	0	84,000
Environmental Services Integration	30,000			30,000	30,000	0
Online booking facilities	15,000			15,000	15,000	0
One stop resolution	50,000			50,000	50,000	0
Telephony	42,100			42,100	0	42,100
On-line event/form interface	10,000			10,000	10,000	0
Access to home/remote working facilities	20,000			20,000	20,000	0
Single business account	20,000			20,000	20,000	0
e-Billing	35,000			35,000	35,000	0
Contact Centre & One Stop Shop		46,790		46,790	46,790	0
Total - e-Government	509,200	28,690	0	537,890	377,290	160,600
<u>Corporate Programmes - Office Accommodation</u>						
Upgrade Lancastrian Room Kitchen	27,000			27,000	0	27,000
Union Street Offices Heating and Ventilation		46,500		46,500	0	46,500
Total Office Accommodation	27,000	46,500	0	73,500	0	73,500
<u>Leisure and Cultural Services</u>						
Astley Hall Gas Supply	12,000	(12,000)		0	0	0
Community Centre Ecclestone - Capital Grant		150,000		150,000	0	150,000
Total Leisure and Cultural Services	12,000	138,000	0	150,000	0	150,000

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>Public Space Services</u>						
Parks and Play Areas Refurbishment		43,470		43,470	0	43,470
Changing Rooms Jubilee Playing Field Adlington		30,000		30,000	0	30,000
Total Public Space Services	0	73,470	0	73,470	0	73,470
<u>Corporate & Policy Services</u>						
Adlington CCTV Cameras	40,000	(40,000)		0	0	0
Coppull Spendmore Lane CCTV Cameras	30,000	(30,000)		0	0	0
Total Corporate & Policy Services	70,000	(70,000)	0	0	0	0
<u>Development & Regeneration</u>						
Big Wood Reservoir		368,460		368,460	368,460	0
Elwood Initiative		101,670		101,670	0	101,670
Strategic Regional Site		2,159,220		2,159,220	0	2,159,220
Adlington Rail Station Improvements		7,500		7,500	7,500	0
Total Development & Regeneration	0	2,636,850	0	2,636,850	375,960	2,260,890
TOTAL GENERAL FUND PROGRAMME	618,200	2,853,510	0	3,471,710	753,250	2,718,460
<u>Housing Services (Housing Revenue Account)</u>						
Replacement Windows & Doors	886,000	(886,000)		0	0	0
Community Safety	91,000	(91,000)		0	0	0
Estate Improvements & Regeneration	119,000	(119,000)		0	0	0
Adaptations for Disabled	250,000	(250,000)		0	0	0
Major Void Works	250,000	(250,000)		0	0	0
External Site Works	100,000	(100,000)		0	0	0
Fascias and Soffitts	60,000	(60,000)		0	0	0
Capitalised Salaries	110,000	(110,000)		0	0	0
TOTAL HOUSING REVENUE ACCOUNT PROGRAMME	1,866,000	(1,866,000)	0	0	0	0
TOTAL CATEGORY C SCHEMES	2,484,200	987,510	0	3,471,710	753,250	2,718,460

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>Financing the Programme (Category C)</u>						
Prudential Borrowing	124,540	269,670	89,970	484,180	0	484,180
Unrestricted Capital Receipts	0	89,970	(89,970)	0	0	0
Capital receipt earmarked for Strategic Regional Site	0	2,159,220		2,159,220	0	2,159,220
Housing Investment Programme Restricted Capital Receipts *	150,000	(150,000)		0	0	0
Ext. Contributions - Developers	0	7,500		7,500	7,500	0
Ext. Contributions - Regional Development Agency etc	0	368,460		368,460	368,460	0
Ext. Contributions - Other	100,000	(100,000)		0	0	0
Government Grants - Local Government On Line	203,100	46,190		249,290	249,290	0
Government Grants - Planning Delivery Grant	128,000			128,000	128,000	0
Revenue Budget - Specific Revenue Reserves or Budgets	92,560	(17,500)		75,060	0	75,060
Major Repairs Allowance	1,686,000	(1,686,000)		0	0	0
TOTAL CAPITAL RESOURCES (CATEGORY C)	2,484,200	987,510	0	3,471,710	753,250	2,718,460

Scheme	2005/06 Current Budget £	Change of Category £	Other Changes £	2005/06 Revised Estimate £	External Funding £	CBC Funding £
<u>UNCATEGORISED SCHEMES</u>						
<u>Leisure and Cultural Services</u>						
Leisure Centres Capital Grant for Investment	845,000	(845,000)		0	0	0
Leisure Centres Maintenance Liability	350,000	(350,000)		0	0	0
Leisure Centres DDA Works	147,000	(147,000)		0	0	0
Total Leisure and Cultural Services	1,342,000	(1,342,000)	0	0	0	0
<u>Housing Services (General Fund)</u>						
Housing Renewal	153,660			153,660	0	153,660
Total Housing Services (General Fund)	153,660	0	0	153,660	0	153,660
TOTAL GENERAL FUND PROGRAMME	1,495,660	(1,342,000)	0	153,660	0	153,660
TOTAL UNCATEGORISED SCHEMES	1,495,660	(1,342,000)	0	153,660	0	153,660
<u>Financing the Programme (Uncategorised)</u>						
Prudential Borrowing	1,342,000	(1,342,000)		0	0	0
Housing Investment Programme Restricted Capital Receipts *	153,660			153,660	0	153,660
TOTAL CAPITAL RESOURCES (UNCATEGORISED)	1,495,660	(1,342,000)	0	153,660	0	153,660

Note:

* See Appendix C for definition of HIP Restricted Capital Receipts

Monitoring of Usable Capital Receipts November 2005

	Unrestricted Receipts £	HIP Restricted Receipts £	Total Usable Receipts £
Balance brought forward 1 April 2005	2,008,340	1,053,090	3,061,430
Receipts received to 30 September 2005	154,090	207,790	361,880
Total Usable Receipts available	2,162,430	1,260,880	3,423,310
Required for capital financing	(3,386,520)	(885,810)	(4,272,330)
	(1,224,090)	375,070	(849,020)
Usable Receipts due in remainder of year	1,224,090	498,120	1,722,210
Estimated balance 31 March 2006	0	873,190	873,190

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 used for private sector housing renewal as well as Housing Revenue Account capital expenditure. They can not be used for non-housing purposes but can be carried forward for use in later years.

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Report of	Meeting	Date
Director of Finance	Executive Cabinet	3 November 2005

DRAFT BUDGET OUTLOOK 2006/2007 – 2008/2009

PURPOSE OF REPORT

1. This paper sets out the draft financial position of the Council having completed the initial drafting of the 2006/2007 budget and the forecast for the following two financial years.

CORPORATE PRIORITIES

2. The budget represents the allocation of the Council's resources to both its current and emerging priorities.

RISK ISSUES

3. 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	

4. Actions to ensure the Council has a balanced budget but that also ensures corporate priorities are delivered means there are significant risks in a number of the above risk categories.

BACKGROUND

5. The Council's financial strategy approval in March 2005 included a forecast of the likely budget position for 2006/2007. That forecast indicated that in order to achieve a balanced budget, over £500k of savings would need to be found. This view was formed on the basis of a 5% Council tax increase.
6. This paper updates these forecasts and sets out the position using the latest information to hand.

CURRENT FORECAST POSITION 2006/2007

BASIS OF THE FORECAST

6. The forecast for 2006/2007 is based upon a continuation position, adjusted for known/anticipated changes in volume of activity that would affect either expenditure or income. Within the base a number of financial assumptions have been made as follows:



Table 1 - Assumptions used in forecast

Budget	Assumed Income	
Salaries	2.95%	As per current agreement
Pensions	1.2%	As per annual review
Income	3%	Broadly an inflationary increase
Insurance costs	5%	Market assessment

The table above shows that only necessary increases have been included in the base. A general level of inflation has not been added to 'discretionary' budgets.

CHANGES FROM THE ORIGINAL FORECAST POSITION

7. When the strategy was approved in March 2005 a number of assumptions will have been made that will either have proved reliable or that may now not be appropriate. The table below summarises the key changes in budget between the years 2005/2006 and 2006/2007 compared against that original forecast.

Table 2 – Current Forecast vs Original Forecast 2006/2007

	Financial Strategy Forecast £'000	Current Forecast £'000	Variation £'000
2005/2006 Base Budget	12,343	12,343	0
<u>Additional cost</u>			
Pay (including Pensions)	441	461	20
Non Pay	45	48	3
Increments	102	118	16
Contractual	7	40	33
Income	37	61	24
Revenue effects of capital	0	(9)	(9)
Demography	25	25	0
Growth	35	135	100
FYE	0	12	12
Volume/Technical	(102)	263	365
Savings		(93)	(93)
Cap Financing	197	240	43
Change in Reserves	250	130	(120)
	13,380	13,774	394
Ctax	(5,987)	(5,991)	(4)
AEF	(6,851)	(7,083)	(232)
Coll Fund	0	0	0
Gap	542	700	158

8. The table shows that overall the cash budget has increased by £394k over and above the forecast. However after excluding the concessionary fares costs of £236k, which will be funded from government grant, the overall increase is £158k.
9. Within the overall totals there were significant variations from the original 2005/2006 Budget. Appendix 1a analyses in detail the major variances between 2005/2006 and 2006/2007.

FINANCING OF EXPENDITURE

10. The original forecast anticipated that a 5% increase in Council tax would be within the then Capping Limits. Together with the expected increase in External Financing, this would produce the following position.

Table 4 – Overall Savings Requirement

	Financial Savings Forecast £'000	Current Forecast £'000
Total Expenditure	13,380	13,774
<u>Financed by:</u>		
Council Tax	(5,987)	(5,991)
Aggregate External Finance (including concessionary fares)	(6,851)	(7,083)
Collection Fund Surplus	0	0
SAVING REQUIRED	542	700

11. Table 4 shows that as the current forecast of expenditure has increased by £158k so therefore has the overall budget gap or savings required figure. Within the financing element of the forecast there are a number of assumptions namely:
 - A Council tax rise of 5% will be politically acceptable and within capping limits.
 - Total formula grant will increase only marginally once the plans are finalised. A further explanation of how the conclusions in relation to formula grant have been gauged and the expected additional resources from the Council Tax is given in the attached paper (Appendix 2 – Formula Grant Distribution and Yield from Council Tax).

FUTURE YEAR BUDGET PROSPECT 2007/08 – 2008/2009

12. The continuation budget for 2006/2007 has been rolled forward into the following two years, to include the following assumptions.

Table 5 Assumptions used in Forecast

Budget	Assumption 2007/2008	Assumption 2008/2009	Basis of Forecast
Salaries	3%	3%	Estimate
Pensions	1.4%	1%	Actuarial revaluation and estimate
Income	3%	3%	Broadly an inflationary increase
Insurance Costs	5%	5%	Market assessment

13. In summary the movements are as follows:

Table 6

Base Budget	Forecast 2007/2008 £'000	Forecast 2008/2009 £'000
Pay and Pensions	481	492
Job Evaluation	123	132
Increment	111	83
Non Pay	30	31
Contractual	12	26
Income	(48)	(49)
Revenue effects of capital programme	47	20
Demography	25	25
Volume changes	34	18
Growth	(105)	(15)
Saving	(7)	-
Net financing transactions	52	75
Change in use of reserves	105	15
Impact of stock option	256	-
Additional aggregate external finance	(200)	(200)
Additional yield from a 5% Council tax increase	(362)	(385)
	554	268

14. A further analysis of the changes between the two financial years is provided in Appendix 1b and 1c, but the main area of change relates to the impact of job evaluation, where an increase of 1% each year to the employee costs has been assumed and the impact of the potential stock transfer. It is likely that the overall impact of job evaluation will be an addition to the pay bill of somewhere between 3% and 5%, this is based upon experiences of other Councils elsewhere. It will be necessary to try to negotiate a phased implementation to give the Council time to mitigate the impact.

BRIDGING THE GAP

15. The details outlined in this paper have shown that the following budget gaps will occur in the next three financial years, should not action be taken.

Table 7 – 3 Year Budget Gap to be bridged

Year	Budget Gap to be bridged
2006/2007	700
2007/2008	554
2008/2009	268

16. Table 7 shows that significant savings/efficiencies will need to be found to balance the books. Fortunately the Council has not been standing still and some progress has been made towards identifying potential savings and on mitigation to the cost increase expected.

17. Set out in the table below is a summary of the areas where potential savings/efficiency could occur. These savings are based on my best assessment of what could be achieved.

Table 8 – Anticipated Budget Saving Efficiency

	Year		
	2006/2007 £'000	2007/2008 £'000	2008/2009 £'000
Outsourcing	78	26	-
Base Budget Review	46	-	-
Community Centre Management	29	57	-
Gershon Efficiency	50	50	-
Total	203	133	-

18. Most of the savings identified in the table are either work in progress or are no more than ideas, albeit some of the thinking is more developed in some of the areas. Within the totals contained in the table a number of assumptions have had to be made, particularly in relation to the outsourcing saving expected. These assumptions will only be validated later in the year, but before the budget setting meeting in March 2005.
19. Excluded from the savings figure at the moment is the potential cost of providing the 'client' function once the outsourcing is complete. Whilst traditionally some authorities have provided an 'intelligent' client with technical expense, another approach currently being adopted in other Councils is to provide generic 'Contract Management' expertise. Management Team are currently considering how best the Council should approach Contract Management, not just for the current outsourcing exercises but for the major contracts the Council currently has in place or pending. If all the anticipated budget savings could be delivered the effect on the bottom line would be as follows:

Table 9 – Effect on Budget Gap of Anticipated Savings

	2006/2007	2007/2008	2008/2009
Budget deficit b/fwd		497	914
Budget Gap	700	554	268
Less anticipated savings	(203)	(133)	-
Budget deficit c/fwd	497	918	1,182

20. Therefore over the planning cycle the total budget deficit would be £2.597m which includes the impact on the general fund of Stock Transfer. Consequently the Council should plan to make the following recurring savings in each of the next three financial years.

Table 10 – Further savings required to balance Budget

	2006/2007	2007/2008	2008/2009	Totals
Savings required	497	421	268	
Less				
Stock Transfer Mitigation		(235)		
		186		
Cumulative savings required over 3 year planning period	1.491	0.372	0.268	2.131

21. Table 10 shows the annual savings required excluding the impacting of stock transfers. In total they amount to £2.131m over the 3 year period. Alternatively a £710k saving in 2006/2007 will have the same effect and balance the budget over the planning cycle. The table above shows that these figures are based upon the Council being able to mitigate the effect of stock transfer, currently forecast to increase the General Fund cash budget. Actions to achieve this are currently being worked on by the Corporate Transfer Group headed by the Deputy Chief Executive. However there is still a significant amount of work to be done in this area and a further report will be available to members once a strategy for bridging the gap is finalised.

GENERAL FUND WORKING BALANCES

22. The Council's Financial Strategy approved working balances stay in the range £750k - £1.25m over the Planning Cycle. The Council budgeted to use £250k of the £1m it had in working balance during 2005/2006. Monitoring of spending against budget during this current financial year 2005/2006 has identified that to date sufficient savings have not yet been identified to ensure that only £250k be used.
23. Therefore at this stage it is possible that working balances may be less than the minimum agreed, but work is in progress to mitigate the risk of this happening. However it is therefore not likely that there will be any more than the minimum level of working balances available by the year end.
24. Consequently there is likely to be little or no opportunity to use further balances during the next three year planning cycle to either support the budget or smooth the savings figures required annually. This may change once a firm commitment is made from one of the potential stock transfer providers to cover the Councils financial risk of the transfer process. Currently £250k is set aside which could be released once this assurance is given. There remains the issue of the use of LPSA money should the targets be met. In previous reports I have suggested this money be treated as windfall and used to boost working balances. This will be a policy decision for members, but some funds are likely to have to be found for the additional payroll cost of job evaluations especially if back pay becomes payable.

OTHER POTENTIAL SAVING AREAS

25. Clearly a budget gap of the current magnitude will require a fairly radical approach. Given the current proposed and potential changes to the organisation in the next 12 – 24 months any changes proposed need to be taken in the context of both the impact on the organisation in terms of continuing to deliver good services and staff moral. In addition, in this figure no allowance has been made for either the political desire to have some growth and also the Council's ability to deliver the new and existing priorities identified in the new Corporate Plan.

26. Management Team are currently working on a set of proposals for members to consider, identifying options for balancing the budget over the next 3 year planning cycle.

SUMMARY AND CONCLUSIONS

27. The updated financial forecast for the next 3 year planning cycle shows that significant savings/efficiencies will be required. However whilst I have identified an appropriate savings target, I believe that with the information to hand this will be the maximum that will be required. I have been prudent in the assumptions, particularly in some of the areas that can have a big impact on the budget. Areas that may change to the Council's advantage include:
- 1) The amount of grant recovered from the Government both in terms of general grant and planning delivery grant.
 - 2) The effect of job evaluation. It may be possible to make this piece of work cost neutral.
 - 3) The impact of concessionary fares charges may be better in net cost terms.
28. Over a relatively long planning period it will also be the case that in some areas the position deteriorates and some of these will emerge over the planning cycle. Two areas in particular require further policy choices, firstly the extension of the Council's recycling programme and the level of resources required for the management plan (excluding maintenance) once the work at Astley Park is complete.
29. A number of anticipated savings areas have been identified that bridge part of the budget gap but many will require further work to bring them to fruition. In addition options for balancing the remaining budget gap need to be identified and costed.

RECOMMENDATIONS

30. Members are asked to:
- Note the report and await further information and proposals from the Management Team.

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	17 October 2005	ADMINREP/REPORT

Analysis of Budget Variations 2006/07 - 2008/09

	2005/06 £000	2006/07 £000	2007/08 £000	2008/09 £000
Base Budget Requirement	14,871	15,330	16,391	16,971
Less				
Recharges	3,497	0	0	0
Capital Charges	(2,710)	(2,581)	(2,581)	(2,581)
Cash Base Budget Requirement	15,658	12,750	13,811	14,390
In year transfer of recharges to cash budgets	(1,477)	0	0	0
Inflation				
Pay	333	350	368	396
Pensions	86	111	112	97
Non-Pay	160	48	30	31
Contractual	5	40	12	26
Income	(32)	61	(48)	(49)
Increments	117	118	111	83
Revenue Effects of the Capital Programme	1	(10)	47	20
Demography	35	25	25	25
Full Year Effect of Growth / Savings	(126)	12	0	0
Technical / Volume Changes	(1,920)	263	34	18
Growth	193	135	(105)	(15)
Savings	(283)	(85)	(7)	0
Base Budget Review	0	(8)	0	(1)
Cash Budget Requirement	12,750	13,811	14,390	15,022
Recharges:				
Base Recharges	(3,497)	0	0	0
In year transfer of recharges to cash budgets	1,477	0	0	0
In year transfers and corrections	2,019			
Capital:	2,710	2,581	2,581	2,581
Base Capital Charges				
In year transfer of capital	(129)	0	0	0
New Unit Budget Requirement	15,330	16,391	16,971	17,602
Contingency:				
- Genuine	100	100	100	100
- Salary Related Savings	(228)	(228)	(228)	(228)
- Procurement Savings	(75)	(75)	(75)	(75)
- Gershon Savings	(25)	(25)	(25)	(25)
- Job Evaluation	0	0	123	255
- Housing Stock Transfer	0	0	256	256
Reversal of Capital Charges	(1,412)	(1,412)	(1,412)	(1,412)
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	85	148	148	148
- Recharged Interest to HRA	(98)	(88)	(88)	(88)
- MRP less Commutation Adjustment	84	251	303	378
Net Operating Expenditure	13,761	15,063	16,074	16,911
Use of Earmarked Reserves				
- Capital Financing Reserve re: Def Chge w/os	(1,168)	(1,168)	(1,168)	(1,168)
- Units Earmarked Reserves	0	(120)	(15)	0
Use of General Balances	(250)	0	0	0
Total Expenditure	12,343	13,775	14,891	15,744
Financed By				
Council Tax - Borough	(5,645)	(5,992)	(6,354)	(6,739)
Parish Precepts	413	413	413	413
Council Tax Parishes	(413)	(413)	(413)	(413)
Aggregate External Finance	(6,651)	(7,084)	(7,284)	(7,484)
Collection Fund Surplus	(47)	0	0	0
Total Financing	(12,343)	(13,075)	(13,638)	(14,222)
Net Expenditure	0	700	1,253	1,521
Tax Base				
Council Tax				
% Change in Council Tax				

ANALYSIS OF MAJOR VARIANCES BETWEEN 2005/06 AND 2006/07 ESTIMATES**NON - PAY**

£

Increase in Insurance Premiums. (Employee, Vehicles & Plant, Premises, etc)	46,370
Housing Benefit Grants/Subsidy	(9,210)
Increase in Electricity/Gas charges to Civic Buildings	4,620
Increase in Non Domestic Rates to Civic Buildings	4,390
Other	1,690

47,860**CONTRACTUAL**

£

Refuse Contract	(59,560)
Expiry of Lancs. Highways Partnership Contract	66,960
Costs of Indoor Leisure Contract commencing on 1st November 2005	19,330
Inflationary increase in I.T. Licenses/Maintenance, Audit fees, Payroll Services, etc.	6,830
Public Conveniences Attendants	2,830
Other	3,550

39,940**INCOME**

£

Land Charge Searches - Loss of Income from reduction in number of searches	101,300
Land Charge Searches - Inflationary increase in fees	(4,540)
Increase in Capital Recharge Income for I.T. Project Support Officer	(30,000)
Reduction in support service recharge to HRA	18,000
Inflationary increase in Building Control Fees	(9,120)
Other fees/rents/income	(4,580)
LCC Agency Reimbursement	(4,230)
Cemetery Income	(2,400)
Inflationary increase in Fees - Taxi Licences	(1,680)
Other	(1,300)

61,450**REVENUE EFFECTS OF CAPITAL PROGRAMME**

£

Salary costs charged to Capital - Astley Park Project Officer	<u>(9,810)</u>
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DEMOGRAPHY

£

Section 106 Maint of Grounds Servicegroup	<u>25,000</u>
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ANALYSIS OF MAJOR VARIANCES BETWEEN 2005/06 AND 2006/07 ESTIMATES**FULL YEAR EFFECT OF GROWTH/SAVINGS**

£

Full year saving on salary costs from 1 Chief Officer post following merger of Planning Services with Economic Regeneration.	(30,720)
Full year salary costs for Project Support Officer (R Huddleston)	29,620
Full year salary costs for 2005/06 Growth Bid - Press & Publications Officer	12,910
Salary costs - regradings in Econ. Regeneration	9,020
Neighbourhood Wardens additional staff	(7,040)
Director of Finance appointment	(5,450)
Full year salary costs for 2005/06 Growth Bid - Chief Exec. Admin. Assistant	3,190
Other	70

11,600**TECHNICAL / VOLUME CHANGES**

£

Concessionary Travel - Introduction of Free Travel by Central Government	236,384
Concessionary Travel - Existing scheme including Rail Passes	25,956
Reduction in provision for Local Development Framework costs	(160,000)
Planning Delivery Grant - reduction in anticipated grant for 2006/07	111,890
DEFRA WPE Grant	(37,270)
Additional Car Leases	35,360
Housing Benefit Grants/Subsidy	32,870
DPE-External Contractors costs	(31,870)
Effect of Housing Services Restructure (HIA)	(24,050)
Graffiti Removal	20,000
Additional Photocopier charges	16,000
Bailiffs Commissions	14,000
Recycling Banks	(9,000)
Pest Control fees	8,800
Loss of Income from impact of second year of Licensing Act	8,660
Restructure of Health & Safety	7,820
Off St Car Parking fees	(1,320)
Other	8,730

262,960**GROWTH**

£

Provision For Job Evaluation Project (Ends March 07) - Funded from Reserves	90,000
Addition of Young Persons Development Post - Funded from Reserves	30,000
Benefits Development Fund	10,660
IT Licences, Support and Maintenance	2,620
Subscriptions - BGF (Audit)	2,200

135,480

ANALYSIS OF MAJOR VARIANCES BETWEEN 2005/06 AND 2006/07 ESTIMATES**SAVINGS**

£

50% Saving on Recruitment Advertising	(40,000)
Removal of misc employee costs in Fairview Farm CC budget	(12,000)
Maintenance of Tools/Equipment	(4,900)
Savings from employees not in Superannuation scheme (budgeted for in 05/06)	(4,510)
Part Funded Post expires 31 March 2006	(3,390)
Contract expiry of Arts Development Officer in November 2006	(3,230)
Bengal St-Support Employee Wages	(3,200)
Reduction in use of Publications	(3,000)
Other	(11,100)

(85,330)**BASE BUDGET REVIEW**

£

Reduction in salary scale points on posts in Director's Office and Accountancy Assistants inter alia.	(7,810)
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(7,810)

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

£

Increase in Insurance Premiums. (Employee, Car Lease, Premises, etc)	35,980
Housing Benefit Grants/Subsidy	(12,720)
Increase in Non Domestic Rates to Civic Buildings	4,520
Increase in Electricity/Gas charges to Civic Buildings	1,450
Other	730
	<u>29,960</u>

CONTRACTUAL

£

Refuse Contract	23,160
Costs of Indoor Leisure Contract commencing on 1st November 2005	(21,970)
Inflationary increase in I.T. Licenses/Maintenance, Audit fees, Payroll Services, etc.	7,370
Public Conveniences Attendants	2,900
Other	60
	<u>11,520</u>

INCOME

£

Off St Car Parking fees	(23,860)
Inflationary increase in Building Control Fees	(9,390)
Land Charge Searches - Inflationary increase in fees	(4,680)
Other fees/rents/income	(3,280)
Cemetery Income	(2,860)
Inflationary increase in Fees - Taxi Licences	(1,890)
Other	(2,010)
	<u>(47,970)</u>

REVENUE EFFECTS OF CAPITAL PROGRAMME

£

Astley Park, maintenance of grounds increase.	50,000
Salary costs charged to Capital - Astley Park Project Officer	(2,540)
	<u>47,460</u>

DEMOGRAPHY

£

Section 106 Maint of Grounds Servicegroup	<u>25,000</u>
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ANALYSIS OF MAJOR VARIANCES BETWEEN 2006/07 AND 2007/08 ESTIMATES

TECHNICAL/VOLUME CHANGES

	£
Housing Benefit Grants/Subsidy	46,000
Reduction in provision for Agency Staff	(8,250)
Other	(4,050)
	<u>33,700</u>

GROWTH

	£
Provision For Job Evaluation Project (Ends March 07) - Funded from Reserves	(90,000)
Expiry of Young Persons Development Post - Funded from Reserves	(15,000)
	<u>(105,000)</u>

SAVINGS

	£
Contract expiry of Arts Development Officer in November 2006	<u>(6,780)</u>

ANALYSIS OF MAJOR VARIANCES BETWEEN 2007/08 AND 2008/09 ESTIMATES**NON - PAY**

£ £

Increase in Insurance Premiums. (Employee, Car Lease, Premises, etc)	37,780
Housing Benefit Grants/Subsidy	(13,260)
Increase in Non Domestic Rates to Civic Buildings	4,660
Increase in Electricity/Gas charges to Civic Buildings	1,500
Other	270
	<u>30,950</u>

CONTRACTUAL

£

Refuse Contract	25,430
Costs of Indoor Leisure Contract commencing on 1st November 2005	(10,490)
Inflationary increase in I.T. Licenses/Maintenance, Audit fees, Payroll Services, etc.	7,570
Public Conveniences Attendants	2,990
Other	310
	<u>25,810</u>

INCOME

£

Off St Car Parking fees	(24,570)
Inflationary increase in Building Control Fees	(9,670)
Inflationary increase in Fees - Land Charges	(4,820)
Other fees/rents/income	(3,200)
Cemetery Income	(2,590)
Inflationary increase in Fees - Taxi Licences	(1,970)
Other	(2,080)
	<u>(48,900)</u>

REVENUE EFFECTS OF CAPITAL PROGRAMME

£

Salary costs charged to Capital - Astley Park Project Officer	<u>19,650</u>
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DEMOGRAPHY

£

Section 106 Maint of Grounds Servicegroup	<u>25,000</u>
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TECHNICAL/VOLUME CHANGES

£

Astley Park Project Officer	(20,630)
DEFRA WPE Grant	39,050
	<u>18,420</u>

GROWTH

£

Expiry of Young Persons Development Post - Funded from Reserves	<u>(15,000)</u>
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Report of	Meeting	Date
Director of Finance	Management Team	24 October 2005

FORMULA GRANT DISTRIBUTION AND YIELD FROM COUNCIL TAX

PURPOSE OF REPORT

- To inform members of the likely levels of grant increase for the three year period 2006/2007 to 2008/2009 taking into account proposed changes to both the methodology and data sets for grant distribution.

CORPORATE PRIORITIES

- The levels of grant received from the Government directly impact on the Council's ability to set a balanced budget, acceptable Council tax increases and deliver its 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	

BACKGROUND

- The ODPM have recently issued a consultation document to Local Authorities setting out its options for amending the Grant Distribution System. Members will note that whilst a mechanism already exists, on an annual basis amendments are made, in particular to either the quantum of funds available for distribution, the resource equalisation formula or data to drive the distribution to achieve what the Government believes is an equitable distribution of those funds.
- This paper sets out in summary the proposed changes to the system and identifies the potential impact on Chorley Borough Council.



THE CONSULTATION

6. The consultation itself contains a number of options in relation to Formula Spending Share, though other options may emerge before the settlement in late November/early December. However it also includes options for alternative grant systems, three year settlements, increase resource equalisation and possible data change. There is potential good news and bad news for every authority, however the specifics in relation to Chorley are as follows:

SCHOOL TRANSFER

7. The ODPM propose to take schools funding outside the current funding mechanism. The removal of such a huge proportion of local Government spending from the general settlement will be both complex and controversial. In the past, changes of this nature would have spread to unattended groups like Shire districts, but ODPM has recognised this problem this time round and engineered a solution which should be neutral. The wider issue is whether the Government will use the grant that might have gone to Shire districts to ease the transition for upper tier authorities. This might never be known.

ENVIRONMENTAL, PROTECTIVE AND CULTURAL SERVICES

DATA CHANGES

8. The Council's formula spending share of £13.2 in 2005/2006 is made up almost wholly from this block. The ODPM has exemplified by just the updating for the new census data on population, density and sparsity, commuting and ethnicity. On this basis alone, Chorley will lose. The reasons for this are that:
 - Chorley still has more out commuters than in commuters
 - Population density has risen proportionally faster in other areas of the County than Chorley
 - Sparsity has fallen significantly when compared against the national trend.
9. As a small authority, Chorley benefits from the 'fixed cost' element but only a small increase in this areas is proposed.

PROPOSALS FOR CHANGE

WASTE

10. ODPM have floated the idea of changes to the EPCS weighting for waste. However the changes proposed are mainly based on disposal costs through landfill charges rather than on collections. No exemplifications are given for this.

CAPITAL FINANCING

11. ODPM suggests three possible options in relation to the way Council's receive grant for debt charges.
12. The three possible changes have very different outcomes for Chorley and the increase in grants are significant at around £500k. The drawback however is that every Shire district gains whilst every County Council loses. This does not of course prevent the option being implemented but it does increase the risk that the Government will make adjustments elsewhere in the system to neutralise this effect.

AREA COST ADJUSTMENT (ACA)

13. The ACA provides a top up for the authority in high wage Counties. Lancashire's average wage means the distributional effect is minimal, so Chorley's interests lie in minimising the top-ups to others as this has a distributional effect.
14. The range of options for change give a variety of financial outcomes for Chorley, but given the losses that would occur in the Southern authorities it is difficult to see any of the options being implemented.

ADDITIONAL RESOURCES EQUALISATION

15. Resource equalisation is the method by which the Government moves resources from authorities with high tax base compared to need to those with lower tax base relative to need. The key issue is not necessarily the distribution but the difference between assumed and actual taxes, some of which the Government has previously funded.
16. Under any of the proposed options Chorley would lose as its tax base is relatively high.

FLOOR DAMPENING MECHANISM

17. The dampening mechanism is the methodology the Government uses to mitigate the effect of changes in the distribution system by taking resources from authorities who gain and redirecting the income to pay for authorities who lose in the system.
18. In the present system those with the highest grant increase pay proportionally more towards the dampening mechanism. The alternative suggestion from the ODPM is that the distribution is done on tax base.
19. Although Chorley has a high tax base compared with the rest of England, within the District group, the tax base is relatively low. This means that Chorley would gain if arrangements were changed but the top up would be dependent upon where the floor is set.

DAY VISITORS DATA

20. This particular area is very complex but the results overall are fairly neutral for Chorley with 11% more day trip compared to 8% rise nationally. It is not clear what will happen next with this element.

ALTERNATIVE GRANT SYSTEMS

21. The ODPM have been keen to remove from the current system the Formula Spending Share and Assumed Council Tax element of the grant settlement. There are two reasons for this, firstly it breaks down the unhelpful idea that FSS is a spending target, and second it removes the assumption about Council Tax increases, which has proved embarrassing in the recent past.
22. The alternative offered is a variation on what we have now, but the basic idea is that an activity with the least need (as yet identified) would receive either a low settlement or none at all with the other authorities receiving the cash based upon how needy they were and how much money was available to meet this need from Council Tax.
23. Though this sounds reasonably straightforward, clearly it is not and the lack of exemplifications in the consultation is probably significant in that the change is not yet fully thought through, but the option cannot be ruled out.

THREE YEAR SETTLEMENTS

24. The Government is already committed to introducing three year settlements, but there are still a number of uncertainties around how this might work. The proposal from the ODPM is to introduce two year settlements covering 2006/2007 and 2007/2008. The latter year being provisional dependent upon the progress on the Council tax valuations. From 2008/2009 the policy would align with the spending review with two year fixed allocations and one year indicative figures, to be revisited.

SUMMARY

25. The changes currently being consulted upon have a wide-ranging effect on Chorley, should any or all of the proposals be implemented. It makes estimating the likely grant levels almost impossible, but many of the changes are distributional only and would ultimately be affected by the dampening mechanism, in order to seek to minimise the impact at the individual Council level. If this is the case then the key area will be the overall level of funding available, this would give an indication of what might happen.

QUANTUM OF MONEY AVAILABLE

26. The original spending review in 2004 provided an increase for local Government of £2.5bn (5.5%) in 2006/2007 and £2.4bn (5.2%) in 2007/2008. However since the 2005/2006 settlement a number of things are likely to change which we need to consider the effect of, namely:
- The £353m one-off addition of Formula Grant to reduce tax burden in 2007/2008
 - The £75m one-off sum from education to EPCS
 - The £133m one off addition to the EPCS block for landfill tax
 - The removal of funding to schools to a special grant.
27. The one-off additions in 2005/2006 are likely to be removed from the overall total available. On this basis the assumed level of Council Tax rise would need to be around 8%, which of course would be very politically sensitive. For the following year the assumed Council Tax rise would be around 4%.
28. On forecast plans therefore, Aggregate External Finance (i.e. the increase money available to local Government), would rise by only 0.2% in 2006/2007, which is the effect of removing the one-off additions, and 4% in 2007/2008.
29. Clearly such a small increase would be difficult for local Government to absorb but even so a tight settlement is likely.
30. There are several ways this could be remedied, the obvious being to inject some cash into the system or bringing forward part of the 2007/2008 increase to smooth the increase to around 2% for the two year period.
31. Against a worsening public finance position the Treasury is likely to be desperate to avoid a substantial increase going into the settlement. The Government is therefore likely to point to Gershon savings as the panacea, but despite this the large increase in assumed Council Tax suggests that there will be some money available.
32. The most likely scenario is a combination of changes to the distribution method and an increase in the quantum of funds to reduce the assumed Council Tax level to below 5%.
33. The key issue for Shire districts is as always its inability to get a reasonable share of any increase. The ODPM has the power to change its Council Tax assumptions and wipe out any gains.

34. In a tight year it would be no surprise to see an average increase of 2% or below.

BUDGET PLANNING ASSUMPTIONS

35. The current consultation by the ODPM has within it the potential to have a significant financial impact on the Council’s final settlement, with some large swings in grants under the various options. Historically the Government has limited the impact on individual Council’s through either the additional resource equation or the dampening mechanism. I have no reason to believe that the settlement, which for the first time will be for a two year period will be any different from previous years and therefore it may be more appropriate to look back rather than forward to establish what grant increase the Council may receive. Set out below is a summary of the additional cash received by the Council from grants over the last 4 financial years.

36. Table 1 – Summary of Additional Government Grant

Additional AEF

Year	Total Government Grant	Addition in Year Given
2001/2002	5.888	
2002/2003	6.105	+217
2003/2004	6.690	+585
2004/2005 *	6.990	+300
2005/2006	6.651	+383

* includes direct funding of housing benefits

37. The table shows that over the last 4 years there have been wide variations in the levels of grant received and the 2005/2006 included an element of one off funding. The average for the last 4 years is £371k but the average is brought down by the settlement in 2002/2003. Given the messages appear to be that there will be a tight settlement I am inclined to stick with the assumptions in the financial strategy that grant will rise by £200k annually over the period.

COUNCIL TAX YIELD

38. As members will be aware the only other source of funding available to the Council other than government grant is Council Tax. Members will also note that the government kept to its promise to cap authorities in 2005/2006 who implemented in their view excessive Council Tax.
39. No guide exists in relation to what the government deems to be acceptable rises in 2006/2007 and 2007/2008. However given the current unrest amongst the general public about the level of Council Tax, it is likely that capping will still exist as a real possibility and that only low single figure rises of up to 5% will be seen as acceptable.
40. On this basis an annual rise of 5% for both 2006/2007 and 2007/2008 has been factored into the budget forecasts and will yield the following amounts, after adjusting for changes in the Council Tax base.

Table 2 – Council Tax Yield at 5% Increase

	2006/2007	2007/2008	2008/2009
Average Band D Council Tax (including special expenses) (£163.63 x 1.05)	171.81	180.40	189.42
Council Tax Base (Assume 1% annual growth)	34,879	35,228	35,580
Council Tax Yield	5,992,561	6,355,131	6,739,563

GARY HALL
DIRECTOR OF FINANCE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	17 October 2005	P/FinRep/Formula

Report of	Meeting	Date
Head of Public Space Services (Introduced by the Executive Member for Life & Leisure, Cllr Hoyle)	Executive Cabinet	3/11/05

CAPITAL PLAN – PLAY AREA DEVELOPMENT

PURPOSE OF REPORT

- To highlight the current position of the Council's five year plan for play area improvements, and to put forward an amendment for approval.

CORPORATE PRIORITIES

- The proposals have a direct bearing on the Council's corporate objective in respect of providing a cleaner, greener, safe Chorley and servicing our customers better.

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	

BACKGROUND

- The plan was devised as a systematic means of improving the standard of our play facilities, by prioritising those in poorest condition or contributing to anti-social behaviour in the neighbourhood.
- For each of the five years from 2002/03 – 2006/07 £50,000 was allocated.
- Now in year four, this plan has helped create several quality facilities in various parts of the authority. These have included the separation of junior and teenage play in Adlington (Grafton Street and Jubilee Playing Fields) during year one, the development of Rangletts Recreation Ground Play Area in year two and the creation of a new site within the Canal Basin (Whittle le Woods) last year.
- Key to the process of development has been the use of a consultation strategy to identify the requirements of both users and local residents.



Year Four Proposals (2005/06)

8. If development takes place as per the existing plan, it would include the following sites:

- Grey Heights View, Chorley
- The Oaks, Eaves Green
- The Cedars, Eaves Green
- Parker Street/Congress Street, Chorley
- Croft Road, Chorley

Grey Heights View

9. Although this site has a grassed surface, surrounded by timber fencing and gates, it remains in a serviceable condition.

10. Neighbouring properties would be adversely affected by any radical improvements, as experienced elsewhere. This is reflected in current planning policy for play provision. A recent visit confirmed that new seating and the provision of a new litterbin would return the site to an acceptable standard.

The Oaks

11. Planned development in the area will provide enhanced play value within the next 12 – 18 months.

12. A relatively small site, in the past it has offered a level of play value, but it no longer remains a viable option. By being below the level of surrounding properties and surrounded by shrubs it has become heavily vandalised, and provides opportunity for anti-social behaviour. As a result much of the equipment has been removed.

13. Development of a neighbourhood park in the area will reduce the need for this site to be kept.

The Cedars

14. As with The Oaks (see above), the sunken site is no longer suitable. This site will form a small section of the larger facility mentioned above which will cater for a greater age group, and mixed abilities.

Parker Street/Congress Street

15. Congress Street offered basic facilities on a tarmac surface, until they were removed as a result of complaints from residents. Again, its proximity to property resulted in nuisance at unacceptable levels. No equipment has been on this site for two years.

16. Parker Street had been seen as a possible site for play when the original plan was compiled in 2000/2001. However, since then there have been no further requests for such a facility. Like many of the other sites considered for development in this period, current patterns of juvenile nuisance suggest that smaller sites close to property are less than ideal.

Croft Road

17. No equipment has been in place for three years there having been only a wooden swing beforehand. Whilst there is sufficient open space to allow safe informal play, there is no demand for fixed equipment to be provided.

Year Five

18. The original plan identifies year five as a review period. At that stage it was intended to re-evaluate this plan using the same criteria. Of a high priority would be our site on Gough Lane, Clayton Brook.

Gough Lane

19. Gough Lane features a sunken 5-a-side pitch, which it would appear was transformed from an old water tank.
20. Despite being popular with local footballers when first installed, it now sees very little sport being played. Instead, like many other facilities, it is now used as a point of congregation by local youths and has a reputation for underage drinking and drug abuse. None of this is helped by its secluded location amongst mature shelterbelt, toward the back of the village green.
21. There is a need to replace significant sections of fencing around this site to reduce the risk of serious injury.

Proposed Amendment to the Programme

22. It would be logical to delete the original year four schemes and replace them with improvements to the village green area at Clayton Brook.
23. The provision of a multi-sports ball court, similar to that provided on Harpers Lane Recreation Ground, on the edge of the village green would alleviate the need for retaining the sunken pitch.
24. A number of options then exist:
- Fill in the pitch and landscape to compliment local planting
 - Improve the existing pitch to compliment other facilities that could be designed
 - Create an additional feature – such as a skate bowl, to compliment a sports pitch on the village green and the Parish Council play area that already exists.
25. By concentrating our resources in this way we are following planning policy guidelines that are encouraging the emergence of neighbourhood parks in favour of smaller facilities that often fall victim to vandalism and offer diminished play value. The creation of a range of features on and around the village green would benefit a far higher proportion of the community.

Match Funding

26. Clayton Brook Together (the local safety target group) is a highly motivated and progressive organisation which has opportunities for fund raising beyond those of the local authority. The possibility therefore exists to use the development monies as match funding that can secure significant resources, and deliver facilities far in excess of those that can be achieved by our spending in isolation.
27. However it must be concluded that the site should be included in the programme in preference to the others.

Consultation

28. The various options at Gough Lane have been aired by local voluntary groups at meetings of the safety target group, over the last two years. And, while they may still be

the favoured option for development, they would not be implemented without further consultation. Other attractions may now be preferred.

COMMENTS OF THE HEAD OF HUMAN RESOURCES

29. There are no Human Resources implications to this report.

COMMENTS OF THE DIRECTOR OF FINANCE

30. My Capital Programme monitoring report to Executive Cabinet of September 29 confirmed the budget provision for 2005/06 and a continuation of the provision at £50,000 per year for 2006/07 to 2008/09.

In addition to the Council's own resources for capital investment in Play Areas, we have received S106 contributions from developers for provision of play or recreational facilities. The sums in hand and available for use are as follows:

	£
Euxton	51,880
Chorley	30,000
In 2005/06 Capital Programme	81,880
Available for use in respect of -	
Adlington	25,450
Chorley	37,880
Coppull	26,660
Croston	19,990
Eccleston	19,630
Uncommitted S106 contributions	129,610
	0
Total S106 contributions for play/recreational use	211,490

As S106 contributions may become repayable to the developers if not spent on the purpose for which they were received within a reasonable time of receipt, I suggest that proposals for use of the uncommitted balance of £129,610 be presented. Additional schemes could then be added to the Capital Programme, to be financed by S106 resources."

RECOMMENDATION(S)

31. It is recommended that officers be authorised to work with the local safety target group by using the year four play area development capital fund in an effort to improve play provision on and around Clayton Brook Village Green, and to amend the play area development programme accordingly; and to encourage and support the Clayton Brook Together group in applying for external funding for enhanced facilities, to further meet the requirements of the community.

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

32. As set out in the report.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

33. As set out in the report.

KEITH ALLEN
HEAD OF PUBLIC SPACE SERVICES

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Andy Brown	5574	25/10/05	PSSREP/90767JM2

CHORLEY BOROUGH COUNCIL**LEISURE SERVICES DEPARTMENT****PLAY AREA DEVELOPMENT PROGRAMME****1. Introduction**

- 1.1 This Development Programme is produced to update the existing report that was produced by the Community Services Department.
- 1.2 Each play area is taken from the list “playgrounds still to be refurbished”, with the exception of Ranglett's Recreation Ground which suffered excessive usage and now needs to be refurbished due to wear and tear.
- 1.3 This updated programme has been provided to show that our future developments work towards the standards produced by the National Playing Fields Association (NPFA) with regard to play space standards.

2. National Playing Fields Association – (NPFA) Design of Outdoor Play Space Standards

- 2.1 Three categories have been suggested for the provision of play areas to cater for various age groups. Main features are as follows.
- 2.2 Local Area for Play (LAP) – For children up to six years of age, and featuring demonstrative features and open space, so that children can use their own toys and interact. Also providing informal seating for parents/carers. Site must be beside a well used pathway.
- 2.3 Local Equipped Area for Play (LEAP) – For children eight years of age. Must have at least five types of equipment of which at least two are individual pieces. Must be beside a well used pathway.
- 2.4 Neighbourhood Equipped Area for Play (NEAP) – For children eight years of age and above. Area has two distinct parts, one with play equipment, the other with a hard surface for ball games and rollerskating. Both sites should be linked.

3. Five Year Plan

- 3.1 A revised version of the existing Play Area Development Plan follows, a summary is shown in Appendix A.
- 3.2 Each development shows the NPFA standard which best applies, at present no play area fits the standard.
- 3.3 Relevant photographs are included at the rear of this report. The Best Value Action Plan sets out requirements for progress towards NPFA standards for all play areas.
- 3.4 The Refurbishment Programme for each year has been based on this year's budget figure of £50,000 per annum.

4. **Year One**

- 4.1 Grafton Street (Adlington) - LAP*
 Foxcote (Astley Village) - LAP + LEAP
 Draperfield (Chorley) - LEAP

5. **Year Two**

- Abbey Village - NEAP
 Rangletts Recreation Ground - LAP + LEAP

6. **Year Three**

- 6.1 Knowley Brow (Heapey) - LEAP
 Canal Basin (Whittle-le-Woods)- NEAP

7. **Year Four**

- 7.1 Grey Heights View (Chorley) - LAP
 The Oaks (Chorley) - LEAP
 The Cedars (Chorley) - LAP
 Parker Street/Congress Street - LEAP**
 Croft Road (Chorley)

8. **Year Five**

- 8.1 It is suggested that the whole list of play areas be reviewed at this stage to develop a new rolling programme for refurbishment.

9. **Planning Guidelines**

10. **Further Notes**

- 10.1 * - Grafton Street will be developed using existing equipment from the neighbouring Jubilee Playing Fields. As much of this work will be completed to make the site safe, the project will be mainly funded by the existing revenue budget. Replacement benches and litter bins will also be required.
- 10.2 ** - Parker Street/Congress Street – one of these sites will be developed to the LEAP standard. As they are so close together it may be unnecessary to enhance them both.
- 10.3 It is proposed to remove a number of the existing “single-piece” sites during the next 18 months. These sites provide little if any quality play experience, generally attract a disruptive teenage element, have no safety surfacing and provide definite insurance concerns.
- 10.4 This development plan is designed to create Borough-wide facilities of an equal standard.
- 10.5 It is reasonable to assume that many of the larger play areas will require attention at the “year 5” stage of this plan as they will have been in existence for 10 to 15 years by this stage.
- 10.6 The proposed plan will bring up the number of sites which meet National NPFA guidelines from nil at present to a total of at least 13 within four years.

SUMMARY OF FIVE YEAR PLAY AREA REFURBISHMENT PROPOSALS

Council owned play areas	Condition	Proposed Date of refurbishment	Proposed Date to remove Play Area	NPFA standard (After refurbishment)
1. Abbey Village	Dated, swings do not conform to current safety standards	Year 2	-	NEAP
2. Astley Park, Chorley	Refurbished in 1995. Very popular site.	Possible HLF grant 2003/04	-	
3. Blackcroft, Clayton-le-Woods	One item of equipment on tarmac – teenage meeting point repeated requests form residents to remove.	-	2002	-
4. Buttermere Avenue, Chorley	Refurbished in 2002	Year 5 – onwards	-	-
5. Briarswood, Eccleston	Handed over in the late 90's in good condition.	Year 5 – onwards	-	-
6. The Cedars, Eaves Green	Overgrown and heavily vandalised		-	LAP & LEAP
7. Canal Basin, Whittle-le-Woods	Poor level of equipment on large potential site		-	
8.. Carr Brook, Clayton-le-Woods	Trim trail in good condition	Year 5 – onwards	-	
9. Granville Street, Adlington	Site floods and attracts teenagers. Residents and schools consulted in 2001 – results showed that a toddler area would be preferred with provision for teenagers at nearby Jubilee Recreation Ground.	Year 1	-	LAP
10. Cloverfield, Clayton-le-Woods	One item on tarmac, Repeated requests for removal. Small site.	-	Remove 2002	-
11. Congress Street, Chorley	Two items on tarmac – needs refurbishment.	Year 4	-	-
12. Coronation Recreation Ground, Chorley	Well used, refurbished in 1995. Extended in 2000.	Year 5 – onwards	-	-

Council owned play areas	Condition	Proposed Date of refurbishment	Proposed Date to remove Play Area	NPFA standard
13. Croft Road, Chorley	One item on safety surface. Usually clean, tidy. No adverse comments received.	Year 4	-	LEAP
14. Dahlia Close, Clayton-le-Woods	Handed over in 2002	Year 5 – onwards	-	LAP & LEAP
15. Draperfield, Eaves Green	Popular site. No safety surfacing or fencing.	Year 1	-	
16. Foxcote, Astley Village	Two small sites which with limited investment will bring them up to NPFA standard.	Year	-	LAP & LEAP
17. Gillibrand Ravine (off Stanstead Rd), Chorley	Refurbished in 1999/2000.	Year 5 - onwards	-	LAP
18. Gough Lane, Clayton Brook	Sunken 5-a-side which suffers from much anti-social behaviour. A new play area owned by the Parish Council is within close proximity.	Year 5 – onwards	-	-
19. Grey Heights View, Chorley	Good condition requiring only slight development. Lacks fencing.	Year 4	-	LAP
20. Harper's Lane Rec Ground, Chorley	Renewed in 2002	Year 5 – onwards	-	-
21. Harvest Drive, Whittle-le-Woods	Handed over in 2002	Year 5 – onwards	-	-
22. Hurst Brook, Coppull	New in 1999	Year 5 – onwards	-	-
23. Jubilee Rec Ground, Adlington	Safety surfacing completely vandalised and play equipment removed. Proposal to put 5-aside and youth shelter (purchased by Youth and Community Services) in place of above. To be done in conjunction with toddler area at Grafton Street. Public consultation done in 2001.	Year 1	-	-

Council owned play areas	Condition	Proposed Date	Proposed Date	NPFA standard
24. King George V Playing Fields, Adlington	Two sites – one refurbished in 1995	Site 2 – year 5 onwards	-	-
25. Kingsmead, Chorley	Handed over in 1999	Year 5 – onwards	-	LEAP
26. Knowley Brow, Heapey	Partial safety surface. Minimum investment would bring site up to NPFA standard.	Year 3	-	LEAP
27. Lodge Bank, Brinscall	Refurbished in 1999.	Year 5 – onwards	-	-
28. Maypark, Clayton-le-Woods	One piece of equipment. Attracts teenagers. Repeated requests for removal.	-	2002	-
29. Oakcroft, Clayton-le-Woods	Two sites – One Parish Council. Both recently refurbished.	Year 5 – onwards	-	LEAP
30. The Oaks, Eaves Green	Fencing badly damaged - overgrown site.		-	-
31. Parker Street	No Play Area currently exists.		-	LAP & LEAP
32. Pines Close, Clayton-le-Woods	One item of equipment – repeated requests for removal.		2002	-
33. Railway Road, Chorley	Equipment removed recently due to vandalism and teenager problems.		-	-
34 Rangletts Recreation Ground	Well used site. The multi-play unit is on engineers advice very close to the end of its life.	Year 2	-	-
34. Orchard Drive, Whittle-le-Woods	Handed over in 2000.	Year 5 – onwards.	-	-
35. Orchard Drive Trim Trail, Whittle-le-Woods	Handed over in 2000	Year 5 – onwards	-	-
36. The Rydings, Whittle-le-Woods	Handed over in 2000	Year 5 - onwards		

Council owned play areas	Condition	Proposed Date	Proposed Date	NPFA standard
37. Tarnbeck Drive, Mawdesley	Handed over in 2000	Year 5 – onwards		
38. Tatton Rec Ground, Chorley	Last refurbished and extended by Tatton User Group in 2001.	Year 5 – onwards		
39. Whittle Canal Basin, Chorley		Year 3		
40. Dunham Drive, Whittle-le-Woods	Handed over in 2002	Year 5 – onwards		
41. Crosslands, Chorley	Handed over in 2002	Year 5 – onwards		
41. Crosslands Chorley (Basketball Post)	Handed over in 2002	Year 5 - onwards		

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