

Executive Cabinet

Agenda and Reports

For consideration on

Thursday, 8th January 2009

In Committee Room No. 1, Town Hall, Chorley

At 5.00 pm



PROCEDURE FOR PUBLIC QUESTIONS/SPEAKING AT EXECUTIVE CABINET MEETINGS

- Questions should be submitted to the Democratic Services Section by midday, two working days prior to each Executive Cabinet meeting to allow time to prepare appropriate responses and investigate the issue if necessary.
- A maximum period of 3 minutes will be allowed for a question from a member of the public on an item on the agenda. A maximum period of 30 minutes to be allocated for public questions if necessary at each meeting.
- The question to be answered by the Executive Member with responsibility for the service area or whoever is most appropriate.
- On receiving a reply the member of the public will be allowed to ask one supplementary question.
- Members of the public will be able to stay for the rest of the meeting should they so wish but will not be able to speak on any other agenda item upon using their allocated 3 minutes.

PROCEDURE FOR 'CALL-IN' OF EXECUTIVE DECISIONS

- Each of the executive decisions taken at the Executive Cabinet meeting are subject to the adopted 'call-in' procedure within 10 working days of the Executive Cabinet meeting at which the decision is made, unless the decision has been implemented as a matter of urgency.
- Guidance on the 'call-in' procedure can be accessed through the following internet link:
<http://www.chorley.gov.uk/index.aspx?articleid=1426>
- If you require clarification of the 'call-in' procedure or further information, please contact either:
Tony Uren (Tel: 01257 515122; E-Mail: tony.uren@chorley.gov.uk) or
Gordon Bankes (Tel: 01257 515123, E-Mail: gordon.bankes@chorley.gov.uk)
in the Democratic Services Section.

21 December 2008

Dear Councillor

EXECUTIVE CABINET - THURSDAY, 8TH JANUARY 2009

You are invited to attend a meeting of the Executive Cabinet to be held in **Committee Room No. 1**, Town Hall, Chorley on Thursday, 8th January 2009 at 5.00 pm.

AGENDA

1. **Apologies for absence**

2. **Declarations of Any Interests**

Members are reminded of their responsibility to declare any personal interest in respect of matters contained in this agenda. If the interest arises **only** as result of your membership of another public body or one to which you have been appointed by the Council then you only need to declare it if you intend to speak.

If the personal interest is a prejudicial interest, you must withdraw from the meeting. Normally you should leave the room before the business starts to be discussed. You do, however, have the same right to speak as a member of the public and may remain in the room to enable you to exercise that right and then leave immediately. In either case you must not seek to improperly influence a decision on the matter.

3. **Minutes (Pages 1 - 6)**

To confirm as a correct record the minutes of the meeting of the Executive Cabinet held on 11 December 2008 (enclosed).

4. **Public Questions**

Members of the public who have requested the opportunity to ask a question(s) on an item(s) on the agenda will be asked to put their question(s) to the respective Executive Member(s). Each member of the public will be allowed to ask one supplementary question within his/her allocated 3 minutes.

ITEM OF EXECUTIVE MEMBER (BUSINESS) (INTRODUCED BY COUNCILLOR P MALPAS)

5. **Short Stay Car Parks - Response to Petition and Notice of Motion (Pages 7 - 10)**

To consider the enclosed report of the Corporate Director (Neighbourhoods).

MATTERS REFERRED BY THE OVERVIEW AND SCRUTINY COMMITTEE (INTRODUCED BY THE CHAIR, COUNCILLOR D EDGERLEY)

6. **Overview and Scrutiny Inquiries** (Pages 11 - 34)

To receive and consider the final reports and recommendations of the respective Overview and Scrutiny Task Groups into:

- Chorley Community Housing ;
- Streetscene issues.

(Reports enclosed).

ITEM OF EXECUTIVE MEMBER (POLICY AND PERFORMANCE) (INTRODUCED BY COUNCILLOR P CASE)

7. **Update on application for Beacon Status in 2009** (Pages 35 - 46)

To consider the enclosed report of the Assistant Chief Executive (Policy and Performance).

A complementary presentation will be made at the meeting by the Chief Executive.

ITEM OF EXECUTIVE MEMBER (BUSINESS) (INTRODUCED COUNCILLOR PETER MALPAS)

8. **Chorley Heritage and Conservation Strategy, 2009 - 2013** (Pages 47 - 64)

To consider the enclosed report of the Corporate Director (Business), with attached draft Strategy.

ITEM OF EXECUTIVE MEMBER (RESOURCES) (INTRODUCED BY COUNCILLOR ALAN CULLENS)

9. **Information Security Framework** (Pages 65 - 68)

To consider the enclosed report of the Corporate Director of Information and Communications Technology.

A copy of the draft Information Security Framework document is available for inspection in the Members' Room at the Town Hall.

10. **Draft Budget proposals for 2009/10**

To receive and consider the enclosed reports of the Assistant Chief Executive (Business Transformation):

- a) Treasury Management Strategy (Pages 69 - 80)
- b) Draft Capital Programme for 2008/09 and beyond for consultation purposes (Pages 81 - 94)
- c) Approval of Draft Revenue Budget for 2009/10 for consultation purposes (Pages 95 - 118)

ITEM OF EXECUTIVE MEMBER (BUSINESS) (INTRODUCED BY COUNCILLOR P MALPAS)

11. **Cotswold House Transfer** (Pages 119 - 126)

To receive and consider the report of the Corporate Director (Business) tabled at the

meeting.

12. **Exclusion of Press and Public**

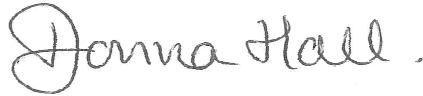
To consider the exclusion of the press and public for the following item on business on the ground that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

ITEM OF EXECUTIVE MEMBER (RESOURCES) (INTRODUCED BY COUNCILLOR A CULLENS)

13. **Disposal of Surplus Land and Assets** (Pages 127 - 136)

To receive and consider the enclosed report of the Assistant Chief Executive (Business Transformation) and the Corporate Director (Business).

Yours sincerely



Donna Hall
Chief Executive

Tony Uren
Democratic and Member Services Officer
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Distribution

1. Agenda and reports to all Members of the Executive Cabinet, Lead Members and Chief Officers for attendance.

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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 آپکی اپنی زبان میں بھی کیا جاسکتا ہے۔ یہ خدمت استعمال کرنے کیلئے براہ مہربانی اس نمبر پر ٹیلیفون
کیجئے: 01257 515823

Executive Cabinet**Minutes of meeting held on Thursday, 11 December 2008**

Present: Councillor Peter Goldsworthy (Executive Leader in the Chair), Councillor Pat Case (Deputy Leader of the Council) and Councillors Eric Bell, Alan Cullens, Peter Malpas and John Walker

Also in attendance:

Lead Members: Councillors Rosie Russell (Lead Member for Health and Older People) and Iris Smith (Lead Member for Licensing)

Other Members: Councillors Julia Berry, Terry Brown, Henry Counce, Dennis Edgerley, Anthony Gee, Marie Gray, Hasina Khan, Laura Lennox, Debra Platt, Geoffrey Russell, Ralph Snape and Peter Wilson

08.EC.107 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest by any of the Executive members on any of the agenda items

08.EC.108 MINUTES

The minutes of the meeting of the Executive Cabinet held on 13 November 2008 were confirmed as a correct record for signature by the Executive Leader.

08.EC.109 PUBLIC QUESTIONS

The Executive Leader reported that there had been no requests from any members of the public to speak at the meeting.

08.EC.110 DECEMBER FORWARD PLAN

The Executive Cabinet received the Council's December Forward Plan which set out the detail of the potential key decisions to be made by the Executive Cabinet or individual Executive Members during the four months period commencing 1 December 2008.

Decision made:

That the December Forward Plan, as now presented, be noted.

08.EC.111 SUSTAINABLE RESOURCES - APPROVAL OF DRAFT SUPPLEMENTARY PLANNING DOCUMENT FOR CONSULTATION PURPOSES

The Corporate Director (Business) presented a report seeking approval of the revised draft Sustainable Resources Supplementary Planning Document for consultation purposes.

The purpose of the Supplementary Planning Document (SPD) was to implement the policies of the Sustainable Resources Development Plan Document adopted in September 2008 by providing practical advice and guidance to developers on how to incorporate the sustainable use of resources into new developments. The SPD set out advice, sources of good practice and detailed information on the implementation of the Development Plan Document policies.

The Supplementary Planning Document, originally produced in March 2006 had amended and updated to take account of the changes that had been made to the Development Plan Document on the advice of the Government Inspector having conducted the Examination in Public into the Development Plan Document in May 2008.

It was intended that the consultation period on the amended draft SPD would commence in December 2008, with a view to its ultimate adoption in March 2009.

Decision made:

That the draft Sustainable Resources Supplementary Planning Document, as now presented, be approved for consultation purposes.

Reason for decision:

Adoption of the Sustainable Resources Supplementary Planning Document will ensure that the Council fulfils both its commitment set out in the Local Development Scheme and the recommendations of the Planning Inspectors at the Public Examination into the soundness of the Sustainable Resources Development Plan Document.

Alternative option(s) considered and rejected:

None.

08.EC.112 ELLERBECK AND DUXBURY COLLIERIES SITE - POTENTIAL EXTENSION OF GREEN CORRIDOR

The Executive Cabinet considered a report of the Corporate Director (People) recommending acceptance of the offer of the Lancashire County Council for monies from the REMADE (Reclamation and Management of Derelict Land) fund to be made available to finance a site appraisal and investigation of the former Duxbury Collieries land known as Ellerbeck.

The derelict 28.45 hectares of land was currently allocated within the Local Plan for informal recreational use and nature conservation and had the scope for reclamation and linkage to the remainder of the Yarrow Valley Country Park and the West Pennine Moors.

Whilst it was intended that the Ellerbeck site would be identified as part of the Yarrow Valley Country Park, the land would retain a distinct and separate identity through its end use being tailored to partly self managing and financing outdoor pursuits. The initial survey and appraisal, to be project managed by Chorley Council, would inform the ultimate use of the site.

Assurances had been obtained from REMADE that acceptance of the offer of funding for the feasibility study would not commit the Council to any future work, and would not be liable to reimbursement if the Council decided not to proceed.

Decision made:

That approval be given to arrangements for the commencement of the site survey and investigation work, and subsequent appraisal of the former Duxbury Collieries site known as Ellerbeck.

Reasons for decision:

As the Ellerbeck site is owned by Chorley Council, the authority has a public liability to keep the site safe and it is, therefore, in the Council's interest to ascertain any site problems which could affect detrimentally the environment or safety of local residents. REMADE's offer to fund the whole of the site appraisal, investigation and survey work will constitute a substantial cost saving for the Council.

Alternative option(s) considered and rejected:

The only feasible option would be to reject the offer of funding for the site survey.

08.EC.113 CONCESSIONARY TRAVEL - POOLING ARRANGEMENTS ACROSS LANCASHIRE

The Executive Leader updated the Members on the current situation and outcome of discussions between the Lancashire Leaders on the need to address the expected overall shortfall in the region of £2.7m in meeting the cost of concessionary travel in Lancashire.

The Lancashire Districts had expressed their extreme concern at the financial impact of the scheme to the Government Minister, who had promised to consider the District's arguments.

In the interim, the Executive Leader advised the Members of the general principles of the pooling arrangements for concessionary travel that had been approved unanimously by the Lancashire Leaders, subject to a number of caveats. Whilst the finite details of the arrangement had yet to be finalised, it was envisaged that the projected pooling adjustment would reduce Chorley Council's expected budget shortfall on concessionary travel costs of £205,000 in 2008/09 by £64,000. Clarification of the cost of contracted services was still required.

The Lancashire Leaders had also set up a Working Group to oversee the implementation of the pooling arrangements and to negotiate changes to the allocation system with the Government.

Decision made:

That the Executive Leader's verbal report be noted and that a further update report be presented to the next Executive Cabinet meeting.

Reason for decision:

In order to ensure that the Members are fully briefed on the financial implications of the costs of operating the concessionary travel scheme.

Alternative option(s) considered and rejected:

None.

08.EC.114 EXCLUSION OF THE PUBLIC AND PRESS**Decision made:**

That the press and public be excluded from the meeting for the following items of business on the ground that they involve the likely disclosure of exempt information as defined in Paragraphs 1 and 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

08.EC.115 STRATEGIC HOUSING ISSUES

The Executive Cabinet considered a report of the Corporate Director (Business) on a number of proposals intended to enhance the Strategic Housing Service. In particular, the report recommended acceptance of the following proposals:

- The termination of the agreement with the Citizens' Advice Bureau for the provision of a Homelessness and Housing Advice Service and the re-investment of the Homelessness Grant into the funding of full-time Specialist Housing Advisor post within the Council's Homelessness and Housing Advice Team. This would enable an extension of the hours of availability of the service and provide additional capacity for the Team to meet increasing demands for its services.
- The adoption of a policy to regulate the processes for applications for and the allocation of the budget provision (£5,000 in 2009/09) for the purpose of preventing homelessness.
- The variation of the Council's Energy Grants Scheme to effect the extension of the grants scheme in order to encompass a wider category of eligible groups. The extension of the scheme would assist the promotion of the Council's Corporate Strategy targets in energy efficiency and provide extra support and aid to householders in need.
- The approval of a draft Allocations Policy for consultation purposes. The revised policy aimed to simplify and make the allocations policy more transparent and add clarity to the introduction of a new needs based Banding system.

The Chair of the Overview and Scrutiny Committee (Councillor D Edgerley) confirmed that the Committee had requested the Chorley Community Housing Task Group to undertake a review of the new draft Allocations Policy, particularly in order to assess the impact of the proposed choice based lettings scheme.

Decisions made:

1. **That the current agreement with the Citizens' Advice Bureau for the provision of a Homelessness and Housing Advice Service be terminated and that the annual Homelessness Grant from the Government be used to fund a full-time Specialist Housing Advisor to be employed by Chorley Council and based at the Union Street Offices.**
2. **That the draft Homelessness Prevention Fund Policy, as now presented, be approved and adopted.**
3. **That the proposals to vary the Council's Energy Grants Scheme, as outlined in the submitted report, to reflect the priority afforded to the widening of energy efficiency schemes to include other groups, be approved and adopted for a trial period of 12 months, at the conclusion of which outputs and customer satisfaction will be reviewed.**
4. **That the draft Allocations Policy, as now presented, be approved for consultation with the Council's partners (including Housing Associations).**

Reasons for decisions:

1. The adjustment to the means of providing specialist housing advice will achieve better value for money by reducing the amount of on costs and maximising the front line service delivered to customers.

2. The Homelessness Prevention Pot policy will set clear guidelines for the allocation of the available monies.
3. The variation of the Energy Grant Scheme will enable a wider range of vulnerable households to be targeted and an ability to pay scheme to be introduced.
4. The revised Allocations Policy will simplify and clarify the housing allocations system.

Alternative option(s) considered and rejected:

None.

08.EC.116 PERFORMANCE OF KEY PARTNERSHIPS - 2008/09 MID-TERM PROGRESS REPORT

The Executive Cabinet received and considered a report of the Assistant Chief Executive (Business Transformation) reviewing the performance of the Council's key partnership arrangements up to September 2008 against the criteria laid down in the adopted Framework for Partnership Working.

The report in particular:

- reviewed the financial standing and performance of the Council's key partnerships against the respective targets and objectives for the financial year;
- updated the Partnerships Framework to include the requirement to consider the requirements of the child and young person protection policy in all key partnership arrangements;
- recommended the addition of 'Anchor Staying Put – South Lancashire' as a new key partnership, following a recent review of the Housing and Improvements Grants Service.

The report also drew attention to a small number of instances where partnership performance or risk issues had been identified and would require future diligent monitoring. In this context, the Assistant Chief Executive (Business Transformation) answered Members' queries on the delivery and future expectations of three contracted out services. The Members were also informed of the current progress of the 'Families First' project since the appointment of a Project Co-ordinator.

Decisions made:

1. **That the report be noted.**
2. **That the proposals to update the Framework for Partnership Working, as outlined in the submitted report, in order to include the requirement to consider the requirements of the child and young person protection policy in all key partnership arrangements, be approved.**
3. **That the Corporate Director (People) continues to monitor closely and manage the risks arising from the current trading position of Community Leisure Services.**
4. **That the Financial Services section of the Business Transformation Directorate monitors and reassesses the financial strength of key partners as and when updated accounts are published and reports its findings in the year end report.**

Reason for decisions:

The periodic reports keeps Members informed of the performance of the Council's key partnerships and ensures effective management of its partnership arrangements.

Alternative option(s) considered and rejected:

None.

(Councillor Hasina Khan and Ralph Snape left the meeting at 5.30pm during the debate on the above item).

Executive Leader



Report of	Meeting	Date
Corporate Director (Neighbourhoods) (Introduced by the Executive Member for Business)	Executive Cabinet	8 January 2009

SHORT STAY CAR PARKS – RESPONSE TO PETITION/NOTICE OF MOTION

PURPOSE OF THE REPORT

- 1 A notice of motion was considered at the Council meeting of 23rd September 2008 which expressly requested the Executive to respond to the petition previously received on 4 hour parking on short stay car parks.
- 2 Whilst the motion was not supported, a short life task group was convened to consider the issues and respond on the recommendation, as was approved at its meeting of the Executive Cabinet of the 4th September 2008 that a report is submitted to a future Executive Cabinet meeting regarding this matter.
- 3 A request had been received to consider the extension of the free parking currently afforded Blue Badge holders on Council car parks and this was also considered by members of the short life task group.

RECOMMENDATION(S)

- 4 To reject the suggestion to extend parking to 4 hours on short stay car parks at a premium rate.
- 5 To reject the suggestion to relocate staff car parking from Hollinshead Street car park to Water Street car park and re-designate the Hollinshead Street car park to a long stay car park.
- 6 To re-designate the Portland Street car park from a short stay to a mixed stay tariff.
- 7 To continue to provide free parking for up to 3 hours for Blue Badge holders. The matter of free parking provision be considered at a county level and is referred to the District Parking Forum.

EXECUTIVE SUMMARY OF REPORT

- 8 The report outlines the response to the issues raised by the notice of motion submitted to Council on 23rd September 2008.

“The Council calls upon the executive to respond to the petition for up to 4 hours parking on short stay car parks by:

1. *Introducing the ability to park for up to 4 hours on short stay car parks at a premium rate.*

2. *Relocating staff car parking from the Hollinshead Street car park (adjacent to the Union Street offices) to Water Street and designating the Hollinshead Street car park as a long stay car park."*
- 9 A Car Park Strategy Group was convened to consider these and other issues pertaining to car park designations and tariffs. Membership of the group included Executive Members, Elected Members and officers of Chorley Council and representatives from the Chamber of Trade and local retail outlets.
- 10 It was agreed by the group that, due the impracticality of implementation, the potential tariff for premium rate and the current usage and occupancy rates of the car parks, it could not recommend the introduction of parking for up to 4 hours at a premium rate. In addition, the change in designation of the Hollinshead Street car park to a long stay car park would not create any additional parking provision as staff could continue to utilize Hollinshead Street car park with a long stay permit. Based on occupancy rates, it was proposed however, that Portland Street car park, adjacent to Flat Iron car park, could be re-designated as a mixed tariff car park, providing for short stay and long stay car parking.
- 11 Blue badge holders are currently permitted 3 hours free parking in Chorley. The group considered a request to extend this provision but agreed, based on the permissions of the overall scheme, occupancy rates and the consistency with on-street permissions, not to increase the 3 hours free parking and seek consideration of the matter at the District Parking Forum.

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

- 12 A Car Park Strategy Group was established to look at the particular issues raised via the original petition and the Notice of Motion submitted to Council. The group considered information pertinent to the relevant issues and debated and agreed upon a representative position on this basis.
- 13 There is no evidential support to change the current tariff policy for short stay car park provision, including the Blue Badge scheme, or to re-designate the Hollinshead Street car park to long stay car parking.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 14 The Car Park Strategy Group requested and considered information of car park schemes and parking tariffs from other local authorities. This included consideration of a free parking trial introduced by Chesterfield Borough Council where it hadn't achieved the objective of increasing new visitors but encouraged a behavioral change in parking times of existing visitors. In addition, considerations were given to the trials on schemes of using mobile phones to make car park payments in York and Cornwall. A 10% commission rate is charged by the phone company which would not make this scheme cost effective for Chorley.

CORPORATE PRIORITIES

15 This report relates to the following Strategic Objectives:

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

BACKGROUND

- 16 Following presentation of a petition and subsequent Notice of Motion to Council, a Car Park Strategy Group was convened which included Elected Member, Council officer, Chamber of Trade and local retail representatives. The group met on two occasions to clarify the issues to investigate, identify information required to debate and agree upon recommendations.
- 17 At the initial meeting, the group discussed the information, including occupancy rates and patterns of stay, pertaining to the petitioned extension of the 3 hour maximum limit for parking on short stay car parks. The maximum stay was included as part of the new strategy introduced on 1st April 2008. It was reconfirmed, through presentation of research findings, that a significant majority of car park users on short stay car parks do actually stay for less than 2 hours, with the remainder staying no longer than two and a half hours. Overall, 99% of users stayed less than two hours.
- 18 Other issues with regards to the extension of the stay period were discussed and included the matter of 'Pay on Exit', the practical operation of a four hour stay period and the introduction of a premium rate payment for the fourth hour.
- 19 On the issue of 'Pay on Exit' it was understood by the group that there would be significant costs incurred in the establishment of a barrier operation on the car parks and costs incurred through the need for new pay kiosk machines. Importantly, it was recognized that a restrictive access/exit barrier system would have unmanageable implications which would impact on the traffic flow around the town centre.
- 20 The group considered the application of an additional hour on top of the 3 hour short stay period. There were two factors to take into consideration. The practical ability of the machines to buy four hours and the possible charge for four hours. The machines can accommodate any period of ticket purchased but what it cannot prescribe for is the ability to 'meter feed'. Even if a premium rate fourth hour tariff was introduced, users of the car park would be able to 'meter feed' so that they would avoid a premium rate payment for the fourth hour.
- 21 Other issues considered by the group included signage and information, payment schemes, free parking after 4pm, and the Blue Badge holder scheme.

- 22 Lancashire County Council was approached with regards to the provision of additional signage to the car parks. They considered that the town centre was well served with signage but would receive any additional comments/suggestions back from the group in the future on specific areas which they thought required to be looked at. In addition, the group suggested the use of 'colour-coded' signage to indicate short and long stay car parks and which would be considered in any future re-design of tariff boards and maps.

- 23 The issue of free parking was raised and whether or not an off-peak 'free' period of operation would attract additional visitors to the Town Centre. During the period between the group meetings, the parking manager undertook an exercise on monitoring usage of the Flat Iron car park between the hours of 8am and 10am and 4pm and 6pm. Ticket sales made during this period equated to 20% of the total ticket sales for the days of operation. If this time was permitted free stay and if it was to be replicated over a full year period it would account for, based on 2007/08 income figures, a revenue loss of £180,000. In addition, the group was provided with feedback on a free car parking trial underway in Chesterfield. The objective was to increase the number of visitors to the town centre but what had been observed was that this was not the case and that people were indeed changing the times they came into the town with a resulting loss in income from parking charges.

- 24 The group discussed a request that had been made to consider the extension of the Blue Badge scheme currently operated in Chorley. At present, the scheme allows badge holders up to 3 hours free parking in the town centre car parks. In addition, the badge holders are not restricted to the disabled bays but the concession also allows for parking in any bay. This is not the case in other local authorities, for example Fylde, and indeed some local authorities are introducing charges for Blue Badge holders, for example Coventry. It was also considered that the on-street concession allows for 3 hours stay and it would be prudent to maintain a consistency on time of concessions. Whilst the group recommended no change to the scheme at this stage they suggested that a more strategic approach be appropriate and referred any future discussion to the District Parking Forum which covers the Lancashire area.

- 25 The matter of the re-designation of Hollinshead Street car park to a long stay car park was considered. Members of staff would still be able to utilize their long stay parking permits on this car park and therefore there would be no material change on usage which would create options for other car park users. However, and based upon overall occupancy rates, it was proposed that the tariff of Portland Street car park – which is adjacent to the Flat Iron car park – is changed to that of a mixed tariff. This would operate on the same basis as Farrington Street and would offer both short stay and long stay car park provision. Current ticket sales for Portland Street, when compared to the same period last year, indicate an ability to accommodate additional vehicles.

ISHBEL MURRAY
CORPORATE DIRECTOR (NEIGHBOURHOODS)

Report Author	Ext	Date	Doc ID
Ishbel Murray	5720	12December 2008	CarParkNOM

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

November 2008



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1. EXECUTIVE SUMMARY

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

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

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

The members of the task and finish group concluded that:

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

Objectives

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

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

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

Desired Outcomes

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

Group Membership

Councillor Mike Devaney (Chair)

Councillor Alistair Bradley

Councillor Pat Haughton

Councillor Kevin Joyce

Councillor Marion Lowe

Councillor Rosemary Russell

Councillor Julia Berry

Councillor Harold Heaton

Councillor Roy Lees

Councillor June Molyneux

Councillor Stella Walsh

Officer Support

Lead Officer

Lesley-Ann Fenton

Performance

Democratic Services

Ruth Hawes

Assistant Chief Executive (Policy and

Assistant Democratic Services Officer

Meetings

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

Contribution of Evidence

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

Recommendations

The Executive Cabinet is asked to consider the following recommendations:

1. The format of the report monitoring progress on all six promises made to tenants should be amended to include the targets, achievement against the target, sufficiently detailed evidence to support this and actions to be taken where the target has not been met. Perhaps short, medium and long term targets could be identified. Any tenant perception and satisfaction surveys and tenant complaints should be included with this report.
2. The Council don't accept that the amendments to the business plan, due to the recent restructuring, has no impact as it is linked to the promises made to tenants and financially to the eventual size of the VAT shelter. For these reasons the Council feel it is appropriate that Chorley Community Housing provide, not the detail, but updated information with regard to the business plan.
3. It is noted that the provision of affordable homes is a key issue and progress on this should be monitored closely. Adactus are requested to produce a plan (by a date to be determined by the Executive Cabinet) on how the targets will be delivered and funded. An updated plan is to be received by the Council every six months.
4. The report monitoring progress on all six promises made to tenants should be presented to the Executive Cabinet every six months by the Council's contract management officer in addition to the performance of key partnerships report.

5. That an updated list of contact details for Chorley Community Housing staff be sent to Customer Services at the Council every six months. Other information relevant to Councillors be sent to Democratic Services at the Council, e.g. refurbishment projects being delayed or new initiatives.
6. The reporting and monitoring systems between Chorley Community Housing and Lancashire County Council should be strengthened, in particular requests for work on the highways.
7. Contractors undertaking work on behalf of Chorley Community Housing should carry an ID badge at all times in line with the approach taken by Chorley Community Housing staff and have an increased level of supervision.
8. To support the Council's Neighbourhood Working arrangements by strengthening the reporting and monitoring systems between the Council and Chorley Community Housing
9. Contractors should provide tenants with information to enable tenants to contact them throughout the course of work being undertaken on their property.
10. To collect and monitor tenant satisfaction before, during and after work is undertaken on their property.
11. To secure an updated service level agreement with Chorley Community Housing for the provision of streetscene services.
12. It is recognised that strong residents associations supports a cohesive society and the Council and Chorley Community Housing need to work together towards this. Councillors with social housing in their ward are encouraged to participate in and support residents associations and be in contact with the social housing provider.
13. The Development Control Committee focus Section 106 agreements on rented houses rather than shared ownership.

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

2. METHOD OF INVESTIGATION

Evidence

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

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

Witnesses

Adactus:

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

Residents Associations:

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

Chorley Council officers:

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

Members contribution

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

3. FINDINGS AND RECOMMENDATIONS

Objective 1: Delivery of home improvements.

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

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

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

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

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

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

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

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

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

Recommendations:

1. The format of the report monitoring progress on all six promises made to tenants should be amended to include the targets, achievement against the target, sufficiently detailed evidence to support this and actions to be taken where the target has not been met. Perhaps short, medium and long term targets could be identified. Any tenant perception and satisfaction surveys and tenant complaints should be included with this report.
2. The Council don't accept that the amendments to the business plan, due to the recent restructuring, has no impact as it is linked to the promises made to tenants and financially to the eventual size of the VAT shelter. For these reasons the Council feel it is appropriate that Chorley Community Housing provide, not the detail, but updated information with regard to the business plan.
3. It is noted that the provision of affordable homes is a key issue and progress on this should be monitored closely. Adactus are requested to produce a plan (by a date to be determined by the Executive Cabinet) on how the targets will be delivered and funded. An updated plan is to be received by the Council every six months.
4. The report monitoring progress on all six promises made to tenants should be presented to the Executive Cabinet every six months by the Council's contract management officer in addition to the performance of key partnerships report.
5. That an updated list of contact details for Chorley Community Housing staff be sent to Customer Services at the Council every six months. Other information relevant to Councillors be sent to Democratic Services at the Council, e.g. refurbishment projects being delayed or new initiatives.
6. The reporting and monitoring systems between Chorley Community Housing and Lancashire County Council should be strengthened, in particular requests for work on the highways.
7. Contractors undertaking work on behalf of Chorley Community Housing should carry an ID badge at all times in line with the approach taken by Chorley Community Housing staff and have an increased level of supervision.
8. To support the Council's Neighbourhood Working arrangements by strengthening the reporting and monitoring systems between the Council and Chorley Community Housing
9. Contractors should provide tenants with information to enable tenants to contact them throughout the course of work being undertaken on their property.
10. To collect and monitor tenant satisfaction before, during and after work is undertaken on their property.

Objective 2: Service improvement.

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

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

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

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

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

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

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

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

Recommendation:

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

Objective 3: Tenant involvement in decision-making.

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

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

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

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

Recommendation

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

Objective 4: Regeneration.

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

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

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

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

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

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

Recommendation:

13. The Development Control Committee focus Section 106 agreements on rented houses rather than shared ownership.

Report of the Overview and Scrutiny Task Group - Streetscene

November 2008



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1. PREFACE

The inquiry into Streetscene was set up to examine the way the department's activities were organised and to suggest any service improvements.

We collected evidence from a number of sources including operatives and customers such as the Parish Councils and consulted the Council's Equality Forum.

The recommendations have no major budget implications; most are organisational and establish best practice.

I would like to thank the Task Group Members for their deliberations, the Officers and those who made a contribution to this report.

Councillor Adrian Lowe
(Chair)

2. EXECUTIVE SUMMARY/LIST OF RECOMMENDATIONS

1. The Overview and Scrutiny Task Group – Streetscene undertook a Scrutiny Inquiry into issues around the Council’s Streetscene service.

The main objective of the inquiry was to investigate and evidence the service currently provided by the Streetscene Section of the Neighbourhood Directorate.

2. Overview and Scrutiny Structure Task Group Membership:

Chair	Councillor Adrian Lowe Councillor Julia Berry Councillor Doreen Dickinson Councillor Pat Haughton Councillor June Molyneaux Councillor Debra Platt	Councillor Shaun Smith Councillor Joyce Snape Councillor Stella Walsh Councillor Peter Wilson
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Officer Support:

Lead Officer Democratic Services	Ishbel Murray, Corporate Director (Neighbourhoods) Gordon Bankes, Democratic Services Officer
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Contribution of Evidence

The Panel would like to thank those Parish Councils and Chorley Council Members and Officers who have provided evidence and contributed to the Inquiry.

Meetings

The meeting papers of the Group can be found on the Council’s website. These include the Inquiry project outline and other relevant information on policy and procedures.

3. The Overview and Scrutiny Task Group, after taking account of all the evidence and relevant factors, recommends the following:

RECOMMENDATIONS

Schedules

1. That the bin collection document be made available to all Parish Councils and Borough Councillors to assist with service monitoring and made accessible on the internet. A master copy to be made available in the Members Room.
2. That the relevant Officer looks at the cleaning schedules and considers further strategic sweeping of streets and litterbin routes.
3. That a mapping exercise is undertaken to identify and target littering ‘hotspots’ and frequently full litterbins to target improvements in those areas of the borough. There should be more detailed mapping and targeting of those areas and we should target resources more effectively to maximise performance.
4. That team leaders and operatives should be empowered to depart from scheduled activity to deal with other problems, as appropriate.

Monitoring

5. To investigate the current cost of collecting/emptying of litterbins, particularly around hot spot areas such as schools, and consider installation of either further bins or larger bins.

6. To give consideration of a 'hit squad' to respond to problem areas.
7. To continue to pursue the Capital Programme on the mobile work system.

Bin sizes and related issues

8. Develop a bin provision policy in Chorley to identify the suitable design, size and material of bin for the location.

Reporting

9. Promote the use of the Contact Centre telephone number to enable calls to be monitored and actioned.
10. That a hotline number be issued on a notice on the litterbins and street furniture. The notice also to show the bin identification number and a dedicated e-mail address is created to the reporting of incidents.
11. Improve Communication amongst the workforce regarding procedures and review the schedules to avoid operatives from passing full bins and failing to collect from them.
12. Use of feedback from the operatives using the work schedule to shape how work is carried out.
13. To encourage the use of the Neighbourhood Officers and other Neighbourhood/Council employees to report problem areas.
14. To encourage Council Staff and Members of the public to monitor and report on local environmental issues.
15. That all Members be given the opportunity to go out on a litter collection scheduled route providing sufficient notification is given.

Communication and Publicity

16. That a campaign of awareness be undertaken with the fast food outlets as to their Community responsibilities and the powers of the Council with regard to setting up control zones.
17. To request all fast food outlets to display a notice reminding people to take their rubbish home and as an example of good practice for takeaway premises in terms of prevention of nuisance.
18. That a programme of education with the community and within schools is initiated to increase awareness and promote pride in the Community and knowledge of environmental issues.
19. To seek to maximise publicity for the fact that the Council will not tolerate littering, fly tipping and associated anti-social behaviour and a system be introduced whereby any successful prosecution for such offences area automatically notified to the Communication Team and are subject of a Press Release.
20. Issue periodic reminders of collection days and other information, to assist residents, including the use of various newsletters.

Joint Working

21. That in the light of the review, all Parish Councils be requested to give consideration to how the Council can assist them in the delivery of an efficient service.

22. To improve partnership working with the County Council and request more frequent sweeping and litter picking in any identified problem areas.
23. The Council will liaise with the County Council with regard to keeping the verges on highways tidy and litter-free in order to improve the perception of the Councils Service with the Parishes.
24. To support the development of Lengthsmen in the Parishes in the provision of storage and the purchase and use of equipment.

Enforcement

25. That a policy be developed identifying the procedure for escalating issues from clearing up to enforcement in all areas of the service.

3. INTRODUCTION

1. Background

The Overview and Scrutiny Committee at its meeting on 25 March 2008 requested that a Task and Finish Group be established to look at Streetscene Issues.

In June of 2007 the Improvement and Development Agency (I&DeA) were invited to the authority to facilitate a series of workshops for Members and Officers. It was apparent during the I&DeA training that Members had a large number of ideas for topics to be scrutinised. Several topics came out of the training exercise and as well as during and since the workshop the issue of street cleaning had been suggested.

On 22 May 2008 the Overview and Scrutiny Committee appointed Members to a Task Group.

The subject of the Inquiry meets with the Council's vision and strategic objectives.

2. Aims/Objectives

The Task Group's aims and objectives were:

To investigate and evidence the service currently provided by the Streetscene Section of the Neighbourhood Directorate with particular focus on:

- (a) The relationship between the land in the Chorley Wards with maintenance schedules.
- (b) The frequencies of maintenance schedules for street cleaning relating to: emptying litterbins, sweepers, tree pruning, grass cutting.
- (c) Are all the Council's land identified on maintenance schedules?
- (d) To identify those areas, which are neglected and are they on a maintenance schedule?
- (e) To identify those litterbins that require frequent emptying and if necessary for them to be replaced by one of a larger capacity.
- (f) Provision of lengthsman in Parishes.
- (g) To investigate the standards provided by the current streetscene maintenance schedules.

3. Terms of Reference

The terms of reference for the inquiry were as follows:

- (a) To assess the current service provision and identify service improvements.
- (b) To report on the Inquiry's findings and make recommendations to the Overview and Scrutiny Committee, and if required Executive Cabinet, consistent with the Inquiry's findings and desired outcomes.
- (c) To review any complaints received about the streetscene services.

4. Desired Outcomes

1. To make recommendations in areas where improvements are required.

2. To identify any barriers that may face the Council in delivering the improvement to the service and any solutions.
3. To identify any future improvements.
4. To maximise operational efficiencies.
5. To maximise improvements.
6. To improve the effectiveness of the maintenance schedules.

4. METHOD OF INVESTIGATION

The Panel decided to consider certain documents and evidence from the outset.

The information considered included:

- (a) Analysis of the maintenance schedules relating to Street Cleaning as well as for litter bins and recycling sites.
- (b) Analysis of the schedules relating to location and types of litter bins provided throughout the borough.
- (c) The Panel considered evidence from in particular the Corporate Director (Neighbourhoods), Streetscene Manager, Street Cleaning and Transport Manager and the Waste and Contaminated Land Team Leader.
- (d) The results of consultation with Parish Councils and the Equality Forum.
- (e) Eight Parish Councils had responded to a request for comments on the Streetscene Service.
- (f) Consultation with the Equality Forum took place on 19 November 2008 and a request made for feedback on the following questions put to the Forum.
 - 1) The Council undertake grass cutting and mowing activities, street cleaning activities using sweepers, tree and shrub pruning activities – what particular issues do we have to be mindful of when we are organising and undertaking these street scene operations?

In response Members of the Forum pointed out the risk to those elderly people in home where grass cuttings are left on the pavements causing a slip hazard.

They also highlighted the slip hazard of wet leaves at this time of year, with particular reference to the Clayton-le-Woods area.

In response it was stated that this would be taken up with Lancashire County Council requesting them to make improvements.

- 2) The Council provide for and empty litter bins – these range from floor mounted bins, dog waste bins, small bins located on poles – what particular improvements, if any, could we make to this particular street scene activity?

Forum Members highlighted the lack of dog waste bins in the Rivington area and Withnell Parish areas.

It was pointed out that the majority of residents in the Withnell area had complained about dog fouling and the lack of dog waste bins.

In response these issues would be looked at.

- (g) The report findings and recommendations of the Value for Money review that was undertaken within the Neighbourhoods Directorate including the service area of Street Cleaning.
- (h) The Government commissioned report providing Chorley with an assessment of Local Environmental Quality standards within the authority between April 2007 and March 2008 including the street cleansing issues around litter, detritus and leaf fall. The report

provided the Council a means to determine what action should be taken to address the results of the survey.

- (i) Elected Members accompanied street cleansing operative on scheduled round of activities.
- (j) Case study information provided by a supplier of litter bin receptacles.
- (k) Visit to Bengal Street Depot for visual presentation of types of litter bins and associated costs.

5. FINDINGS

Members made it known that the authority should be looking at value for money and best practice for the streetscene service and noted the results of the recent Value for Money study and subsequent actions.

5.1 Schedules

Members raised concern that not all the Council's land had been identified on the maintenance schedules. Some areas of the borough had not been placed on a schedule of maintenance, therefore creating areas of neglect.

The schedule of maintenance for the following areas were considered by Members to be not as efficient or effective as its should be:

- Street cleaning
- Emptying litterbins
- Sweepers

5.2 Monitoring

Members were concerned that the monitoring of the Maintenance Schedule was not being carried out as most could identify areas within their Wards in which work had not been carried out. Members expressed concern that when told that side roads are swept six times per year they doubted this, as from their own observations this was not being carried out.

The Task Group believed that there was a need to review the level of monitoring required to improve street cleaning and emptying of litterbins.

It would be advantageous for monitoring purposes if all Parish Councils and Borough Councillors receive the schedule of locations of the litterbins and frequencies of emptying.

5.3 Bin sizes and related issues

Some concerns were raised from a number of sources over the frequency of emptying litter and dog bins and that they were not being emptied enough. Members found that in some locations the particular size and type of litterbins were not suitable for the location, with demand and repeated requests for litterbins to be emptied. It was noted that the ability to replace or upgrade bins is limited by budgets.

Complaints received regarding maintenance of cemeteries and the lack of emptying of the litterbins as well as the small size of litterbins in the cemeteries and around schools.

A number of reports of flytipping with people putting waste next to litterbins. Difficulties had been found in providing evidence as to who had done the flytipping and this meant that limited action could be taken.

Members experienced litter problems around fast food outlets.

5.4 Reporting

Telephone calls from the members of the public as well as from Councillors wanting to make a report should be channelled through the Contact Centre rather than calls direct to staff in the Streetscene to enable check and monitoring of complaints and observations to be made and to reduce the time taken to respond.

The recommendations have been made consistent with the Inquiry's findings and desired outcomes.

6. CONCLUSION

After taking account of all the evidence presented to the Task Group a number of recommendations have been made and if approved and implemented will maximise improvements, maximise operational efficiencies, effectiveness of the maintenance schedules and overall provide value for money and best practice for the Streetscene Service.



Report of	Meeting	Date
Assistant Chief Executive (Policy and Performance) (Introduced by the Executive Member for Policy and Performance)	Executive Cabinet	08/01/2009

BEACON STATUS 2009

PURPOSE OF REPORT

- To update Executive Cabinet on the progress made in the Council’s application for Beacon Status for 2009 under the theme of ‘Better outcomes for people and Places’ and present the feedback from the I&DeA.

RECOMMENDATION(S)

- That the feedback report be noted.

EXECUTIVE SUMMARY OF REPORT

- The report is an update on the positive progress in the Council’s application for Beacon Status on the theme of ‘Better outcomes for People and Places’ in the 2009 round. This overarching theme is recognised as a ‘gold standard to which all Councils should aspire’.
- The Council has been successful in making the final shortlist for the award and the report summarises the feedback from the initial application and the progress made following the Beacon Team’s onsite inspection in November. A full copy of the feedback from the I&DeA Beacon Assessment Team is attached and the next steps in the application process are outlined.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- None

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organisation	✓

BACKGROUND

- The Beacon scheme is a government operated programme designed to share best practice in local government. The Council has applied for Beacon Status in the theme of ‘Better



Outcomes for People and Places' in the 2009 round. This overarching theme is recognised as a 'gold standard to which all Councils should aspire'. An initial bid document was produced by the Council in July 2008.

8. The Council have been successful in making a final shortlist of five authorities from sixteen applicants nationally. The shortlist includes:
 - Blackburn with Darwen Borough Council
 - London Borough of Lambeth
 - Rotherham Metropolitan Borough Council
 - Staffordshire Moorlands District Council
9. The Council is one of only two district Councils to be shortlisted nationally.
10. The Council was visited on the 27th of November by an assessment team to assess the way the Council has improved outcomes in Chorley. The visit involved numerous site visits and opportunities to meet with partners, officers and members. A copy of the full findings of the report is attached (Appendix A).

ASSESSMENT TEAM FEEDBACK

11. The site visit was very successful with the Council's overall rating at this stage standing at 5.5 out of 6 and the Council receiving a rating of '**Excellent plus**'.
12. The inspecting Beacon team noted that: "This was an excellent visit highlighting the strategic management role of the Council and good work being undertaken on customer engagement."
13. The Council was commended for showing "a real focus on achieving better outcomes for people in the area and good understanding of what this meant in reality" and "willingness to take tough decisions in terms of budgeting to ensure priorities received required funds."
14. The assessment team praised the Council's leadership and support for the LSP pump-primed projects tackling issues such as teenage pregnancy as well as the way the Council works with partners to tackle crime and co-ordinate Weeks of Action and Advanced Number Plate Recognition activities. The Chorley Smile initiative was regarded as something that other authorities could learn from, as was role the Council has played in the development of Buckshaw Village and the Strategic Regional Site.
15. The inspectors also praised the Council's strong leadership and strategy, productive partnerships and effective communications and were particularly impressed by the fact that the Council's ambitions are not limited by its capacity, or traditional perceptions of a district role. Noting that Chorley 'punch above their weight at a County level, and have an impressive story to tell about achieving priorities whilst maintaining a static Council tax rate.'

FINAL ASSESMENT STAGES

16. The next stage of the Beacon scheme will involve a presentation to a specialist panel in London in the New Year. At the presentation representatives of the Council will be expected to answer questions from a panel and address several areas for investigation. These include providing more information about community engagement, how residents feel that the Council has been successful in achieving positive change in Chorley and investigating how politicians and Councilors are engaged in the local partnerships. The panel will also assess how Chorley will share best practice with other authorities.
17. The final Beacon Awards will be announced in March 2009.

IMPLICATIONS OF REPORT

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

Finance		Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	✓

LESLEY-ANN FENTON
 ASSISTANT CHIEF EXECUTIVE (POLICY AND PERFORMANCE)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Wilkinson	5248	10/12/08	***

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THE BEACON SCHEME 2008 Assessment Form

Theme	Better outcomes for people and places
Authority	Chorley Borough Council
Number	6124

Overall Score Outstanding (6)/Excellent plus (5.5)/Excellent (5)/Very good(4.5)/Good (4)/Above average (3.5)/Average (3)/Weak (2)/Poor (1)		
First Sift	After visit	After presentation
Score: Good - 4	Score: Excellent plus - 5.5	Score:

Summary Comments		
First Sift	After visit	After presentation
<ul style="list-style-type: none"> •Overall a very good application. •Impressive across the board with achievements backed up by very positive customer survey results and excellent CPA scores. •Exemplary on citizen engagement and empowerment •Strong political and strategic leadership of council •Project management methodology recognised as national best practice •Clear explanation of how they interact with County and LSP and influence for the benefit of their residents •Strong commitment to E&D running throughout the bid •Good outcomes on key LAAs 	<p>This was an excellent visit highlighting the strategic management role of the council and good work being undertaken on customer engagement.</p> <p>Showed a real focus on achieving better outcomes for people in the area and good understanding of what this meant in reality.</p> <p>Council also showed willingness to take tough decisions in terms of budgeting to ensure priorities received required funds.</p> <p>It would be helpful in the presentation to get a bit more of a sense of what residents think and how they think Chorley has changed.</p>	

Score Summary Table			
	First Sift	After visit	After presentation
Leadership, Vision and Strategy	Good - 4	Excellent plus - 5.5	
Community and Customer Engagement and Empowerment	Excellent - 5	Excellent - 5	
Actions	Good - 4	Excellent plus - 5.5	
Partnerships	Good - 4	Excellent plus - 5.5	
Outcomes	Good - 4	Excellent plus - 5.5	
Sharing Best Practise		Excellent plus - 5.5	

Leadership, Vision and Strategy (Section 2.2 of the application form)		
First Sift	After visit	After presentation
Score: Good - 4	Score: Excellent plus - 5.5	Score:
Comments	Comments	Comments
<ul style="list-style-type: none"> •Strong political and strategic leadership as evidenced by clearly articulated vision as well as various national awards. •Application describes work of LSP through their achievements on key priority areas – and gives sense of how the SCS and LDF tell a coherent story and drive change. It was good to see the architecture described in terms of its impact. 	<p>Senior officials in the council showed excellent leadership across the authority with a real understanding of the need to engage local communities in decision making processes.</p> <p>The council was pushing forward in areas of priority and looking to take the lead where appropriate. It also showed a mature relationship with the county and other key public sector partners.</p> <p>There was a clear vision and direction for the area with an understanding of where the authority wanted the area to be in the long term.</p>	
Areas for investigation	Areas for investigation	Outstanding issues
Are there robust links between the 5 strategic priorities and other priorities detailed in this section? What makes the leadership of this council so successful?	Are the local residents clear about the vision for Chorley? How were they able to input into the development of the priorities?	

Community and Customer Engagement and Empowerment (Section 2.3 of the application form)		
First Sift	After visit	After presentation
Score: Excellent - 5	Score: Excellent - 5	Score:

Comments	Comments	Comments
<ul style="list-style-type: none"> •Clearly a very strong area for Chorley •Not only diverse methods for consulting residents but have established a feedback loop in 'you said we did' to show residents how they have influenced real change •Target specific groups to be as inclusive as poss and represent the interests of all •Evidence of allowing the community to run their own services (Tatton Community centre) •Innovative ways of encouraging active community participation e.g. Chorley smile initiative 	<p>Some very good examples of community and customer engagement. The brand 'Chorley Smile' was well used and appeared to have been taken up by the area. The council also clearly had a strong relationship with local businesses providing support for skills training and broader economic development.</p> <p>There was good use of local media outlets to communicate positive stories, as well as the media providing robust challenge. Levels of customer satisfaction with the area are extremely high.</p>	
Areas for investigation	Areas for investigation	Outstanding issues
<p>Are they continuing to develop and innovate following achievement of the r9 beacon for Transforming Services?</p>	<p>How are local residents able to engage in the broader community and with the development of priorities? Why were the area forums disbanded; what has been established to replace them?</p>	

Actions (Section 2.4 of the application form)		
First Sift	After visit	After presentation
<p>Score: Good - 4</p>	<p>Score: Excellent plus - 5.5</p>	<p>Score:</p>
Comments	Comments	Comments
<ul style="list-style-type: none"> •All actions equality impact assessed •Council appears to undertake pro-active steps to achieve its strategic priorities- for instance the Helioslough partnership was incubated by the council to bring economic regeneration to the area •Claim that their performance is managed and monitored through a project management methodology and toolkit that has received national recognition 	<p>Council supporting some key projects which will help to achieve their priorities, for example funding the Teenage Pregnancy Group and supporting the community asset management in the area. Strong project management approach to processes ensuring robust monitoring and action is taken when required. Weeks of Action and Days of Action targetted specific problems in very targetted areas.</p>	
Areas for investigation	Areas for investigation	Outstanding issues
<p>Explore the performance management /monitoring system – what makes this so effective?</p>	<p>How do the authority intend to ensure that the Days of Action are sustainable in the long run? Is funding for groups and projects 'one off' or does the council provide guaranteed funding over a number of years?</p>	

Partnerships (Section 2.5 of the application form)		
First Sift	After visit	After presentation
Score: Good - 4	Score: Excellent plus - 5.5	Score:
Comments	Comments	Comments
<ul style="list-style-type: none"> •Council supports and pump primes LSP to ensure it is effective without taking over •Chorley community network sounds like an effective forum for encouraging volunteers and tapping into voluntary, community and faith organisations. •Overall some powerful examples of successes, yielded by strong partnership working, backed up by joint investment, again demonstrating a focus on needs of all groups that could potentially feel excluded 	<p>Very good partnership working with local delivery partners, in particular the police, county council, and neighbouring districts. A real drive to achieve efficiencies through joined up and smart working. The targeted action with the number-plate recognition technology, working alongside a range of agencies, was a particularly good example of this. Clearly a strong partnership with local businesses, with the LSP chaired by a business leader.</p>	
Areas for investigation	Areas for investigation	Outstanding issues
<p>What is the citizen's view of these partnerships and the difference they are making? How are politicians/councillors involved in the partnerships?</p>	<p>What is the relationship with the PCT like? How are politicians and councillors engaged with this work?</p>	

Outcomes (Section 2.7 of the application form)		
First Sift	After visit	After presentation
Score: Good - 4	Score: Excellent plus - 5.5	Score:
Comments	Comments	Comments
<ul style="list-style-type: none"> •Some good results in improving economic prosperity – recently named one of best places in UK to set up a business •Seem to be on rising trajectory on all key measures •Very impressive figures for crime reduction •10% reduction in TP •Dramatic increase in satisfaction with services for young people •Have achieved level 2 equality standard but keen to go further and have committed to achieving level 3 this year. 	<p>The long term outcomes for Chorley compared to its family of authorities are very strong, particularly the economic indicators. Also strong figures for crime reduction. Was already action in place to tackle issues arising from the current economic downturn.</p>	

Areas for investigation	Areas for investigation	Outstanding issues
Are residents aware of the difference the council is making?	What differences will local people see as a result of these outcomes? Where do the council see Chorley in 10 years?	

Factors that underpin your success (Section 4.1 of the application form) (First Sift intentionally blank)		
First Sift	After visit	After presentation
Score:	Score:	Score:
Comments	Comments	Comments
	Chorley organised an action-packed visit which clearly showcased their strong leadership and strategy, productive partnerships and effective communications. They have embraced "place shaping" and their ambition for the area has not been limited by their capacity, or traditional perceptions of a district role. They punch above their weight at a County level, and have an impressive story to tell about achieving priorities whilst maintaining a static council tax rate.	
Areas for investigation	Areas for investigation	Outstanding issues
	At the presentation stage it would be helpful if Chorley could explain in more detail how engagement of communities has been a two-way process.	

Successful initiatives (Section 4.2 of the application form) (First Sift intentionally blank)		
First Sift	After visit	After presentation
Comments	Comments	Comments
	Successful initiatives included the development of Buckshaw village and The Revolution, Chorley Smile, the supported approach to community asset management, the MATAC model for cross-agency working, some excellent targeted work on health inequalities (particularly around alcohol and teenage pregnancy) and their overall approach to customer service transformation.	

Areas for investigation	Areas for investigation	Outstanding issues
	Chorley's work around this agenda is diverse and spans a wide range of disciplines and services. How would they "package" their learning offer to other authorities?	

Who are the key target audiences that would benefit from hearing your key messages?
(Section 4.3 of the application form) (First Sift intentionally blank)

First Sift	After visit	After presentation
Comments	Comments	Comments
	Chorley's work will be of widespread interest - particularly, but not exclusively to Districts. Initiatives such as the branding campaign around "Chorley Smile", and health inequalities work should have widespread appeal.	

Areas for investigation	Areas for investigation	Outstanding issues
	We met a wide range of officers, partners and community representatives on our visit. How would they envisage sharing the knowledge / experience from these people on a wider basis?	

Beyond the national Learning Exchange conference and Open Day, how might you work with other Beacons within your theme to maximise the impact of your learning activities?
(Section 4.4 of the application form) (First Sift intentionally blank)

First Sift	After visit	After presentation
Comments	Comments	Comments
	Chorley have some interesting proposals around developing an "experience exchange" with other Beacons.	
Areas for investigation	Areas for investigation	Outstanding issues
	Would this approach be aimed exclusively at Beacons, or could it be extended to other interested authorities?	

What experience does your authority have with sharing lessons with others? Give examples of where your authority has supported others to improve (Section 4.5 of the application form) (First Sift intentionally blank)		
First Sift	After visit	After presentation
Comments	Comments	Comments
	Chorley have a good record on supporting other authorities to learn. They currently hold Beacon Status for Transforming Services.	
Areas for investigation	Areas for investigation	Outstanding issues

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Report of	Meeting	Date
Corporate Director (Business) (Introduced by the Executive Member for Business)	Executive Cabinet	8 January 2009

HERITAGE AND CONSERVATION STRATEGY

PURPOSE OF REPORT

1. To summarise the main contents of the Chorley Heritage and Conservation Strategy 2009-2013.

RECOMMENDATION(S)

2. To endorse the Heritage and Conservation Strategy and its associated Action Plan as a structure and programme for Chorley Council's conservation and heritage work over the next five years.

EXECUTIVE SUMMARY OF REPORT

3. The Heritage and Conservation Strategy aims to bring together conservation issues, setting out the Council's aims and objectives with regard to conservation and establishing clear procedures including an action plan for achieving them. It will enable a structured and co-ordinated approach to be taken to conserving and enhancing the historic environment. This is in line with the Council's Strategic objectives of; developing the character and feel of Chorley as a great place to live, and strengthening Chorley's economic position in the Central Lancashire sub-region.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. This Heritage and Conservation Strategy directly supports the Corporate Strategy aims of developing the character and feel of Chorley as a great place to live, and strengthening Chorley's economic position in the Central Lancashire sub-region.
5. It responds to Government Planning Policy Guidance (PPG15) Planning and the Historic Environment which requires local authorities to maintain and strengthen their commitment to the stewardship of the historic environment and to reflect this in their development plan policies and their allocation of resources.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None

CORPORATE PRIORITIES



7. This report relates to the following Strategic Objectives:

Strengthen Chorley's Economic Position in the Central Lancashire Sub-Region	√	Develop local solutions to climate change.	√
Improving equality of opportunity and life chances	√	Develop the Character and feel of Chorley as a great place to live	√
Involving people in their communities	√	Ensure Chorley Council is a consistently top performing organisation	

BACKGROUND

- 8. Chorley district contains a wealth of historic buildings of national, regional and local importance which are considered to have special architectural or historic interest. It currently has 475 listed buildings (buildings which are statutory listed for their architectural or historic interest), of which 30 have been identified as being of outstanding quality (grade I or II*) and all are protected from inappropriate alterations or demolition. The historic environment of the area also contains 10 Scheduled Ancient Monuments (SAMs) and the Council has identified and designated 9 Conservation Areas which are architecturally attractive and/or which have a special historic character or appearance.
- 9. The Council is one of the key players in managing Chorley's heritage and promoting the preservation and enhancement of the historic built environment.
- 10. Good conservation practice is crucial to the long-term well being of Chorley's built heritage. It is also significant to the economic well being of the area and can act as a catalyst for regeneration.

CHORLEY HERITAGE AND CONSERVATION STRATEGY

11. The aim of the Strategy is to set out in detail how the Council will continue to preserve and enhance the Council's listed and other historic buildings, conservation areas and other elements of its historic environment including ancient monuments, and registered parks and gardens.

This will be achieved through:

- The continued survey, analysis and designation of conservation areas
 - The implementation of local plan and local development framework policies and proposals and supplementary planning documents by the use of development control powers and enforcement;
 - The identification of appropriate action/initiatives and the securing of funding for their implementation;
 - Working in partnership with other relevant statutory, private and voluntary bodies.
12. The objectives are:
- To develop an information base on the condition and character of Chorley's nine conservation areas, listed and other historic buildings.
 - To identify and secure funding for initiatives to achieve the aim of the strategy.
 - To protect the built heritage from damaging change by the use of planning enforcement powers through the local plan and local development framework and the development control process
 - To continue to promote good conservation practice by providing specialist conservation advice and to raise awareness and understanding of the built heritage.

- 13. This will involve recording and understanding the history and fabric of Chorley’s built heritage. The field work and subsequent recording and presentation of information will be carried out in house by the Conservation Officer and the Regeneration and Urban Design Manager in consultation with owners/occupiers, Parish Councillors, Local historians and local amenity and civic groups. This exercise will initially concentrate on the existing conservation areas and listed buildings in Chorley.
- 14. The information recorded will be used in future local development framework reviews for the formulation of effective policies for the conservation and enhancement of the historic environment.
- 15. The Regeneration and Urban Design Section has already been working on elements that appear in this Strategy since January of this year. To date St Georges Conservation Area Review has been completed and St Laurences and Rivington Conservation Area Reviews are currently under way, with a completion date for March 2009. The Listed Building and Locally Listed Building records have been updated and posted on the Council's website and the potential for grant aid in respect of Chorley's Heritage is currently being investigated.

IMPLICATIONS OF REPORT

- 16. This report has implications in the following areas and the relevant Corporate Directors’ comments are included:

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

- 17. At this stage, there are no financial implications associated with this report. The Strategy does, however, point out that there may be financial implications in the future, but any commitment will need approval by Members and will be subject to due processes.

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

Background Papers			
Document	Date	File	Place of Inspection
Chorley Heritage and Conservation Strategy	December 2008	***	

Report Author	Ext	Date	Doc ID
Peter McAnespie	5286		***

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Heritage Conservation Strategy

Planning for the Conservation of Chorley's Built Heritage

2008 – 2013

- 1. Contents**
- 2. Introduction**
- 3. Aims and Objectives**
- 4. Survey, Analysis and Designation**
- 5. Identifying and Implementing Initiatives and Projects**
- 6. Development Control and Enforcement**
- 7. Education and Promotion**
- 8. Monitoring and Review**
- 9. Action Plan 2008 – 2013**

1 Introduction

Chorley district contains a wealth of historic buildings of national, regional and local importance which are considered to have special architectural or historic interest. It currently has 475 listed buildings (buildings which are statutory listed for their architectural or historic interest), of which 30 have been identified as being of outstanding quality (grade I or II*) and all are protected from inappropriate alterations or demolition. The historic environment of the area also contains 10 Scheduled Ancient Monuments (SAMs) and the Council has identified and designated 9 Conservation Areas which are architecturally attractive and/or which have a special historic character or appearance.

National Policy Guidance

The Council is one of the key players in managing Chorley's heritage and promoting the preservation and enhancement of the historic built environment. Government Planning Policy Guidance (PPG15) Planning and the Historic Environment requires local authorities to maintain and strengthen their commitment to the stewardship of the historic environment and to reflect this in their development plan policies and their allocation of resources.

Good conservation practice is crucial to the long-term well being of Chorley's built heritage. It is also significant to the economic well being of the area and can act as a catalyst for regeneration.

Bringing together conservation issues, setting out the Council's aims and objectives with regard to conservation and establishing clear procedures including an action plan for achieving them will enable a structured and co-ordinated approach to be taken to conserving and enhancing the historic environment. This is in line with the Council's Strategic objectives of; developing the character and feel of Chorley as a good place to live, and putting Chorley at the heart of regional economic development in the Central Lancashire sub-region.

2 Aim and Objectives

The aim is to preserve and enhance the Council's listed and other historic buildings, conservation areas and other elements of its historic environment including ancient monuments, and registered parks and gardens.

This will be achieved through:

- The survey, analysis and designation of conservation areas
- The implementation of local plan and local development framework policies and proposals and supplementary planning documents by the use of development control powers and enforcement;
- The identification of appropriate action/initiatives and the securing of funding for their implementation;
- Working in partnership with other relevant statutory, private and voluntary bodies.

The objectives are:

To develop an information base on the condition and character of Chorley's nine conservation areas, listed and other historic buildings.

To identify and secure funding for initiatives to achieve the aim of the strategy.

To protect the built heritage from damaging change by the use of planning enforcement powers through the local plan and local development framework and the development control process

To promote good conservation practice by providing specialist conservation advice and to raise awareness and understanding of the built heritage.

3 Survey, Analysis and Designation

This will involve recording and understanding the history and fabric of Chorley's built heritage. The field work and subsequent recording and presentation of information will be carried out in house by the Conservation Officer and the Regeneration and Urban Design Manager in consultation with owners/occupiers, Parish Councillors, Local historians and local amenity and civic groups. This exercise will initially concentrate on the existing conservation areas and listed buildings in Chorley .

The information recorded will be used in future local development framework reviews for the formulation of effective policies for the conservation and enhancement of the historic environment.

Conservation Areas

A conservation area is defined as 'an area of special architectural or historic interest the character or appearance of which it is desirable to preserve or enhance'. The Council will continue to investigate both the designation of new Conservation Areas and to review the boundaries to existing areas.

Conservation areas are designated under the provisions of Section 69 of the Planning (Listed Buildings and Conservation Areas) Act 1990. Section 71 of the same Act requires local planning authorities to formulate and publish proposals for the preservation and enhancement of these conservation areas.

Additional government guidance regarding the management of historic buildings and conservation areas is set out within Planning Policy Guidance Note 15: Planning and the Historic Environment (PPG15 - 1994).

At regional level there are a number of other documents that make reference to the importance to protecting conservation areas:

- North West of England Regional Spatial Strategy to 2021
- North West Best Practice Design Guide

The appraisals will seek to

- Define the special interest of the conservation areas and identify the issues which threaten the special qualities of the conservation area (in the form of Part 1: Character Appraisal);
- Provide guidelines to prevent harm and achieve enhancement (in the form of the Part 2: Management Proposals).

The appraisals will provide a firm basis on which applications for development within Chorley can be assessed. They will be read in conjunction with the wider development plan policy framework produced by Chorley Council. That framework is set out in a number of documents, including:

- Chorley Local Plan Review 2003:
 - Policy HT7 (Conservation Areas)
 - Policy HT10 (Locally Important Buildings)
- Chorley's emerging Local Development Framework Development Plan Documents:
 - Core Strategy
 - Development Control Policies
 - Central Action Area Plan
 - Allocations and Designations
- Shopfronts – Design Guidelines
- Householder design Guidance (Supplementary Planning Document)

Signage and Advertising

The council will continue to ensure that signage and advertising is appropriate to the character of the listed building and/or conservation area.

Trees in conservation areas.

Trees are very important landscape features in Conservation Areas and contribute greatly to providing an attractive setting to historic areas. Their loss, or indeed inappropriate works, to them can have a marked and detrimental effect on the character and appearance of Conservation Areas. Contribution trees make assessed as part of Conservation Area Appraisal. Council trees officer to advise where necessary.

4 Identifying and Implementing Initiatives and Projects

Once the built heritage has been recorded, its significance, in terms of its historic importance and architectural merit, can be assessed. The qualities of the area can be highlighted for protection and problems affecting the character and appearance of individual buildings and groups of buildings will be identified with a view to improving the area in general.

Proposals and initiatives for conservation and enhancement will generally fall into the following categories:

The promotion of Article 4 Directions to control permitted development which could lead to the deterioration of the character and appearance of the conservation area;

Urgent repairs to key buildings in the conservation area;

Townscape enhancement schemes and general improvements such as the reinstatement of original features or structural repairs;

Public realm enhancement works;

Shopfront and signage improvement schemes.

Urgent repairs to listed buildings and locally listed buildings within and outside the conservation areas will also be identified.

Bids to secure funding for the identified works and projects will be developed and submitted. Potential sources of funding are; English Heritage and The Heritage Lottery Fund (HLF). (Note: At present The HLF are unlikely to be interested given the current levels of deprivation within Chorley. However, the criteria for awarding grants may alter post 2012 Olympics).

Listed Buildings

Listed buildings are a finite historic resource which are an important part of the cultural heritage and our local and national identity. The buildings contribute to the quality of our local environment and are an important part of the character and appearance of our surroundings. The Council therefore recognises the importance of protecting buildings which have special architectural or historic value and the general presumption in favour of their preservation from demolition or any inappropriate alterations.

It is important that listed buildings are regularly maintained and kept in a good state of repair. Whilst the Council recognises that on the whole this is the responsibility of the owner or occupier, the Council's conservation Officer can provide technical advice on the appropriateness of repairs and give guidance on the choice of materials and methodology used. The Council will also consider, in special circumstances and subject to budget constraints, grants to assist in the sensitive repair of historic buildings.

Proposals for altering Listed Buildings need to show clearly why the works, which affect its character and special interest, are desirable or indeed necessary. They should include an assessment of the likely impact of the proposals on the building and its setting. The Council will always take into account the following issues when considering applications to alter or demolish a Listed Building:

- The historic and architectural importance of the building
- The particular physical features of the building which make it of historic value
- The building's setting and its contribution to the local scene
- Whether the proposed works would bring substantial benefit to the community and in particular the regeneration of the area or the enhancement of the environment.

Demolition of listed buildings.

Listed buildings are a finite resource which cannot be replaced and their loss through demolition would be detrimental to the historic character and appearance of Chorley and the surrounding villages and countryside.

Proposals for the demolition of a Listed Building will not be considered unless there are convincing reasons that all efforts have been tried and failed to secure the existing use of the building or find viable new uses.

Matters to be considered will be

- The consideration of the building, the cost of repairing and maintaining it in relation to its importance and the value derived from its continued use

- The adequacy of efforts made to retain the building in use and/or find other alternative uses.
- The merits of alternative proposals for the site.

Encouragement will be given to ensure that all Listed Buildings are kept in good state of repair and to seek solutions where a building is in a poor condition. The Council will consider the use of its powers to serve either repair or urgent repair notices under Section 48 and 54 of the Planning (Listed Buildings and Conservation Areas) Act on any owners/occupiers who neglect the upkeep of listed buildings.

Buildings At Risk

Buildings at risk which are identified through the survey work, the development control process or otherwise brought to the attention of the Council will be entered in the register of buildings at risk. The list will be reviewed on a regular basis and the condition of the buildings will be monitored.

Any opportunity to help secure the future of a building at risk will be taken through the development control process or through the identification of, and application to, appropriate funding schemes.

Locally Listed Buildings

Some local vernacular buildings are valued for their contribution to the character of the local area because of their historic and/or architectural value but fall outside the formal designations of a conservation area or fail to merit individual listing. Such buildings will be identified in the survey of the Council's built heritage and consideration will be adding them to its Local List to afford them better protection from demolition or inappropriate alterations.

Archaeology and Scheduled Ancient Monuments

Government advice on archaeology, is set out in Planning Policy Guidance Note 16: Archaeology (PPG16 - 1990). Guidance is provided on the circumstances in which archaeological remains should be preserved or recorded, the consultations that should be made as part of the planning process and the use of planning conditions if permission is granted.

Archaeology is concerned with the development of the whole landscape, not merely isolated sites within it. The need to conserve historic landscapes is inseparable from the need to protect the environment in general. Landscape includes a whole range of features which survive from the past, such as field patterns, transport routes, historic buildings, or the remains of former industries.

Landscape heritage strategy

LCC Archaeology Service undertook a landscape characterisation project for the whole county in 2002, available at <http://www.lancashire.gov.uk/environment/archaeologyandheritage/lhlcpcover/index.asp>

Scheduled Ancient Monuments

The Government compiles a “schedule” of monuments of national importance which are protected even more comprehensively than listed buildings.

Scheduling is an extremely selective process, even more so than the listing of buildings, and each scheduled monument can be considered as equivalent to a Grade I or II* (ie. Outstanding) listed building. There are currently 10 scheduled monuments in Chorley.

The care and maintenance of scheduled monuments lies with owners but, unlike listed buildings, statutory control and intervention lies with central government. The Council’s statutory role is therefore restricted to the control of development which may effect scheduled monuments.

The majority of known archaeological sites and monuments are recorded on the Lancashire County Sites and Monuments Record (SMR). The council will ensure archaeological matters are properly considered when dealing with planning applications.

The Council will encourage and support, wherever possible, archaeological, historical and residents groups in understanding the cultural and physical development of Chorley. Locally known historical sites and monuments should be recorded for each parish and town alongside local historic buildings. (Lancashire County Council (LCC) Archaeology Service holds and maintains the Historic Environment Record (HER) for all known sites of archaeological interest within the county).

Parish plans

The Regeneration and Urban Design section will continue to develop/support external community initiatives to achieve high quality design eg parish plans and village design statements.

Parks and Gardens of Special Historic Interest

The landscapes we see today are the result of thousands of years of human activity, but in some places the land has been deliberately adapted and landscaped to form places of leisure and pleasure. These parks and gardens range from the small suburban leisure and pleasure grounds, to the formal parklands and surrounding grand houses. English Heritage has compiled a Register of Parks and Gardens of Special Historic Interest, similar to the lists of historic buildings. There are 4 sites in Chorley on the register; Lever Park, Rivington Gardens, the grounds associated with Astley Hall and those at Hoghton Tower. Designation does not confer any additional controls but it is a material consideration when considering proposals for development. This emphasises their historic value and encourages those who have a role in management and protection to treat them with special care.

In consideration of the staff resources available, the above work will be done on a phased basis (see appendix 1). It is proposed that the action programme be reviewed and rolled forward annually.

6 Development Control and Enforcement

Detailed local plan conservation policies are implemented under development control powers in the determination of applications for planning permission and listed building consent. Under the new Local Development Framework there is considerable scope for developing the Council's policies with regard to conserving the historic environment.

The Council is the key heritage advisor giving specialist advice on conservation matters to developers and owners/occupiers of historic buildings. The Council's Conservation Officer is based within the Regeneration and Urban Design Section and provides specialist knowledge and advice in both pre-application negotiations and in the processing applications for listed building consent and planning permission for development to listed buildings and development within conservation areas.

7 Education and Promotion

Specialist advice to owners and occupiers on alterations, extensions, repairs and other works to listed buildings and buildings in conservation areas is currently provided by the Council's Conservation Officer. This service will continue and will be enhanced by increasing the availability of written guidance aimed at promoting good conservation practice and encouraging owner responsibility/stewardship.

Ordinary repairs to listed buildings on a like for like basis do not need permission from the Council, however, such buildings can be badly affected by unsympathetic alterations and anyone proposing such works is encouraged to contact the Conservation Officer.

8 Monitoring and Review

Monitoring of the impacts of this Strategy will be undertaken to better understand how well the process and outputs envisaged are being implemented, and whether there are any unforeseen effects.

The Strategy encompasses local indicators relating to Conservation Area Appraisals as contained in the Business Departments Business Plan.

The Regeneration and Urban Design Section has been working on elements that appear in this Strategy since January 2008. St Georges Conservation Area Review was completed April 2008 and St Laurences and Rivington Conservation Area Reviews are currently under way, with a completion date for March 2009.

The Listed Building and Locally Listed Building records have been updated and posted on the Council's website and will continue to be reviewed.

The potential for grant aid in respect of Chorley's Heritage is currently being investigated.

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Mechanism/Action	Year 1 (2008/9)	2	3	4	5	Review of Work to Date	Progress Indicator	Funding Sources
Review Conservation Area Boundaries and Prepare Character Appraisals and Management Plans. <ul style="list-style-type: none"> • St George's • Rivington • St Laurences • Croston • Brindle • White Coppice • Witnell Fold • Abbey Village • Bretherton 	X X X	X X	X X	X X		St George's Appraisal and Management Rivington and St Laurences under way. To be finalised and adopted April 09	2 Appraisals and Management Plans completed annually. All existing Conservation Areas reviewed by April 2012	Chorley Council (staff time)
Action Plan identifying and prioritising conservation works i.e. townscape works, enhancement plans, public realm works, Article 4 Directions, Gap Sites. <ul style="list-style-type: none"> • St George's • Rivington • St Laurences • Croston • Brindle • White Coppice • Witnell Fold • Abbey Village • Bretherton 		X X X		X X	X X		Action Plan for each Conservation Area by April 2013	Chorley Council (staff time)

<p>Explore/Secure funding to implement enhancement works</p> <ul style="list-style-type: none"> • St George's • Rivington • St Laurences • Croston • Brindle • White Coppice • Witnell Fold • Abbey Village • Bretherton 		<p>X X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>Chorley Council (staff time)</p>
<p>Administer/manage conservation partnership scheme/enhancement works</p>		<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>Chorley Council (staff time)</p>	
<p>Restoration and Enhancement of Astley Park</p>		<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>Chorley Council (staff time)</p>	
<p>Update and Review Annually Local List of Buildings of Local Historical and Architectural Value</p>	<p>X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>Chorley Council (staff time)</p>	
<p>Buildings at Risk</p>	<p>X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>X X X</p>	<p>CBC (staff time)</p>	
		<p>100 buildings surveyed each year</p>	<p>List of buildings at risk completed.</p>	<p>Opportunities</p>			

<p>Townscape Enhancement Schemes</p>				
	<p>X</p>			
	<p>X</p>	<p>Explore potential for grant aid.</p>	<p>to remove the buildings from risk identified.</p>	
	<p>X</p>	<p>Bid for External Funding. Private Sector Levy. Chorley Council Capital Programme and staff time.</p>		
	<p>X</p>	<p>Improvement of shopfronts in town centre conservation area Update existing guidance</p>	<p>Private Sector Levy. Bid for Chorley Council Capital Programme and staff time.</p>	
<p>Shopfront and Signage Improvement Grant scheme Design guidance on signage and advertisements</p>			<p>Update and publish</p>	
<p>Promotion and Education</p>		<p>General Information leaflet on listed buildings and conservation areas has been prepared and is available. Advice on looking after historic brick and stone work, pointing and the</p>	<p>Update and publish</p>	<p>Chorley Council (staff time)</p>
<p>Advice Notes for historic buildings</p>			<p>Update and publish</p>	<p>Chorley Council (staff time)</p>



Report of	Meeting	Date
Corporate Director (ICT) (Introduced by the Executive Member for Resources)	Executive Cabinet	8 th January 2009

NEW INFORMATION SECURITY FRAMEWORK

PURPOSE OF REPORT

- To gain approval of the new Information Security Framework and the implementation of the measures contained therein.

RECOMMENDATION(S)

- It is recommended that Executive Cabinet approve the Information Security Framework to replace the existing IT Security Policy.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- The existing IT Security Policy requires updating and does not effectively deal with the threats facing the Council. The new framework is designed to move the Council towards the recognised international security standard ISO 27001.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- Minor amendments to the existing policy.

CORPORATE PRIORITIES

- This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	X

BACKGROUND

- The Council is entirely dependent upon its information and information systems to deliver services. More importantly it is dependent upon these critical resources to meet statutory obligations. It is important that we put in place the policies and procedures necessary to protect both the information in our custody and, as a consequence, those who trust us with it.
- Information security means protecting information and information systems from unauthorized access, use, disclosure, disruption, modification, or destruction. The three



primary tenets of information security are confidentiality, integrity and availability or, as they are often referred to, 'CIA'.

- **Confidentiality** - Ensuring that only authenticated authorised entities have appropriate access to information. Encryption is the most commonly used tool to achieve confidentiality.
- **Integrity** - We need to ensure that our information systems, and the information contained within them, are protected from modification by unauthorised parties as well as improper modification by authorised ones.
- **Availability** - Information systems serve no purpose if they, and the information they contain, are not readily accessible to authenticated, authorised users and systems with appropriate levels of access rights as and when needed.

Our security policies must put in place the provisions to ensure we can address the requirements of these principles as far as is practical.

8. It is also important to note the clear links between good information security and our obligations under legislation. Compliance with the eight principles of the Data Protection Act is clearly dependent upon good information security as is meeting our responsibilities under the Freedom of Information Act.
9. Members will be aware of the recent high-profile incidents relating to the loss of personal information by public sector organisations such as HMRC. As a result of recent high profile information security incidents, partners such as the DWP will require evidence of our commitment to secure the information they provide to us. Recent developments mean that, unless we can demonstrate we have, in place, a security policy which is fit for purpose, the DWP will halt their data exchange with us.
10. In operational terms, we must ensure that the information upon which we base decisions is accurate and current and we must be able to demonstrate to others that working with us will not compromise their information security.
11. The Council is committed to meeting these obligations and, as a result, initiated a review of the current IT Security Policy using the international standard ISO 27001 as a guide. The existing policy served a purpose but does not reflect the changes in working practices that have taken place in recent years as well as those we expect in the future, such as mobile and home working. These changing work practices expose the Council's information and information systems to a myriad of new threats. Our Information Security policies must recognise these threats and mitigate the risks that result.

THE FRAMEWORK

12. The many aspects of information security mean that our Framework is not a short document. However, we should remember that our security policies and systems are only as strong as their weakest link therefore the document must cover all of the main characteristics of a secure environment. In recognition of this, the framework has been segmented into sections which focus upon particular areas e.g. user guidelines, password security etc. This, together with the colour coding, will allow staff to focus on areas which affect them and be able to quickly reference other policies should they become relevant.
13. New staff will be required to read the whole document and signify their understanding and acceptance prior to gaining access to the Council's ICT systems. Existing staff will be required to provide the same documentary assurance or face having their network access revoked.
14. Members will understand that the threats we face will continually develop and, as a result, we must continually review this document. We must be quick to react to security incidents

or near misses to prevent reoccurrence. As a result, following the first issue of the framework, staff will be instructed that the current version will reside on the Loop and they will be notified of updates.

- 15. Members will see that as part of the policy, we are to define incident reporting procedures (that will include references to the Whistle blowing Policy) to ensure they are consistent and easy to follow. The procedures are in the final phase of development and will be in place by the end of January.
- 16. The framework document can be located on the Loop at <http://theloop/section.asp?catid=12172&docid=19845>

IMPLICATIONS OF REPORT

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

Finance		Customer Services	
Human Resources	X	Equality and Diversity	
Legal	X	No significant implications in this area	

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (TRANSFORMATION)

- 18. The security of the Council's assets is clearly a key concern. This framework requires the implementation of best practice in a number of areas and will reduce the risk to which our information assets are exposed. The adoption of this framework will not result in significant additional expenditure with any supplementary funding being met from existing budgets.

COMMENTS OF THE CORPORATE DIRECTOR OF CORPORATE GOVERNANCE

- 19. The report sets out some of the legal issues which underpin the need for this policy. Most importantly though is the requirement of the Data Protection Act that "appropriate technical and organisational measures should be taken against unauthorised or unlawful processing of personal data". Failure to comply with this principle can result in enforcement action being taken by the Information Commissioner. As Members are data controllers in their own right this policy provides protection to Members individually as well as to the Council as a whole.

COMMENTS OF THE CORPORATE DIRECTOR OF HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT

- 20. The report outlines the new Information Security Framework, which supersedes the previous IT Security Policy. All existing employees and any new employee of the Council will be required to sign that they have read and understood the document prior to being allocated or continuing accessing the Council's ICT system. Any breach of the framework will be subject to disciplinary action.

TIM MURPHY
CORPORATE DIRECTOR (ICT)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Tim Murphy	5455	December 2008	ExecCabinetISFReport.doc

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Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) Executive Member for Resources)	Executive Cabinet	8 January 2009

TREASURY MANAGEMENT STRATEGY 2009/10

PURPOSE OF REPORT

1. To outline for members the current position in relation to the global financial markets, and to suggest an investment strategy for 2009/10.

RECOMMENDATION(S)

2. That the Executive approve the report for consultation as part of the Council's budget setting process.

EXECUTIVE SUMMARY OF REPORT

3. The report summarises the background and issues surrounding the current global financial crisis. Council's are not immune as recent events have shown. In order for the Council to agree its future strategy, the report sets out some of the options for the Council in terms of balancing the risk versus reward debate on the use of Council cash assets. Whilst there are options available to the Council with regard to having a completely safe treasury management strategy, this needs to be viewed in terms of the impact that would have on the income generated from such strategy.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. To allow for consultation regarding the development of the Council's treasury management strategy.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. None.

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:



Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	✓

BACKGROUND

7. The global credit crunch we're now experiencing was caused when people with poor credit ratings (or subprime credit risks) were unable to meet higher debt repayments to US mortgage brokers due to rising interest rates brought on, in part, by rising global inflation. As more mortgages were foreclosed in America, the previously buoyant housing market nosedived. These subprime losses started in 2006, worsening throughout the year and into 2007 and 2008. With debts often sold on to other financial institutions around the world, both to raise funding and to help mitigate risk, the problem quickly became a global one.
8. Debt was packaged into complex financial products called collateralised debt obligations (CDOs) and sold on as AAA rated securities. These CDOs were insured by hedge funds and other financial institutions through the form of credit default swaps boosting their credit rating. With little debt being paid off in the underlying mortgages, and the assets these mortgages were secured on quickly dropping in value, the CDOs rapidly fell in value, eventually being worth less than the original purchase price.
9. As income from these increasingly worthless loans dried up, financial institutions such as mortgage providers and banks were unwilling to take on more debt, and had little money to lend. With less money to lend, interbank lending rates (the benchmark being LIBOR) soared to well above six percent, and with swap rates increasing at a similar rate, underlying costs to banks forced borrowing rates up for those lucky enough to be offered finance. This is the reason for the "credit crunch".

Banks:

10. Over the past months, banking stocks have reduced significantly in value due to speculators "short selling." Short selling is where an investor borrows stock, and then sells this stock in the market. Once the price falls the investor will buy the stock back at a lower price, thus making a profit equal to the difference between the price at which the stock was initially sold and the price at which the stock was re-bought, the stock is returned to the stock lender. The FSA placed a ban on the short selling of financial stocks in late September this year to try and curtail falls in the overall stock market. The ban is to last until January 2009 when it will be reviewed.
11. HBOS was caught in the middle of the short selling and its share price deteriorated markedly, despite the bank operating on a normal basis. Lloyds TSB agreed a buyout of HBOS with the help of the UK government, and a shareholder meeting called for January 2009 will give the shareholders of HBOS a chance to accept or decline the revised offer put forward by Lloyds TSB.
12. Lehman Brothers filed for Bankruptcy on Monday 15th September after a weekend of failed attempts to find a buyer. Merrill Lynch agreed to be bought out by the Bank of America, as they feared they could be next to face the wrath of the markets. Morgan Stanley and Goldman Sachs, Wall Street's last two "pure" investment banks, that week voluntarily changed their status to be able to operate in the retail markets, allowing them to access more funds. Goldman actually undertook a share placement that week in an attempt to raise c\$7.5bn, \$5bn of which came from Warren Buffet's (the wealthiest man in America)

Berkshire Hathaway (investment company). Buffet's investment is believed to also include the purchase of warrants entitling him to purchase \$5bn of stock in the next five years with a strike price of \$115. Morgan Stanley have since received a \$12.7bn lifeline from the Mitsubishi financial group sending shares soaring by a colossal 87%.

13. AIG, the world's biggest insurer ran into difficulties and approached the Fed for a loan which in the end was approved for approximately \$80bn. The interest payable on this loan is believed to be in the region of 10%.
14. Depfa and Dexia also fell foul of the markets in September, forcing some European governments to take drastic action to secure the future of the banks. Depfa's German parent, Hypo Real Estate bank, announced it had funding problems, causing panic in the German banking sector. The government, along with a consortium of financial institutions, agreed to offer a credit line to the struggling bank. Dexia on the other hand were part nationalised by the Benelux governments taking a 49% stake between them.
15. On Friday 12th September the US announced the first plans to try and offer a \$700bn facility for banks to deposit toxic mortgages in order to shore-up the financial sector and help get things back on track. After a first failed attempt of trying to pass this through Congress, it was finally passed on 29th September.
16. This action was swiftly followed by financial aid across the world starting with Ireland. On 30th September the Irish Government offered a guarantee to six of its banks believed to cover the vast majority of deposits and debts of these institutions. This guarantee has since been extended to include foreign owned banks operating in Ireland. Greece and Germany were next to follow, with Greece offering a similar guarantee. The Germans initially provided credit lines to banks and then extended this to guarantees on retail deposits.
17. The UK were busy planning a suitably rescue package, and came up with a plan by which they would buy shares in leading banks, after banks had first helped themselves to build up their deposits and improve their tier 1 ratio.
18. On Wednesday 8th October, Central Banks across the world co-ordinated to jointly lower Bank Rates by 50 basis points and rates have continued to be reduced. The banks included were, the Bank of Canada, the Bank of England, the European Central Bank, the Federal Reserve, Sveriges Riksbank, and the Swiss National Bank.
19. In the midst of all this, markets reacted very badly as confidence in the global economy was lost, making a global recession more and more likely. The Dow Jones Industrial Average hit a 5 year low on Thursday 9th October, and posted the biggest percentage loss in one day since 1987. This was the seventh day in a row that the Dow Jones Industrial Average (DJIA) ended down. The FTSE100 also posted big losses during the week on expectations that it was even more likely that the UK economy was heading into a recession.
20. At the end of trading on 10th October, Alliance & Leicester shares ceased to trade after Banco Santander completed a takeover of the bank. This takeover is the latest acquisition by Santander of a British bank after already buying Abbey and taking over deposits from Bradford and Bingley after the mortgage book was nationalised with the view to combining it with that of Northern Rock.
21. On 8th October, the UK government announced a bail-out plan to support some of its biggest banks. The plan involves using £50bn of government money to buy major stakes in the country's eight major financial institutions, providing short-term loans and issuing a government guarantee on loans between banks. The Bank of England also said it will extend a credit line for Abbey, Barclays, HBOS, HSBC, Lloyds TSB, Nationwide Building Society, RBS, and Standard Chartered.

22. Then followed the announcement that all Icelandic banks and their UK subsidiaries were to go into receivership, thus suspending the repayment of maturing deposits and preventing depositors from accessing their funds. Further to this, the UK Prime Minister, Gordon Brown, used anti-terror laws to freeze Icelandic assets in Britain, causing a political stir.
23. News that the Swiss government was going to offer support to its two largest Banks, UBS and Credit Suisse, emerged on 16th October, after Credit Suisse announced it expected to make a loss of around £600m for the last three months.
24. Building societies have so far managed to remain out of the main line of fire during the crisis, although a number of mergers and acquisitions are being muted or worked through as we speak. The highest profile of these and most likely to succeed is the proposed takeover of Derbyshire and Cheshire building societies by Nationwide.
25. Nationwide have also been rumoured to be looking to take over West Bromwich building society after their chief exec resigned. A formal offer has not yet been made.
26. There is also speculation in the press about a merger between Britannia Building Society and the Co-Operative, in order to offer their products to a wider audience. With legislation in place preventing the merger of the two parties, the most likely outcome at the moment is that Britannia will simply promote Co-Op products through its branches nationwide.
27. Finally, Chelsea Building society has been reported in the press for two different reasons. The first being an exposure to Icelandic banks of approximately 2% of their assets, however, this is not expected to affect their customers or services. This view appears to be confirmed last week with the announcement of a takeover of the Catholic building society, to be completed on 31 December.

DRAWING UP A CREDIT POLICY

28. As with everything else, investment decisions should be based on a sound investment strategy but clearly with so much turbulence in the markets and amongst institution, this is becoming increasingly difficult. This part of the report covers recommendations on how to draw up and maintain a credit policy which is robust enough to deal with the current economic climate.
29. The main criteria in an investment strategy is the organisation's appetite for risk, which will be the main driving force. Local Authorities base their Investment Strategies on the Treasury Management Code of Practice and the Prudential Code. The key feature are:
 - Security of Investments
 - Liquidity
 - Yield
30. The above factors are interlinked with security and liquidity typically having an inverse relationship to the yield. The next section will outline the meaning of security.

Security of investments:

31. When placing investments there are a number of interlinked risks that will need to be measured and where possible, reduced to a level the depositor is happy with. The main types of risk are:
 - Credit Risk
 - Counterparty Risk
 - Duration risk
 - Refinancing Risk

- Credit Risk:

32. Credit risk is all to do with the soundness and creditworthiness of counterparties. The best way to measure the credit risk of an institution is by using credit ratings as issued by the likes of Fitch, Moodys and Standard and Poors. These credit ratings outline how reliable an institution is likely to be given current circumstances across a number of fields. Sector prefer to use the ratings of Fitch as they are the most comprehensive, giving users four ratings to base their decision on. These ratings are:
- Long Term The likelihood of an institution meeting liabilities in 3-5 years
 - Short Term The likelihood of an institution meeting liabilities within 1 year
 - Individual The soundness of an institution's business model and performance
 - Support The likelihood of external support should an institution require it
33. Whilst there is an ongoing review into the effectiveness of the rating agency data, they at this stage still represent the best way of forming a view on an institution financial strength.

Counterparty Risk:

34. There are three main types of counterparty risk, one of which has become increasingly relevant in the past weeks with the default of the Icelandic banks. The first type of risk is to individual counterparties. Diversification of investments through a number of counterparties reduces the risk of losing all investment balances in the event of one financial institution 'going under'. The Council's current policy allows for up to £2m to be deposited in only one institution. Pending this review I have reduced this to £1m with the ability to exceed this amount based as an individual institution circumstances. This is necessary as it is becoming increasingly difficult to place deposits.
34. This is true of exposure to groups of counterparties, for example Alliance and Leicester. Alliance and Leicester are now part of the Santander group along with Abbey and Cater Allen. By splitting investments between Abbey and Alliance and Leicester, there will still be a 100% exposure to the same group. An increased number of groups for investment purposes will dilute the counterparty risk even further.
35. The final element of counterparty risk is geographical risk. Although credit ratings incorporate this to a certain extent, it may also be important to look at sovereign ratings to help determine the actual value of a government guarantee. This is a relatively new development and has been introduced in response to in particular the problems with the Icelandic government.

Duration Risk:

36. Duration risk relates to the maturity of the investment. The shorter time period you invest for, the lower the duration risk due to the fact that the near term is much easier to predict than the long term. Spreading investments over a range of maturities will significantly reduce the duration risk.

Refinancing Risk:

37. Refinancing risk arises when borrowing or investment facilities mature. At the time of maturity the price, term, conditions and availability have a risk of comparing unfavourably with the existing instrument. For example borrowing at a higher rate or investing at a lower rate.

Starting point:

38. Although no combinations of ratings can be viewed as completely fail-safe, a matrix approach has been developed to illustrate examples of the relative degrees of security afforded by the combinations of Fitch ratings.

Lending up to 1 year to banks and building societies

Short-term rating: F1+
Long-term rating: AAA, AA+, AA, AA-

Short-term rating: F1
Long-term rating: A+, A

Individual	Support			
	1	2	3	4
A	Red	Red	Red	
A/B	Red	Red	Green	
B	Red	Red	Green	
B/C	Red	Red	Green	
C	Red	Red	Green	
C/D				
D				

Individual	Support			
	1	2	3	4
A	Red	Red	Green	
A/B	Red	Red	Green	
B	Red	Red	Green	
B/C	Green	Green		
C	Green	Green		
C/D				
D				

Lending longer than 1 year (where permitted)

Short-term rating: F1+
Long-term rating: AAA, AA+, AA

Short-term rating: F1+
Long-term rating: AA-

Individual	Support			
	1	2	3	4
A	Purple	Purple		
A/B	Purple	Purple		
B	Purple	Purple		
B/C	Purple	Purple		
C				
C/D				
D				

Individual	Support			
	1	2	3	4
A	Gold	Gold		
A/B	Gold	Gold		
B	Gold	Gold		
B/C	Gold	Gold		
C				
C/D				
D				

39. Each colour has a suggested duration as follows:

Green up to 3 Months
Red up to 1 year
Gold Between 1 and 2 Years
Purple Between 1 and 5 Years

This matrix is used to provide an overall rating for individual counterparties and suggested list of counterparties is attached at Appendix 1.

Investment Instruments to consider:

Fixed term deposits: (Security – Variable, Liquidity – Highly Illiquid, Yield – dependant on security)

40. Fixed term deposits placed with a bank or building society, as the name suggests, for a fixed period of time. These investments are the most commonly used with our clients as they are easiest to understand and place.

Call accounts: (Security – Generally high, Liquidity – Highly Liquid, Yield – Typically poor)

41. Call accounts are standard bank account with a notice period that is normally either instant access or 7 days notice. Call accounts tend to have a high security level due to the very low duration risk involved due to the ability to access cash normally at will.

Structured products: (Security – Variable, Liquidity – Highly Illiquid, Yield – higher than market rates)

42. Structured products vary in their overall structure but they generally offer rates above the current market rates and are linked to the LIBOR. The most common investments used are callable deposits, callable range accruals and flippable deposits.

Forward Deposits: (Security – Variable, Liquidity – Highly Liquid, Yield – dependant on security)

43. Forward deposits are the same as fixed term deposits (see above) except the rate, principal and start date are agreed a period of time before the money is deposited.

Certificate of Deposit: (Security – Variable, Liquidity – Highly Liquid, Yield – dependant on security)

44. Certificates of deposit (CDs) are virtually the same as fixed term deposits apart from the fact you can trade a CD in the market, making them a much more liquid asset. Due to the changing price of a CD it is possible for investors to trade CDs. In order to buy CDs an investor will require a custodian facility where the security is held.
45. Secondly, Government backed investments all carry an AAA rating, meaning they are of the highest credit quality. As compensation for the excellent security, the yield is typically lower. As the instruments are highly liquid, it is possible to enhance returns by trading. As for certificates of deposit, a custodian facility will be required to hold these securities:

Gilts:

46. Gilts are government debt issued periodically to help fund the country's borrowing requirement. They are issued for periods of up to 50 years and are issued at par (£100). The gilt pays a fixed annual return as a percentage of the £100. As interest rates fluctuate along with inflation expectations, the price of the gilt changes as future cash flow expectations change. By taking advantage of these fluctuations, it is possible to trade and make a return.

Treasury Bills:

47. Treasury bills are broadly the same as gilts except in two key areas. Firstly, they are issued for a much shorter period, typically 91 days. Secondly, they do not pay a fixed interest rate due to the short life. Instead the bill is issued below par (less than £100) and at maturity the bill holder will receive £100.
48. The final class of investments are managed funds, where an external manager takes a fee for investing your money and (hopefully) making a profit. Both of the options below provide a variable yield and are very liquid unless there is a "run" on the fund, whereby the fund will be shut and assets liquidated strategically to preserve the capital value.

Fund Manager:

49. Fund managers typically invest in gilts, CDs or both and aim to trade them in order to make a profit. Recently, due to volatility in the market, fund managers investing in gilts haven't performed very well. Those fund managers investing in CDs have done better due to the increased yields available after a freezing of interbank lending. A typical cost for this service would be 15-20bp.

Money Market Funds:

50. Money Market Funds (MMF) carry a credit rating, and depending on this rating, they have to comply with strict investment guidelines. MMFs tend to perform well in a falling interest rate environment due to the lag in receiving returns from interests made. AAA MMFs must comply with the following:

- Credit quality - A1+ (min 50%) or A1
- WAM of no more than 60 days
- Single counterparty exposure 10% max
- Illiquid holdings <10% max
- Final maturity of all assets 397 days max except FRN
- Floating Rate Notes (FRN) maturity 2 years max
- FRN's maturing beyond 397 must be A1+ and limited
- exposure in aggregate to 5% of assets
- Share values may be stable NAV (Net Asset Value) (1.00) or accumulating NAV

Summary of investments to consider:

Investment Instrument	Security	Liquidity	Yield
Fixed Term Deposit	Variable	Highly Illiquid	Dependant on security
Call Account	Generally High	Highly Illiquid	Typically Poor
Structured Products	Variable	Highly Illiquid	Higher than market
Forward Deposits	Variable	Highly Illiquid	Dependant on security
Certificates of Deposit	Variable	Highly Liquid	Dependant on security
Gilts	Very High	Highly Liquid	Low
Treasury Bills	Very High	Highly Liquid	Low
Fund Manager	High	Highly Liquid	Variable
Money Market Fund	High	Highly Liquid	Variable

CHORLEY'S APPROACH

51. The legislative and regulatory background to Treasury Management activities require the County Council to set out its proposed use of specified and non specified investments. Broadly speaking specified investment are sterling cash deposits for periods up to 364 and non specified investments fall outside this definition and can relate to investments over 1 year or involve an element of market risk such as certificates of deposits, gilts or any other securities. Currently all of the Council's investments are specified, the Council does not currently use market instruments.

52. In drawing up the Council's lending policy there needs to be an assessment of the authority's appetite for risk, which in turn requires a view on security of investments, the liquidity of investments and the yield from the investments. The recent events have been exceptional. Government action should reduce the risk of further bank failures, but there are no guarantees. The current investment policy spreads risk amongst many counterparties and is a well diversified low risk lending policy. It is not proposed to materially amend the current lending policy, however, it is recommended that some institutions that are currently excluded from the lending list are included because they have been "nationalised" by the UK Government, subject to any time limitations on the

guarantee. (It is recommended that there is a maximum duration of 3 months for these institutions).

53. The investment criteria already in place recognises the likely level of government support. These are strengthened by the guarantees made by the various Governments, which may only be short term, however, consideration should be given to the strength of the country giving the support. Fitch produce sovereign ratings which are linked to the long term foreign currency rating. There are currently 16 countries that have the highest (AAA) sovereign ratings and are:

Austria
Canada
Denmark
Finland
France
Germany
Ireland
Luxembourg
Netherlands
Norway
Singapore
Spain
Sweden
Switzerland
UK
USA

However despite these ratings, the market can change very quickly. Current market advice is not to have significant exposure in Ireland, as there is a sense that the Government is now over exposed, due to the amounts now deposited in Irish institutions. This demonstrates the difficulties currently being encountered.

54. If a negative rating watch is received from the rating agency, even though the institution is still rated highly enough to meet the Council's lending criteria, it is recommended that the Council will review very carefully each negative rating watch on its own merit and will not place any new investments with the institution concerned if it feels there are potentially material concerns with the institution concerned. There are many rating watches appearing each month and include such things as potential mergers/takeovers, changes in management or potential concerns over results. Currently, there are a number of negative rating watches, even in respect of very healthy banks and this could significantly reduce the number of acceptable names on the lending list at any point and may cause difficulty in placing the large cash balances to be invested at the time.
55. There have been a number of mergers/takeovers amongst financial institutions and this has quite significantly reduced the number of quality names on the lending list. Fewer names will ultimately mean that there may be a need to increase the limit for quality names.
56. The County Council has an account with its bankers, National Westminster (part of Royal Bank of Scotland), who are often used for residual overnight and weekend deposits. National Westminster is currently included as part of the limit with RBS. However, to enhance the flexibility of the investments with the banks, it is proposed that this overnight deposit account is not considered as part of the group's limit.
57. Investment in gilts or treasury bills are generally safe investments but offer a low yield and are subject to market movements in price. Certificates of deposit are also relatively safe instruments, but again are subject to market pricing movements. It is not recommended that these form part of the investment portfolio, unless the portfolio is ever managed

externally by an investment manager. In the current climate, the return from these vehicles is seen to be very low.

58. The size of cash balances available for investment has grown significantly over the last few years and hence the interest earned on those investments has been an important element in limiting any increase in Council taxes. The Council invests cash balances not immediately required to meet expenditure needs. In the current markets, investment of large cash balances amongst a wide spread of counterparties is often difficult due to the frequent movements in ratings and therefore it may be necessary to maintain smaller investments with good names, but not of the highest rating eg green coded institutions (which include many building societies). Although this is set to reduce as both the cash balances and returns on deposits reduces.
59. Although security of the investments is paramount, we should not lose sight of the impact on the revenue budget of adopting an over cautious approach. One of the most secure investments is with the Debt Management Office (ie the Public Works Loan Board – a part of government). They only borrow for comparatively short periods, but will stretch to six months at very uncompetitive rates but, for comparison, their current rates in comparison to a typical Red 1 Bank are as follows:

Current investment rates:	Interest earned per £1m investment	Cost of investing £1m with DMADF
3 month cash	2.75%	6,875
BOS Guaranteed Fixed Deposit Account	3.15%	7,875
DMADF	0.90%	2,250
6 month cash	2.95%	14,750
BOS Guaranteed Fixed Deposit Account	3.37%	16,850
DMADF	0.8%	4,000
12 month cash	3.05%	30,500
BOS Guaranteed Fixed Deposit Account	3.58%	35,800
DMADF	n/a	0

60. Therefore, if the Council's cash balances of £18m were invested for six months with the DMO, the Council would receive circa £22k less interest in the six month's period than if placed with a Red 1 Bank, which is a very significant difference and would have a material impact on the budget for the year. On this basis I would recommend the following:
- (a) The Council continues to invest as it does now in institutions with strong financial strength.
 - (b) We only use counterparties where there is either a government back guarantee and the government has the strongest rated sovereign strengths.
 - (c) Where counterparties are placed on negative rating watch upon investment decisions are based upon the counterparties individual circumstances.
 - (d) A DMAF account is opened with the government as an option for depositing cash.

IMPLICATIONS OF REPORT

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

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

GARY HALL
 ASSISTANT CHIEF EXECUTIVE
 (BUSINESS TRANSFORMATION)

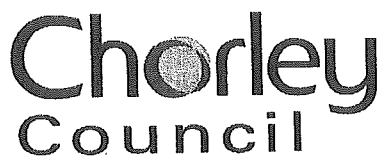
There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	22 December 2009	Exec Cabinet/Treasury Management Strategy 09-10

Sovereign Rating	LT		ST		ST		ST		Support	Government
	Rating	Wate	Rating	Wate	Rating	Wate	Rating	Wate		
AAA	AA+	NW	F1+		A	NW			1	UK
AAA	AA	NW	F1+	NW	B	NW			1	UK
AAA	AA	NW	F1+		A/B	NW			1	
AAA	AA-		F1+		B				1	
AAA	AA	NW	F1+	NW	B/C				1	Australia
AAA	AA		F1+		B/C				1	UK
AAA	AA-		F1+		B/C				1	UK
AAA	AA-	NW	F1+		B	NW			1	Ireland
AAA	AA-	NW	F1+		B	NW			1	Ireland
AAA	AA+		F1+		A				1	
AAA	AA		F1+		A/B				1	
AAA	AA		F1+		A/B				1	UK
AAA	AA		F1+		A/B				1	Australia
AAA	AA		F1+		A/B				1	
AAA	AA	NO	F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-		F1+		B				1	
AAA	AA-	NW	F1+		B	NW			1	Ireland
AAA	AA-		F1+		B				2	Singapore
AAA	AA-		F1+		B				2	Singapore

Banks rarely in the market or generally in £5m+ tickets.

- N Negative Watch
- W Negative Outlook
- NO Positive Watch
- PW Positive Outlook
- DN



Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources, Councillor A. Cullens)	Executive Cabinet	8 January 2009

CAPITAL PROGRAMME MONITORING 2008/09 AND DRAFT BUDGET 2009/10 TO 2011/12

PURPOSE OF REPORT

1. To report proposed changes to the 2008/09 capital programme and to review the availability of capital resources required for the financing of the programme.
2. To update the 2009/10 and 2010/11 draft budgets, and to indicate commitments continuing into 2011/12.

RECOMMENDATION(S)

3. That the revised Capital Programme for 2008/09, as set out in Appendix 1 at a total cost of £8,582,620, be approved.
4. That commitments totalling £1.175 million in 2011/12 be added to the programme and that the 2009/10 to 2011/12 capital programme be approved for consultation purposes.

EXECUTIVE SUMMARY OF REPORT

5. It is proposed that the 2008/09 capital programme be reduced by £644,700, made up of £1,297,580 slippage to 2009/10 and 2010/11, and other net increases totalling £652,880. These other changes include a provision of £530,000 to capitalise directorate restructuring costs (redundancy payments and pension fund contributions); a £200,000 increase in the cost of recycling bins for the new contract; the addition of the S106-funded contribution to the County Council's Euxton Library extension scheme; and an increase in the Big Wood project budget enabled by an external contribution. Budgets for Town Centre Investment (£125,000), improvements to Sports Pitches (£25,000), and External Funding (small grants - £9,650) should be transferred to the revenue budget. However, the effect on the revenue and capital programmes should be neutral. Further information about the other budget changes is presented in Appendix 2.
6. These changes require an increase in estimated borrowing in 2008/09 by £385,120 to £2.672m. However, proposed changes to the financing of capital expenditure in 2009/10 and 2010/11 should eliminate unbudgeted borrowing, bringing the total for the four year-



period 2007/08 – 2010/11 to £3.625m as previously agreed. No borrowing was required to finance expenditure in 2007/08.

7. The most important changes to the financing of the programme are the introduction of additional VAT Shelter income, estimated to be £0.594m per year in 2009/10 and 2010/11; and adjusting the financing of the Town Centre Investment project to use developers' contributions instead of borrowing.
8. The amount and timing of the receipt of VAT Shelter income, external contributions, and the proceeds from the sale of surplus assets may vary from the figures presented in Appendix 1, which will affect the actual borrowing required in each year.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

9. To update the 2008/09 capital programme to take account of the slippage of expenditure to 2009/10 and 2010/11 identified by project managers.
10. To introduce new projects and to adjust the budgets for various projects, as identified in Appendix 2.
11. To indicate the continuation of commitments into 2011/12

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

12. None.

CORPORATE PRIORITIES

13. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region	✓	Develop local solutions to climate change.	✓
Improving equality of opportunity and life chances		Develop the Character and feel of Chorley as a good place to live	✓
Involving people in their communities	✓	Ensure Chorley Borough Council is a performing organization	✓

BACKGROUND

14. The Capital Programme for 2008/09 was updated to a total of £9,227,320 at Executive Cabinet 2 October 2008. This report proposes that the programme be reduced by £644,700, taking account of slippage to 2009/10 and other budget adjustments. The detailed programme is presented as Appendix 1; and further information about slippage and the other budget changes is included in Appendix 2.

SLIPPAGE TO 2009/10 AND LATER

15. Project managers have identified slippage of expenditure in respect of a number of schemes. Details are presented in Appendix 2. Slippage of expenditure from 2009/10 to 2010/11 is also indicated in Appendix 1.
16. This slippage of £1,297,580 should mean that borrowing is £356,030 lower than it would otherwise be in 2008/09. However, unless additional capital resources become available next year, borrowing will increase by the same amount in 2009/10.

OTHER CHANGES

17. The most significant proposed increase in the programme for 2008/09 is the addition of £530,000 for capitalising restructuring costs, which would avoid having to charge the expenditure to the revenue budget. Redundancy payments and pension fund contributions arising from the restructuring of directorates this year can only be capitalised with the permission of the DCLG. It will not be known whether such permission will be granted until January 2009. The DCLG considers each application on its merits and may approve or reject applications; or scale-down the sums that can be capitalised. If our applications are not approved, or not approved in full, there will be adverse implications for the revenue budget. The outcome of this Council's application for capitalisation directions will be reported at the earliest opportunity.
18. In addition to applying to capitalise restructuring costs, I have submitted an application to capitalise the estimated £386,000 increase in concessionary travel costs in 2008/09, on the grounds that this expenditure is extraordinary and of a statutory nature I will report the outcome of this application at the earliest opportunity. This expenditure is not yet included in the revised capital programme.
19. Due to rising cost of materials, it is necessary to increase the budget for new recycling bins by £200,000. The potential need for this increase was referred to in the previous report.
20. Two new budgets to be financed with developers' contributions are added to the programme, though the exact amounts and timing of the payments are not certain. Firstly a contribution of around £60,000 would be payable towards the County Council's extension of Euxton Library, probably during 2008/09. Secondly a contribution of around £1 million would be payable in respect of the new Buckshaw primary school, probably during 2009/10.
21. Two budgets in respect of energy grants have been merged. A new budget for play development at Eaves Green is introduced by transferring balances from two other S106-funded play facilities schemes. The budget for the Big Wood project is increased following the offer of additional external funding. Further funding is being sought and progress will be reported at the earliest opportunity. Finally, it is considered more appropriate to transfer some projects to the revenue budget since this can be achieved by adjusting the use of VAT Shelter income.

CHANGES TO FINANCING OF PROGRAMME

22. Unbudgeted borrowing of approximately £1.074m indicated in the previous report can be eliminated by increasing the use of VAT Shelter income in 2009/10 and 2010/11, and by replacing borrowing to finance Town Centre Investment with developers' contributions. Despite the budget increases required and proposed for 2008/09, it should be possible to get borrowing for the three years 2008/09 to 2010/11 back to the agreed target of £3.625m.

- 23. To keep borrowing on target, it will be necessary to achieve all estimated external income, in particular developers' contributions, capital receipts and VAT Shelter income. The level and timing of this income will be influenced by factors beyond our control, in particular the effect of the economy on the housing market and therefore the programme will need to be kept under constant review. The estimated capital receipts required to finance the capital programme assume the sale of the former Friday Street Depot, affordable housing land at Gillibrand, and the site of Douglas House.
- 24. An allocation of £51,242 Housing and Planning Delivery Grant has been received during 2008/09. This has not yet been taken into account in the 2008/09 capital programme but is likely to be used to finance Business directorate projects.
- 25. Receipt and use of additional Section 106 contributions that should be receivable from developments such as the former Lex site (Pilling Lane) and Buckshaw Village are not included in the programme until the timing and amounts receivable are more certain. The use of the contribution for provision of a railway station at Buckshaw Village is not shown until timing of the scheme is confirmed. Some expenditure has been incurred so far this year, leaving a balance of around £3.5 million available for this project. Use of S106 contributions in 2006/07 and 2007/08 to reduce the financing of capital expenditure by borrowing may mean that some additional borrowing is required in future years if expenditure is necessary to fulfil obligations in S106 agreements.

DRAFT PROGRAMME 2011/12

- 26. Committed expenditure continuing into 2011/12 totals £1.175 million. The details and estimated financing are shown in the table below.

	Draft Programme 2011/12 £
<u>Committed budgets</u>	
Planned Maintenance of Fixed Assets	200,000
Project Management Support Capitalisation	40,000
Disabled Facilities Grants	300,000
Housing Renewal	200,000
Regeneration Projects - Design Fees	70,000
Replacement of recycling/litter bins & containers	85,000
Website Development (incl. ICT salary capitalisation)	30,000
Leisure Centres/Swimming Pool Refurbishment	250,000
Total expenditure	<u>1,175,000</u>
<u>Financing</u>	
Prudential borrowing	575,000
Preserved RTB Capital Receipts from CCH	100,000
Government Grants - Disabled Facilities Grants	180,000

Government Grants - Housing Capital Grant (or equivalent support)	320,000
Total financing	<u><u>1,175,000</u></u>

Should recharges from directorates' revenue budgets to the capital programme for project management, project design and ICT development not be made as indicated, there would be implications for the 2011/12 revenue budget.

IMPLICATIONS OF REPORT

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

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

GARY HALL
 ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael L. Jackson	5490	19 December 2008	Capital Programme Monitoring Jan 2009.doc

Appendix 1

2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Revised Estimate (4) £	2009/10 Current Estimate (5) £	Slippage (to)/from 2008/09 (6) £	Other Changes (7) £	2009/10 Revised Estimate (8) £	2010/11 Current Estimate (9) £	Other Changes (10) £	2010/11 Revised Estimate (11) £	Total 2008/09 to 2010/11 (12) £
325,800			325,800	0			0	0		0	325,800
125,000		(125,000)	0	1,025,000		(1,025,000)	0	0	1,025,000	1,025,000	1,025,000
450,800	0	(125,000)	325,800	1,025,000	0	(1,025,000)	0	0	1,025,000	1,025,000	1,350,800
28,500			28,500	28,500			28,500	0		0	57,000
79,000	(79,000)		0	0	79,000		79,000	0		0	79,000
880,000	(750,000)		130,000	0	750,000		750,000	0		0	880,000
20,000			20,000	0			0	0		0	20,000
			0	910,900		(156,760)	754,140	377,000	156,760	533,760	1,287,900
1,007,500	(829,000)	0	178,500	939,400	829,000	(156,760)	1,611,640	377,000	156,760	533,760	2,323,900
120,000	(50,000)		70,000	60,000	50,000		110,000	0		0	180,000
120,000	(50,000)	0	70,000	60,000	50,000	0	110,000	0	0	0	180,000
0	50,000		50,000	200,000	(50,000)		150,000	100,000		100,000	300,000
0	50,000	0	50,000	200,000	(50,000)	0	150,000	100,000	0	100,000	300,000
299,990			299,990	200,000			200,000	200,000		200,000	699,990
100,000			100,000	50,000			50,000	0		0	150,000
0		530,000	530,000	0			0	0		0	530,000
399,990	0	530,000	929,990	250,000	0	0	250,000	200,000	0	200,000	1,379,990
40,000			40,000	40,000			40,000	40,000		40,000	120,000
9,650		(9,650)	0	0			0	0		0	0
10,000	(10,000)		0	0	10,000		10,000	0		0	10,000
59,650	(10,000)	(9,650)	40,000	40,000	10,000	0	50,000	40,000	0	40,000	130,000

Capital Programme - 2008/09 to 2010/11

Scheme

Town Centre Investment

Markets Action Plan (Phase I)
Town Centre Investment

Town Centre Investment Total

Affordable Housing

Homelessness Prevention Central Lancs Sanctuary Scheme
Affordable Housing Halliwell Street Project 2007-2010
Affordable Housing HALS Project 2007/08 - 2008/09
Choice Based Lettings
Affordable Housing New Development Project 2008/09 - 2010/11

Affordable Housing Total

Sustainability & Climate Change

Climate Change Pot

Sustainability & Climate Change Total

Matched Funding Pot

Matched Funding Pot / Invest To Save

Matched Funding Pot Total

Performing Organisation - Investment in Infrastructure

Assistant Chief Executive (Business Transformation)

Planned Maintenance of Fixed Assets
Investment in Council Assets
Capitalised restructuring costs

Assistant Chief Executive (Business Transformation)

Assistant Chief Executive (Policy & Performance)

Project Management Support Capitalisation
External Funding Pot
Performance Management

Assistant Chief Executive (Policy & Performance)

Appendix 1

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	2008/09 Revised Estimate (4) £	Other Changes (3) £	2009/10 Current Estimate (5) £	Slippage (to)/from 2008/09 (6) £	Other Changes (7) £	2009/10 Revised Estimate (8) £	2010/11 Current Estimate (9) £	Other Changes (10) £	2010/11 Revised Estimate (11) £	Total 2008/09 to 2010/11 (12) £
Corporate Director (Business)												
Disabled Facilities Grants	423,360		423,360		300,000			300,000	300,000		300,000	1,023,360
Housing Renewal	128,030		128,030		200,000			200,000	200,000		200,000	400,000
- Home Repair Grants	90,000		90,000	110,000	0			0	0		0	128,030
- Energy Grants	10,000		10,000		0			0	0		0	200,000
- Handyperson Scheme	110,000		110,000	(110,000)	0			0	0		0	10,000
EAGA Energy Efficiency	86,940		86,940		70,000			70,000	70,000		70,000	226,940
Regeneration Projects - Design Fees	699,450		699,450		0			0	0		0	699,450
Eaves Green Link Road - contribution to LCC scheme	576,530		576,530		0			0	0		0	576,530
Chorley Strategic Regional Site	60,000		60,000	60,000	0		1,000,000	1,000,000	0		0	60,000
Contribution to LCC Euxton Library Extension (S106 funded)	0		0		0			0	0		0	0
Contribution to LCC Bucksdown Village Primary School (S106)	0		0		0			0	0		0	0
Corporate Director (Business)	2,124,310	0	2,184,310	60,000	570,000	0	1,000,000	1,570,000	570,000	0	570,000	4,324,310
Corporate Director (Governance)												
Legal Case Management System	31,750		31,750		0			0	0		0	31,750
Corporate Director (Governance)	31,750	0	31,750	0	0	0	0	0	0	0	0	31,750
Corporate Director (Neighbourhoods)												
Replacement of recycling/litter bins & containers	87,710		87,710		50,000		35,000	85,000	50,000	35,000	85,000	257,710
Highway Improvements - Gillingham estate/Southlands	90,000	(90,000)	0		0	90,000		90,000	0		0	90,000
Intelligent Management Information	65,520		65,520		0			0	0		0	65,520
Alleyways	41,030		41,030		30,000			30,000	30,000		30,000	101,030
Refuse and Recycling Contract Revenue Mitigation	1,000,000	(25,000)	1,200,000	200,000	0			0	0		0	1,200,000
MATAC CCTV Infrastructure Upgrades	25,000		0		0	25,000		25,000	0		0	25,000
Corporate Director (Neighbourhoods)	1,309,260	(115,000)	1,394,260	200,000	80,000	115,000	35,000	230,000	80,000	35,000	115,000	1,739,260
Corporate Director (ICT)												
Website Development (incl. ICT salary capitalisation)	30,000		30,000		30,000			30,000	30,000		30,000	90,000
Thin Client/Citrix (started 2007/08)	196,980		196,980		44,850			44,850	159,350		159,350	401,180
Telephony	137,000		137,000		0			0	0		0	137,000
Data Storage Solution	67,350		67,350		0			0	0		0	67,350
OS Positional Accuracy Improvement	38,900		38,900		0			0	0		0	38,900
Server Virtualisation	101,000	(101,000)	0		51,200	101,000		152,200	0		0	152,200
Web Accessibility	20,000		20,000		0			0	0		0	20,000
Corporate Director (ICT)	591,230	(101,000)	490,230	0	126,050	101,000	0	227,050	189,350	0	189,350	906,630
Corporate Director (Human Resources & Organisational Development)												
Integrated HR, Payroll and Training System	45,260	(27,850)	17,410		50,000	27,850		77,850	0		0	95,260

Capital Programme - 2008/09 to 2010/11

Appendix 1

2008/09 Current Estimate	Slippage (to)/from 2009/10	Other Changes	2008/09 Revised Estimate	2009/10 Current Estimate	Slippage (to)/from 2008/09	Other Changes	2009/10 Revised Estimate	2010/11 Current Estimate	Other Changes	2010/11 Revised Estimate	Total 2008/09 to 2010/11
£ (1)	£ (2)	£ (3)	£ (4)	£ (5)	£ (6)	£ (7)	£ (8)	£ (9)	£ (10)	£ (11)	£ (12)
45,260	(27,850)	0	17,410	50,000	27,850	0	77,850	0	0	0	95,260

Capital Programme - 2008/09 to 2010/11

Scheme

Corporate Director (Human Resources) Total

Appendix 1

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Revised Estimate (4) £	2009/10 Current Estimate (5) £	Slippage (to)/from 2008/09 (6) £	Other Changes (7) £	2009/10 Revised Estimate (8) £	2010/11 Current Estimate (9) £	Other Changes (10) £	2010/11 Revised Estimate (11) £	Total 2008/09 to 2010/11 (12) £
Leisure Centres/Swimming Pool Refurbishment	276,290	(66,110)	(10,180)	200,000	237,070	66,110	(5,940)	297,240	244,180		244,180	741,420
Duxbury Park Golf Course capital investment	470,090			470,090	30,000			30,000	0		0	500,090
Improvements to Sports Pitches	100,000	(75,000)	(25,000)	0	100,000	75,000	(175,000)	0	100,000	175,000	275,000	275,000
Astley Park Improvements - Construction	1,518,130		7,680	1,525,810	50,000		24,000	74,000	0		0	1,599,810
Astley Hall/Park CCTV	34,000			34,000	0			0	0		0	34,000
Ulnes Walton Play/Leisure Schemes (£106 funded)	10,630			10,630	0			0	0		0	10,630
Corporate Play Development Plan	50,000		(2,660)	47,340	0			0	0		0	47,340
Coppull Playzone	25,000			25,000	0			0	0		0	25,000
Play/Recreation Facilities (£106 funded)	51,510		(27,940)	23,570	0			0	0		0	23,570
Clayton Brook Play Area (lottery funded)	96,780			96,780	0			0	0		0	96,780
Lighting at Coronation Recreation Ground	76,280			76,280	0			0	0		0	76,280
Eaves Green Play Development	0			0	0		181,880	181,880	0		0	212,460
Village Hall & Community Centres Projects	60,000		30,600	30,600	60,000			60,000	0		0	120,000
Cemetery Development	13,280			13,280	0			0	0		0	13,280
Memorial Safety St Johns Churchyard	28,460			28,460	0			0	0		0	28,460
Memorial Safety	25,000	(25,000)		0	25,000	25,000		50,000	25,000		25,000	75,000
Common Bank - Big Wood Reservoir	118,250		25,030	143,280	0			0	0		0	143,280
Groundwork Projects	25,250			25,250	0			0	0		0	25,250
CRM Process Optimisation	108,620	(48,620)		60,000	35,000	48,620		83,620	0		0	143,620
Corporate Director (People)	3,087,570	(214,730)	(2,470)	2,870,370	537,070	214,730	24,940	776,740	369,180	175,000	544,180	4,191,290
Performing Organisation - Investment in Infrastructure Total	7,649,020	(468,580)	777,880	7,958,320	1,653,120	468,580	1,059,940	3,161,640	1,448,530	210,000	1,658,530	12,798,490
Capital Programme Total	9,227,320	(1,297,580)	652,880	8,582,620	3,877,520	1,297,580	(121,820)	5,053,280	1,925,530	1,391,760	3,317,290	16,953,190

Capital Programme - 2008/09 to 2010/11

- Corporate Director (People)
- Leisure Centres/Swimming Pool Refurbishment
- Duxbury Park Golf Course capital investment
- Improvements to Sports Pitches
- Astley Park Improvements - Construction
- Astley Hall/Park CCTV
- Ulnes Walton Play/Leisure Schemes (£106 funded)
- Corporate Play Development Plan
- Coppull Playzone
- Play/Recreation Facilities (£106 funded)
- Clayton Brook Play Area (lottery funded)
- Lighting at Coronation Recreation Ground
- Eaves Green Play Development
- Village Hall & Community Centres Projects
- Cemetery Development
- Memorial Safety St Johns Churchyard
- Memorial Safety
- Common Bank - Big Wood Reservoir
- Groundwork Projects
- CRM Process Optimisation

Corporate Director (People)

Performing Organisation - Investment in Infrastructure Total

Capital Programme Total

Appendix 1

Capital Programme - 2008/09 to 2010/11

Scheme

Financing the Capital Programme

Prudential Borrowing - budgeted
 - unbudgeted
 Unrestricted Capital Receipts
 Capital Receipt earmarked for Strategic Regional Site
 Preserved RTB Capital Receipts from CCH
 Revenue Budget - Specific Revenue Reserves or Budgets
 Revenue Budget - VAT Shelter Income

CBC Resources

Ext. Contributions - Developers
 Ext. Contributions - Lottery Bodies
 Ext. Contributions - Other

Government Grants - Disabled Facilities Grants
 Government Grants - Housing Capital Grant

External Funding

TOTAL CAPITAL FINANCING

2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Revised Estimate (4) £	2009/10 Current Estimate (5) £	Slippage (to)/from 2008/09 (6) £	Other Changes (7) £	2009/10 Revised Estimate (8) £	2010/11 Current Estimate (9) £	Other Changes (10) £	2010/11 Revised Estimate (11) £	Total 2008/09 to 2010/11 (12) £
2,287,260	(356,030)	741,150	2,672,380	882,880	356,030	(916,560)	321,950	455,000	175,410	630,410	3,624,640
0		0	0	674,210		(674,210)	0	400,000	(400,000)	0	0
1,243,840			1,243,840	601,920		(91,920)	510,000	413,530	(2,400)	411,130	2,164,970
576,530			576,530	0			0	0	0	0	576,530
100,000			100,000	100,000			100,000	100,000		100,000	300,000
118,490		5,530	124,020	0		16,750	16,750	0	0	0	140,770
590,000		(146,000)	444,000	0		594,000	594,000	0	593,750	593,750	1,631,750
4,916,120	(356,030)	600,680	5,160,770	2,258,510	356,030	(1,071,940)	1,542,600	1,368,530	366,760	1,735,290	8,438,660
1,974,780	(890,090)	35,290	1,119,980	1,086,640	890,090	950,120	2,926,850	0	1,025,000	1,025,000	5,071,830
1,273,140			1,273,140	40,870			40,870	0	0	0	1,314,010
201,930		24,410	226,340	0			0	0	0	0	226,340
180,000			180,000	180,000			180,000	180,000		180,000	540,000
681,350	(51,460)	(7,500)	622,390	311,500	51,460		362,960	377,000		377,000	1,362,350
4,311,200	(941,550)	52,200	3,421,850	1,619,010	941,550	950,120	3,510,680	557,000	1,025,000	1,582,000	8,514,530
9,227,320	(1,297,580)	652,850	8,582,620	3,877,520	1,297,580	(121,820)	5,053,280	1,925,530	1,391,760	3,317,290	16,953,190

<u>Capital Programme - 2008/09 - Slippage and Other Changes</u>				
<u>Slippage (to)/from 2009/10</u>	<u>Other Changes</u>	<u>Total Changes</u>	<u>January 2009</u>	<u>Comments</u>
<u>£</u>	<u>£</u>	<u>£</u>	<u>£</u>	
<u>Town Centre Investment</u>				
				Budget for feasibility & design transferred to revenue. To be financed with VAT Shelter income
	(125,000)	(125,000)	(125,000)	
0	(125,000)	(125,000)		
<u>Affordable Housing</u>				
(79,000)		(79,000)		Previous partner cannot participate so new partner being sought.
(750,000)		(750,000)		Final negotiations to commence project are underway.
(829,000)	0	(829,000)		
<u>Sustainability & Climate Change</u>				
(50,000)		(50,000)		Recipients of grants unlikely to be identified until 2009/10.
(50,000)	0	(50,000)		
<u>Matched Funding Pot</u>				
50,000		50,000		Budget required for energy efficiency measures to Council premises
50,000	0	50,000		

Slippage (to)/from 2009/10 £	Other Changes £	Total Changes January 2009 £	Comments
	530,000	530,000	Statutory redundancy costs & pension strain arising from restructuring of directorates. Can be capitalised only with permission of DCLG.
0	530,000	530,000	
(10,000)	(9,650)	(9,650)	Budget for small grants transferred to revenue. To be financed with earmarked reserve.
(10,000)	(10,000)	(10,000)	Budget slipped to meet requirements for a Project Management Collaborative Software package.
(10,000)	(9,650)	(19,650)	
	110,000	110,000	Transfer of EAGA Energy Efficiency budget.
	(110,000)	(110,000)	Budget merged with Energy Efficiency Grants.
	60,000	60,000	Estimated contribution to LCC scheme. To be funded with S106 contribution.
0	60,000	60,000	

Capital Programme - 2008/09 - Slippage and Other Changes

Performing Organisation - Investment in Infrastructure

Assistant Chief Executive (Business Transformation)

Capitalised restructuring costs

Assistant Chief Executive (Business Transformation)

Assistant Chief Executive (Policy & Performance)

External Funding Pot

Performance Management

Assistant Chief Executive (Policy & Performance)

Corporate Director (Business)

Energy Grants
EAGA Energy Efficiency

Contribution to LCC Euxton Library Extension (S106 funded)

Corporate Director (Business)

Appendix 2

Capital Programme - 2008/09 - Slippage and Other Changes

Corporate Director (Human Resources & Organisational Development)

Integrated HR, Payroll and Training System

Corporate Director (Human Resources) Total

Corporate Director (Neighbourhoods)

Highway improvements - Gillibrand estate/Southlands

Refuse and Recycling Contract Revenue Mitigation
MATACT CCTV Infrastructure Upgrades

Corporate Director (Neighbourhoods)

Corporate Director (ICT)

Server Virtualisation

Corporate Director (ICT)

Slippage (to)/from 2009/10 £	Other Changes £	Total Changes January 2009 £	Comments
(27,850)		(27,850)	Scheme still in specification phase.
(27,850)	0	(27,850)	
(90,000)		(90,000)	LCC have not yet commenced works. Increased cost of recycling bins. Borrowing to be amortised over 10 years.
(25,000)	200,000	200,000 (25,000)	Need for budget will be reviewed in 2009/10.
(115,000)	200,000	85,000	
(101,000)		(101,000)	Project slipped to assist with budget constraints.
(101,000)	0	(101,000)	

Capital Programme - 2008/09 - Slippage and Other Changes

Corporate Director (People)

Leisure Centres/Swimming Pool Refurbishment

Improvements to Sports Pitches

Astley Park Improvements - Construction
Corporate Play Development Plan
Play/Recreation Facilities (S106 funded)

Eaves Green Play Development
Memorial Safety

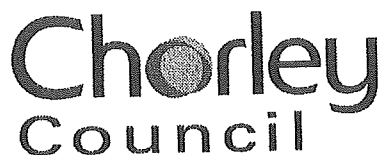
Common Bank - Big Wood Reservoir
CRM Process Optimisation

Corporate Director (People)

Performing Organisation - Investment in Infrastructure Total

Capital Programme Total

Slippage (to)/from 2009/10 £	Other Changes £	Total Changes January 2009 £	Comments
(66,110)	(10,180)	(76,290)	Budget rephased to match CLS' expenditure profile and reduced because estimated index-linking was overstated.
(75,000)	(25,000)	(100,000)	Budget for feasibility & design transferred to revenue. To be financed with S106 recreation/public open space funds. Works will not commence until external funding secured.
	7,680	7,680	Budget increase required to cover cost of project management recharged by People Directorate.
	(2,660)	(2,660)	Transferred to Eaves Green Play Development.
	(27,940)	(27,940)	Transferred to Eaves Green Play Development.
	30,600	30,600	New budget created by virement. To be financed with S106 contributions.
(25,000)		(25,000)	Work unlikely to commence until 2009/10.
	25,030	25,030	Additional contribution from LCC (£25,000) plus small adjustment.
(48,620)		(48,620)	CRM project still in specification phase.
(214,730)	(2,470)	(217,200)	
(468,580)	777,880	309,300	
(1,297,580)	652,880	(644,700)	



Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) Statutory S151 Officer	Executive Cabinet	8 January 2008

DRAFT GENERAL FUND BUDGET FOR 2009/10

PURPOSE OF REPORT

- To secure the Executive's agreement of the content of the draft revenue budget that will form the basis of further work in terms of delivering the Council's 2009/10 budget.

RECOMMENDATION(S)

- The Executive Cabinet are recommended to:
 - Note my preliminary advice under S25 of the Local Government Act 2003 on the draft budget, particularly in relation to monitoring working balances within the range set out.
 - Agree to the consultation process outlined in the report.
 - Agree to consult on the savings proposals and the shape of the budget as outlined in the report.

EXECUTIVE SUMMARY OF REPORT

- This report outlines the Executives budget proposals for 2009/10. It sets out how the Executive propose to manage it's way through what will be a difficult period in financial terms for the Council:
- The financial position is such that significant savings have to be achieved, this is a result of the fact that firstly, the levels of additional government grant are being contained and secondly, the current costs of the continuation of our services needs to be realigned, as many of the Council's budgets have been affected by the current economic
- The strategy for managing over the medium term period is to continue:
 - Focus on a line by line review of current spending
 - Identify where possible savings that are administrative in nature and do not affect front line services
 - Look for opportunities to generate additional income
 - Use working balances to smooth the transitions, whilst the base budget is realigned
 - Minimise the impact on front line services
 - Pursue shared services opportunities
- Also included is a review of the level of the Council's working balances which is important in the context of the strategy being adopted. The financial risk profile will change due to a number of factors over the next three years and as such working balance can be used over the medium term.



7. I am required as part of the budget process to review the assumptions and budget proposals in terms of their deliverability and my initial thoughts are set out in the paper, but essentially confirms that the basis of the budget is robust both in terms of assumptions and deliverability and that together with the changes proposed in the level of working balances, protects against the financial risks the Council face. That said there is still much to do to balance the budget over the medium term, but this is not a surprise as the position is the same as reported previously, but the issue has been exacerbated by the economic downturn and the concessionary travel issue. The current forecasts and budget proposals show the following and the figures that follow are predicated on a 3.5% council tax increase for 2009/10:

Table 1: Budget Position

	£'000	£'000
Budget gap based upon service continuation		1,334
Less rebasing of budget and savings agreed		(254)
		1,080
Savings proposals	(453)	
Income generation	(172)	
3.5% Council Tax increase	(191)	
		(816)
Expenditure to be funded from working balances 2009/10		264

8. The analysis shows that under the current proposals a sum of £264k would be needed from working balances in 2009/10 to bridge the budget gap. In order to balance the Councils budget over the medium term a savings target of £1m, or an average of £500k per annum will be required, in both 2010/11 and 2011/12.
9. This report should be read in conjunction with the report included elsewhere on his agenda, containing the Executive proposal for Capital Investment contained in the Capital Investment Programme.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

10. To begin the budget consultation process for 2008/09.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

11. None.

CORPORATE PRIORITIES

12. The budget is the ultimate expression of corporate priorities and it is the essential that the link between priorities and resources used is explicit in any budget proposal.

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

BACKGROUND

13. The policy context for this budget whilst driven to some extent by National, Regional and Sub-Regional issues is influenced most by the local issues highlighted in the Corporate Strategy.
14. The development of the refreshed Community Strategy and the objectives therein form the basis of the Council's own Corporate Strategy. Contained in that document are the key objectives, outcomes and targets the Council works to deliver as part of its contribution to the overall well-being of the area.
15. Some of the main local issues are:
- Access to affordable housing.
 - The development of the local economy.
 - Continuing to develop the effectiveness of the Local Strategy Partnership.
 - Engagement, participation and satisfaction with local service delivery.
 - Combating climate change.
 - Extending the green corridor of Chorley.
16. The context is also in part, set by the proposed Medium Term Financial Strategy which forms the framework and which will be refreshed prior to the start of the next financial year but will be built upon a key targets that will include:

Working balances will be maintained at a level no lower than £1m between 2009/10 – 2011/12

17. The risk profile is set to change significantly over the medium term in particularly in relation to the concessionary travel costs whereby responsibility should pass to the upper tier authority in 2010/11. A separate paper is attached to this report on this particular issue due to the complexity and significance of the issue at Appendix 6.
18. The key debate in terms of the budget involves the means of resolving the conflict between various policy implications and the availability of resources including the level of Council Tax to be set. The priority has been to protect frontline services and to ensure the programmes of work currently underway are also protected. The emphasis in the coming financial years must be around maximising the use of the resources we currently have and continuing to improve service delivery whilst working with and influencing our partners to do the same as financial constraints prevail across the public and private sectors. Achieving the same or more for less will continue to be the overriding aim.

RESOURCE CONTEXT

19. The government recently confirmed its spending plan for 2009/10 to 2010/11, the key messages from that Comprehensive Spending Review 2007 are:
- An increase in the funds/grants available to local government of 4.2% in 2008/09; 3.5% in 2009/10 and 3.4% in 2010/11. After accounting for inflation this amounts in real terms increases of 1.5%, 0.80% and 0.7% over the CSR period. In Cash terms for Chorley this means increases of only £137k (1.6%), £129k (1.5%) and £85k (1%) over the next three financial years.

CONSULTATION

20. For 2009/10, the process will consist of:
- Circulation of the draft budget papers to partners and stakeholders.
 - Publication of the detailed information on the Internet and Intranet, supplemented by a press release.
 - Specific meetings with Parish Councils and trade unions if requested.
 - Review by the Overview and Scrutiny Committee.

THE COST OF MAINTAINING CURRENT SERVICE LEVELS

21. Appendix 1 sets out the cost of maintenance of current service levels and any additional statutory requirements, adjusted for known changes that should have no impact on the level of service provided. No increase in the recurrent budget for concessionary travel costs is proposed and the rationale for this is explained later in the report. The position is summarised in the table below:

Table 2 – The Cost of maintaining current service levels and meeting statutory requirement

	£'000
2008/09 Budget requirement	14,394
Pay Inflation	318
Increments	108
Other changes	437
Total	15,257

22. The figures represent a cost increase of 6% compared with the 2008/09 figures. However it should be borne in mind that much of the increase is beyond the Council's control.
- Pay awards are settled nationally and pension costs are at the mercy of the performance of the financial markets.
 - Contractual commitments.

- The effect of the current economic conditions.

Details of the main variances are shown at Appendix 2

CAPITAL FINANCING COSTS

23. Also included on this agenda is a draft Capital Programme for 2009/10 to 2011/12. Again this is predicated upon a number of key assumptions, particularly in relation to the levels of specific capital grant that the Council may receive. Once again the details of these sums will only become available later in the planning cycle.
24. The key issue as always for Members is how affordable are the Plans. As in previous years the Council's ability to deliver investment is dependent upon its ability to generate planning gain receipts and other capital receipts. The levels of borrowing are increasingly kept to a minimum as the pressure on the Council's revenue budget is sufficient to mean little headroom for investment is available. That said the Council has been particularly successful at attracting S106 funds but going forward these are likely to decrease over the medium term the timing of receipt become less certain as the opportunities for attracting such funding decrease and development slows.
25. The expected levels of borrowing whilst still low in relation to the totality of the programme does have revenue consequences and these has been factored into future revenue budget forecasts.
26. The key message from the updated programme is that only key contractual commitments have been carried forward to 2011/12 with no new schemes being added. This is a consequence of having no headroom in the Council's budget over the medium term to fund additional schemes. That said the Council's investment plans have been significant over the last 3 years in a number of areas, particularly the Council leisure facilities and parks. In addition the Current programme that includes investment in key priorities is protected with no proposed reductions in the programme previously agreed
27. In terms of the net financing costs, these have changed significantly between 2008/09 and 2009/10. The biggest single change is in the net interest the Council attracts from cash deposits. This is as a result of the Council having less cash to deposit and the fall in interest rates as the base rate has dropped in a dramatic fashion in the last 3 months and forecasts are that this trend is set to continue. In terms of the Icelandic deposit, the forecasts exclude interest that would have been earned on that sum circa £60k and the Government has introduced regulations that mean the potential impairment costs, should any arise are not recognised for budgeting purposes until more is known about the potential outcome.

THE BUDGET

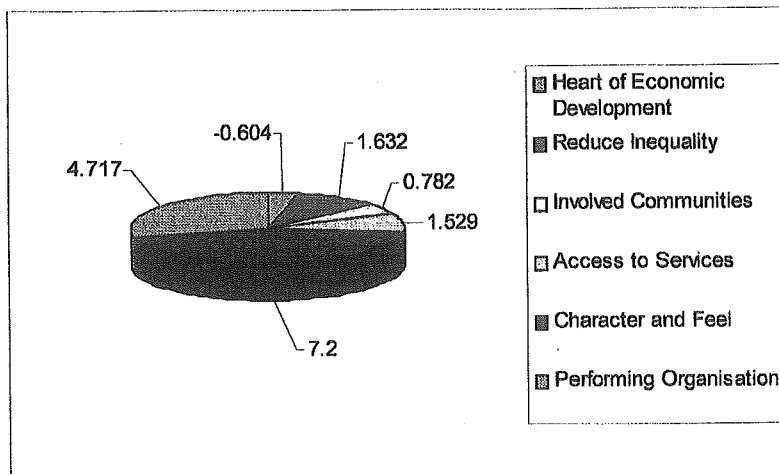
28. All the figures that follow reflect a tax base of 35,099.00. The figure has been set under the powers delegated to the Statutory Finance Officer by the Council. There is a decrease of (0.05%) on the last financial year in the tax base which is mainly as a result of the slow down in house building and the fact that I have increased the provision for bad debt by 0.5% as collection is now being affected by economic conditions.
29. The Strategy for bridging the budget gap is built on the following principles:
- Minimising the level of Council Tax increase.
 - Rebased the Council's budget based upon historic performance and future expectations.
 - Maximising the Council's revenue earning opportunities.

- Minimising the impact on service delivery.
 - Looking for opportunities for sharing services.
30. A summary of the effect on the rebasing exercise is shown in Appendix 2.
31. A summary of the proposals to make efficiencies and to maximise income opportunities are shown in Appendix 4.
32. In terms of the overall message from the proposals it is clear that all the above principles have been utilised in that:
- The proposed level of Council Tax is below the 5% expected by the Government at 3.5%, currently the retail price index is at just over 4%. This means that the average increase in Chorley's element of the council tax will have been 2% over the three financial years, 2007/08 – 2009/10.
 - The line by line review of the base budget has elicited further savings.
 - The review of revenue generating activities has identified some opportunities.
 - The number of changes in both the level and nature of the Councils staffing establishment has been kept to a is minimal on order to protect service delivery. Where changes are proposed, these are administrative or managerial in nature or reflect the fact that volumes of work have reduced significantly. Posts have been kept vacant in anticipation of the downturn and to minimise the impact on staff currently employed.

POLICY CHOICES

33. The Administration in policy terms have determined that they wish to continue to have low Council Tax rises. In terms of its impact on services the overwhelming objective is to at least maintain service delivery at its current level given that in most cases the Council is performing well. But the organisation will continue to strive for further improvement and will continue to focus on delivering its priorities.
34. However within that context and within the Council's resources constraints some resources have been identified to be put into priority areas of the Corporate Strategy but these will be a realignment of resources and not additional in nature. A summary of the current 2008/09 budget resources mapped against the Council's priorities shows the following:

Diagram 4: Current Resource Allocation



- 35. The table shows that the bulk of the Council's resources are spent in developing the look and feel of Chorley and ensuring Chorley is a performing organisation. The draft budget for 2009/10 seeks to maintain the resources put into these priority areas.
- 36. However given the Council's overall financial position this ultimately means that in order to protect services as much as possible, savings have to be made, set out below is my interim assessment of the impact the proposals may have.

RISK ISSUES

- 37. In terms of the budget proposal there still remains a number of risk areas where actual performance may not match the assumptions made. In such an event this may impact on the Council's ability to deliver its proposed budget. The majority of these areas are not unique to Chorley and are recurrent issues in many cases, given the nature of local authority business.
- 38. The risk in almost all cases is a result of not having information on which to base future forecasts. This position is a result of either a budget being demand led, as is the case with Concessionary Travel or information on particular funding streams not being available until later in the year. Whilst forecasts are available for Chorley in relation to concessionary travel, we are still only working off six months actual data for the new scheme.
- 39. In respect of the key assumptions in the budget, these are as follows:

Table 5. Budget Assumptions

Assumption	%/£
Pay Award	+2.5%
Grant Settlement	+1.7%
Pension Contribution	+1.0%
Housing Planning Grant	+£27k

- 40. In relation to each individual item I would make the following comments:

PAY AWARD

- 41. The assumption is based upon the 2008 settlement and the stated intention of the Government to restrain Public Sector Pay Awards.

GRANT SETTLEMENT

- 42. Whilst the government have confirmed the grant allocation for 2009/10 at £8.358m, the figures for further years are still draft in nature. Given the governments overall financial position of the Government we may find changes are made to the current allocations in further years as the Government looks to get public expenditure back under control.

PENSIONS CONTRIBUTION

- 43. Last year following the revaluation of the pension fund the following additional contributions were agreed.

2009/10	+1.0%
2010/11	+1.0%
2011/12	+1.0%

44. Pension funds will be big loser due to the performance of the stock market in the last 12 months. As a result the Council's pensions deficit currently £8m will increase and following the next financial review in 2010/11 employees contributions are likely to rise again.

HOUSING AND PLANNING GRANT

45. This specific grant has been paid to the Council and other Council's to invest in improving planning service. The Council received a sum of £104k in 2008/09 for its performance in this area and I have made the assumption that we will receive the same sum in 2009/10. Some of the grant is based on relative performance in a number of areas like housing development. Clearly the Council cannot control this.

CONCESSIONARY TRAVEL

46. This particular element of the budget represents the greatest risk in terms of identifying accurately the likely cost of the new concessionary travel scheme which was implemented from April 2008. There are two key risk issues that continue namely:
- we cannot estimate the potential take up in terms of additional concessionaries or the impact having a free service will have on travel patterns.
 - Historic cost will not be an indication of future costs.
47. That said, we do now have 6 months worth of data which has been used as a basis for forecasting on the next three financial years. The Lancashire districts have now also agreed the pooling arrangement to be used. Consequently the budget deficit for the 2008/09 is £188k and for 2009/10 £272k. A separate paper explaining the position is at Appendix 6.

EXPENDITURE SAVINGS

48. Turning to the savings and additional fees and charges Income proposed in the draft budget, I make the following comments, which is strategic in nature and also does not focus on the minute of individual proposals.
49. The budget proposals as they currently stand includes expected expenditure savings of £452k. The bulk of the savings of £341k are staffing related and focus on areas where the impact on the delivery on front line services is minimised. As such and given the scale of the individual savings proposals, it is unlikely that they will impact at all on the Council's ability to deliver its corporate priorities.
50. In relation to the savings from staffing costs in the context of the balancing of the Council's budget these have been minimised and focus on streamlining middle management costs and some minor reductions in benefit staffing where posts have been vacant sometime. In addition areas that have seen a downturn in workload from the economic condition have also been reviewed and will be realigned to the anticipated workload. Again I anticipate that this will not significantly affect our overall ability to deliver the corporate plan targets and objectives but may impact on the levels of services being provided, but only at the margins. Changes will need to be made to working practices to continue to provide excellent services. The Council's VFM programme has identified the priorities for change that will enable the Council's services to operate more efficiently and effectively.

INCOME PROGRAMME - FEES AND CHARGES INCOME

51. This year the Executive has again undertaken a strategic review of fees and charges with the objective of ensuring that the fees and charges were correct, covering costs and at a market rate.
52. The budget contains a number of proposals in relation to increasing those fees and charges. This applies particularly to car parking income and other major income streams. The proposals exclude the fees and charges for the Councils leisure facilities as these are negotiated with the Councils leisure provider CLS and will only take place early in 2009.
53. The financial risk to the Council is that there is a degree of consumer resistance to the proposed charges. For this reason, I have adjusted a number of the fees and charges budgets that are subject to consumer choice and not taken the totality of the additional income that could be generated. In addition whilst volumes are down in some areas, the mix of work as in say planning applications has changed, so the financial impact has not been as great. Interestingly developers are still continuing to seek planning consent, but they will clearly wait before starting developments.
54. I believe that in this way a prudent approach has been adopted. A summary of the levels of income currently anticipated for the major income streams and those subject to some amendments to the fees and charges is shown in the table below:

Major Income StreamsTable 6 - Total Fees and Charge Income

	£'000
Licensing Fees	(187)
Local Land Searches	(130)
Parking Fees	(806)
Market Toll	(310)
Planning and Building Control Fees	(724)
Rents from Investment Portfolio	(378)
Total	(2,535)

55. The table shows the importance of fees and charges income to the Council. Its historic approach of containing the levels of fees and charges is not sustainable unless used for the delivery of strategic objectives and protecting the Councils budget position.

CONCLUSION OF THE ADEQUACY OF WORKING BALANCES AND THE ROBUSTNESS OF THE BUDGETED WORKING BALANCES

56. The current financial strategy that takes us up until the end of 2010/11 allocated for working balances to be in a range £1.25 – 1.50m. This was based upon the financial risk profile which has changed during the financial current planning period.
57. From 2009/19 a number of the external factors influencing the Council's ability to either attract funding or to influence expenditure has changed. This is the main due to the following reasons:

- The CSR07 means that there is a risk of less rate support grant over the planning period 2008/09-2010/11.
 - The full impact of the changes to the concessionary travel budget will not be known for at least 15 months in the new scheme. Additionally the Government has signalled its intention to revise the grant distribution methodology and pass responsibility for concessionary travel to upper tier authorities
 - The Government is capping capitalisation applications and as such the cost of change may need to be resourced from revenue.
 - The Council has secured significant external funding for the next three years from LAA reward grant, Area based grant and Local Authority Business Growth funds.
58. The greatest potential impact is still likely to come from the concessionary travel issue, but all of the issues have the propensity to affect the Council's ability to both deliver its budget and continue to deliver effective services.
60. As members will be aware, working balances are there to protect the Council's against the 'peaks and troughs' in expenditure and allows them to be able to manage any changes to be base level of expenditure that is required to bring the budget back into balance.
61. Sometimes this can take time so maintaining working balances until they are needed means the Council does not have to make reactive changes that can significantly impact on service performance.
62. In terms of resource availability the balances position will be as follows if a strategy of using balances to fund part of the 2009/10 budget and the non budgeted concessionary travel costs, pending responsibility being passed back to the upper tier authorities is adopted:

General Fund Working Balances Forecast

	£'000
Balance 1st April 2008	1,726
Less	
Non Budgeted Concessionary Travel Costs 2008/09	-188
Forecast Balance 31st March 2009	1,538
Less	
Unfinanced budgeted Costs 2009/10	-264
Non Budgeted Concessionary Travel Costs 2009/10	-272
Forecast General Fund Balances 31st of March 2010	1,002

The forecasts assume that the budget is balanced for 2008/09 and that the un financed element of the budget is eliminated between 2010/11 and 2011/12., making the savings target for the following two financial years almost £500k annually.

This level of working balances will represent approximately 6% of the Councils net budget. The Council has a good track record of managing it's budget with no overall overspend in the last 5 financial years. It also has a good track records of achieving savings. As long as this approach is continued the working balances should be sufficient

to cover unexpected items which should now be few in nature. I shall be presenting to members the Councils updated Medium Term Financial Strategy as part of the budget setting meeting that will include a strategy to bridge the current budget deficit.

- 63. With regard to the robustness of the budget assumption for 2009/10 once again each Directorate has had a line by line review completed on their budget and whilst there are still some issues to resolve they represent adjustments that are reasonable and deliverable.
- 64. In previous years the Council has been faced with the prospects of making savings and 2009/10 will be exactly the same. The savings are necessary firstly to contain of Council Tax as the government capping limit has once again been set at 5%. This report has identified that savings and investment plans are well developed but further work will be necessary as we work through the budget cycle and better and more up to date information becomes available.
- 65. Some inherent risks remain in the budget proposals but the underlying assumptions I have made have been agreed by the executive and I believe they are reasonable. Officers shall be pursuing some of the options that are currently targets with the aim of being in a more informed position in terms of deliverability by the time the Council sets its budget . If by then I feel that the targets are not deliverable the budget and any assumptions will be amended accordingly as has happened in previous years. I have outlined my views and advice in relation to the level and adequacy of working balances and summarise the key risks and mitigation that are and should be put in place.

IMPLICATIONS OF REPORT

- 66. As this budget is for consultation only at this stage this has no impact on directorates.

GARY HALL
ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	20 November 2007	FINREP/2011LM1

Analysis of Budget Variations 2007/08 - 2009/10

Appendix 1

	2008/09 £000	2009/10 £000	2010/11 £000	2011/12 £000
Base Budget Requirement	16,523	16,482	19,084	19,789
Less				
Recharges	-	-	-	-
Capital Charges	(1,998)	(1,664)	(4,198)	(4,198)
Cash Base Budget Requirement	14,525	14,818	14,886	15,591
Movements:				
Inflation				
Pay	430	156	316	332
Pensions	87	162	163	160
Non-Pay	37	163	62	65
Contractual	52	70	105	87
Income	(102)	24	7	6
Increments	107	108	73	42
Revenue Effects of the Capital Programme	120			
Volume - Income	(252)	70	(8)	(27)
Volume - Expenditure	482	112	(13)	17
Investment	74			
Rebasing of Base Budget	(315)	155		
Base Budget Savings Agreed	10	(254)		
Savings - Other	(21)			
Senior Management Review	(174)			
Savings Proposals	(152)			
Review of Fees & Charges	(223)			
Growth Proposals	265			
Effects of stock transfer - Reduction in cost - Other	41			
Effects of stock transfer - Service Level Agreements	2			
Savings Proposals		(453)		
Income Generation		(173)		
Contingency:				
- Genuine	(10)			
- Management of the Establishment	8	(70)		
- Salary Related Savings	-			
- Procurement Savings	-			
- Gershon Savings	-			
- Job Evaluation	(174)			
Directorate & Corporate Cash Budgets	14,818	14,886	15,591	16,272
Base Recharges				
In year transfer of recharges to cash budgets	-	-	-	-
Capital:				
Base Capital Charges	1,998	1,998	4,198	4,198
In year transfer of capital	(334)	2,200	-	-
Total Recharges	1,664	4,198	4,198	4,198
Total Directorate & Corporate Budgets	16,482	19,084	19,789	20,470
Reversal of Capital Charges	(1,664)	(4,198)	(4,198)	(4,198)
Net Financing Transactions:				
- Net Interest/Premiums/Discounts	(575)	13	(40)	(39)
- MRP less Commutation Adjustment	151	358	352	360
Net Operating Expenditure	14,394	15,257	15,902	16,593
Total Expenditure	14,394	15,257	15,902	16,593
Financed By				
Council Tax - Borough	(6,173)	(6,313)	(6,540)	(6,776)
Parish Precepts	575	575	575	575
Council Tax Parishes	(575)	(575)	(575)	(575)
Aggregate External Finance	(8,221)	(8,358)	(8,487)	(8,572)
LAA Reward Grant	-	(150)	(150)	(150)
Area Based Grant	-	(23)	(23)	(23)
LABGI Grant	-	(150)	(75)	(75)
Collection Fund Surplus	-	-	-	-
Total Financing	(14,394)	(14,993)	(15,274)	(15,595)
Net Expenditure	(0)	264	628	998
Analysis of Net Expenditure (Budget Gap)				
Net Expenditure Brought Forward	-	-	264	-
Net Expenditure in Year	-	264	364	371
Net Expenditure Carried Forward	-	264	628	371

WITH 3.5% INCREASE IN COUNCIL TAX EACH YEAR

Appendix 2

Analysis of Significant Movements in Budget between 2008/09 & 2009/10

Budget Changes	£'000
Expenditure	
Pay	180
Pensions	168
Increments	108
Utilities (Gas, Electricity, Water)	78
Insurances	31
Non Domestic Rates	13
Housing & Council Tax Benefits Subsidy	62
Audit Fees	31
Property Services Contract (Liberata)	19
Refuse Contract offset by additional financing costs	(34)
Indoor Leisure Contract	35
Other contracts	26
Elections a/c	(12)
Pensions a/c	(34)
Other minor variances	49
Income	
Parking Fees income	80
Land Charge income	47
Customer Services SLA with CCH	20
Art Development income from Arts Council	10
Reduction in Benefits Overpayments recovered	62
Planning Application Fees	20
Reduction in use of Lancastrian	10
Benefits Admin. Subsidy	(10)
Rental income - Friday St Depot	28
Housing & Planning Grant	(27)
Licensing Income	12
Residents Parking Permits	18
Other income	29
Rebasing of budget and savings achieved	(254)
Changes identified at Corporate level	
Net Financing Costs:	
- Net Interest	588
- Debt repayment	207
Mangement of the Establishment	(70)
Adjustment to Council Tax Base/Special Expenses	50
Total Change in Expenditure/Income	1,540
Financed By:	
Increase in Borough Council Tax	(191)
Increase in Aggregate External Finance	(137)
LAA Reward Grant	(150)
Area Based Grant	(22)
LABGI Grant	(150)
Expenditure Savings Options for Member approval	(454)
Income Generation Options for Member approval	(172)
Total Change in Financing	(1,276)
BUDGET GAP 2009/10	264

Schedule of Budget Adjustments 2009/10

1) Savings from Base Budget Review

	Budget Saving £	Comments
<u>Business</u>		
Strategic Housing - Bed and Breakfast	(20,000)	Reduction based on 08/09 costs.
<u>Chief Executive</u>		
Chief Exec Office - minor savings	(2,040)	Reduction based on 07/08 & 08/09 costs
Office Support - Overtime	(2,250)	Reduction based on 07/08 & 08/09 costs
Office Support - Lease of Tools/Equipment	(1,170)	Savings on franking machine contract
Office Support - Stationery	(2,000)	Reduction based on 07/08 & 08/09 costs
Office Support - minor savings	(570)	Reduction based on 07/08 & 08/09 costs
Photocopying charges	(5,000)	Reduction based on 07/08 & 08/09 costs
<u>Corporate Governance</u>		
Legal Services - publications	(8,000)	Reduction based on 07/08 & 08/09 costs
Legal Services - legal fees income	(7,000)	Reduction based on 07/08 & 08/09 costs
Democratic Services - general subscriptions	(3,000)	Reduction based on 07/08 & 08/09 costs
<u>Finance</u>		
Exchequer - Bailiffs Commission.	(3,000)	Reduction based on 07/08 & 08/09 costs. Also new contract for 08/09.
Housing Benefit Admin. - Training Expenses.	(3,460)	Budget £7,460 only £2,540 spent in 07/08
Procurement - Conferences Staff.	(500)	£1,000 budget in 09/10. Only £309 cost in 07/08
<u>Human Resources</u>		
Recruitment budget	(20,000)	The contingency for higher profile job vacancies to be taken out of budget.
Rebase smaller budgets	(2,200)	The savings from any vacant posts to be used to cover the potential overspend.
<u>ICT Services</u>		
Disaster recovery contract renegotiated	(5,000)	Saving on new contract
<u>People</u>		
Young Peoples Activities - Get Up and Go Income	(5,000)	An increase in activities for which a nominal charge is made

Schedule of Budget Adjustments 2009/10

<u>Policy & Performance</u>		
Computer Software-Maintenance (Performance Plus)		
Consultants Fees	(6,000)	Previous contract with has expired. Looking for in-house replacement.
Communications	(5,000)	Reduce provision for consultancy work £5k reduction in publicity budget as more work done in-house
<u>Neighbourhoods</u>		
Pail Closet Emptying	(5,390)	Not required contract terminated
External Audit	(3,600)	No costs in last 3 years
Publications/General subscriptions	(2,500)	Reduction based on 07/08 & 08/09 costs
Research & Feasibilities	(5,000)	Scrutiny inquiry Neighbourhood working now completed
Radiation/Food safety system	(2,060)	Reduction based on 07/08 & 08/09 costs
Scientific fees	(1,500)	Reduction based on 07/08 & 08/09 costs
Heating Oil	(4,000)	Only £240 expenditure in last 3 years
DPE Off Street	(10,000)	Anticipated income re: Parkwise
Mobile Radio Recharges	(2,670)	No longer required
Publications	(1,000)	No costs in last 2 years
Sub-Total	<u>(144,910)</u>	

Budget Saving £

2) Savings from Decisions Made Previously

<u>Finance</u>		
Financial Shared Services Agreement	(46,160)	Based on mid-point of grade for new posts.
Support Services Restructure	(63,310)	Based on mid-point of grade for new posts.
Sub-Total	<u>(109,470)</u>	
TOTAL SAVINGS IDENTIFIED	<u>(254,380)</u>	

Schedule of Budget Savings 2009/10Back Office Savings

Reduction in Admin Support posts
Insurances - Employment Practices Insurance

Shared Services

Shared Financial Services
CDRP merger (Share CDRP manager with SRBC)
Planning Policy - Salaries
Shared Planning Enforcement Service
To provide H.R. services for St.Catherines Hospice

Restructuring Efficiencies

Delete vacant Benefits Officer part-time post
Reduce cleaning hours provision for Town Hall
Merger of posts within Directorate
Customer Services - Staffing
Licensing Enforcement Officer post saving
Reduction in CCTV manual operations
Delete Neighbourhood Co-ordinator post
Delete Parking Manager post
Business Directorate Restructure

Procurement Savings

Members Broadband. Provider to go out to tender.
Internet service to be provided by L.C.C.

Other Savings

Core Funding Grant
Website Development
Contaminated Land Investigations (contingency budget)

Sub-Total

Budget Saving
£

Comments

(34,340)
(10,500)
(44,840)

Deletion of vacant posts and restructuring.
Cancel policy.

(25,000)
(23,830)
(37,000)
(23,000)
(15,000)
(123,830)

Potential expansion of Shared Services.
Saving represents half of full year salary and oncosts for CDRP manager
LDF officer costs shared with Preston CC and South Ribble BC
Joint working with South Ribble BC
Service agreed. Details currently being worked up.

(6,830)
(6,000)
(15,000)
(10,000)
(29,070)
(10,320)
(39,900)
(24,210)
(75,840)
(217,170)

Benefits Officer post replaced with Modern Apprentice
Reduction of one post in establishment
To merge the Landscape Architect and Education Officer Posts.
Restructuring/Efficiencies
Saving due to merging of Licensing Enforcement within Neighbourhoods
Deletion of one part-time post.
Restructuring/Efficiencies - duties delegated to team leaders as part of restructure.
Saving wef from Sept.2009 when on-street parking returns to LCC. Alternative solutions being developed.
Restructure of Planning Policy, Regeneration & Development, Economic Development & Markets, Development Control, and Land Charges section. Deletion of vacant posts not needed as a result of downturn in volumes of work.

(15,000)
(25,000)
(40,000)

Estimated saving at this stage but plans well developed.
Estimated saving at this stage but plans well developed.

(15,000)
(5,000)
(7,000)
(27,000)

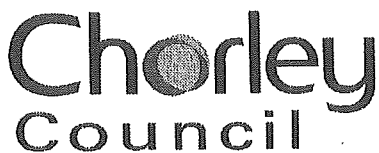
This represents a 10% reduction in the Core Funding programme.
Budget deleted for 08/09 only. Delete for a second year.
No reactive capacity. Less than £1k spent in last 3 years - to be met from Contingency if required.

(452,840)

Schedule of Budget Savings 2009/10**Income Generation**

	Budget Saving	Comments
Car Parking fees and Charges increase	(52,460)	Assuming 7% yield.
Fees and Charges Increase	(36,120)	Assuming a 3% increase.
Income from speakers fees, external working	(10,000)	Income to be generated by providing services and advice to other councils.
Cotswold House - Increase in rent income	(37,000)	Net increase in rental income - funded from benefits.
Planning - Pre Planning Application Advice	(5,000)	Introduction of new charge.
GIS to start charging contractors for Street Naming and Numbering function	(15,000)	Introduction of new charge.
Get Up and Go Programme	(10,000)	Scope to work with partners to attract external funding to supplement the Get Up and Go Programme
Charge for recycling containers to new households	(7,000)	Based on 250 new householders paying £30 for a suite of recycling containers. Reduced to £20 if no brown bin required (ie non garden) 200 x £30 = £6000 50 x £20 = £1000

Sub-Total**(172,580)****TOTAL SAVINGS OPTIONS IDENTIFIED****(625,420)**



Appendix 6

Report of	Meeting	Date
The Executive Leader	Executive Cabinet	8 January 2009

CONCESSIONARY TRAVEL – POOLING ARRANGEMENTS ACROSS LANCASHIRE

PURPOSE OF REPORT

1. To update Executive Cabinet on the outcome of discussions regarding the pooling of resources for concessionary travel in Lancashire

RECOMMENDATION(S)

2. That The Cabinet approves this approach subject to the caveats outlined below.

EXECUTIVE SUMMARY OF REPORT

3. The report outlines a pooling arrangement for concessionary travel, which has been approved unanimously by The Lancashire Leaders, subject to the caveats outlined below.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

4. To mitigate the risks of the costs of concessionary travel to Chorley Council through a pooling arrangement across Lancashire.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

5. Several alternative pooling formulae were explored by Lancashire Leaders; however "the compromise solution" put forward by Pendle Council is the one which has finally been accepted.

CORPORATE PRIORITIES

6. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances	√	Develop the Character and feel of Chorley as a good place to live	
Involving people in their communities		Ensure Chorley Borough Council is a performing organization	√



BACKGROUND

7. Members will recall the implementation of the national concessionary travel scheme from April 2008. This introduced free national travel for people over the age of 60 and people with a disability.
8. There are clear winners and losers in Lancashire with Chorley clearly emerging as a loser.
9. At the 2008/9 budget meeting in February 2008 the Council agreed the principal of pooling and since that date work has been ongoing to reach an agreement. However only in the last two months as financial information has become available has a mechanism finally been proposed.

10. THE COST OF CONCESSIONARY TRAVEL TO CHORLEY TO DATE

The current forecasts of costs for 2008/09 (including contracted services) for Chorley is £1.355m. This is based upon actual data to the end of September 2008 and is based upon a seasonally adjusted forecast. Using a straight line basis reduces that forecast but only by a sum of £58k. This is, of course, a forecast and is subject to variation as it is based upon only half a years actual data.

If the eventual outturn is circa £1.355m the impact on Chorley is as follows. I reported in the last quarters revenue budget monitoring report that should this occur, then the Councils budget would be overspent. The updated figures affect that forecast as follows:

	£000
Forecast Outturn at Sept 08	1,355
2008/09 Budget	1,125
Budget shortfall (including contracted services)	230

The table shows that based upon the latest forecast and before any pooling adjustment, the forecast deficit for 2008/09 is circa £230k. In terms of contracted services, the costs for the first six months of the financial year were £50k.

THE LANCASHIRE POOLING ARRANGEMENT

The compromise pooling arrangement put forward by Pendle Council is as follows:

Year one (2008/09) – Those authorities in surplus contribute a fixed sum of £50k plus 75% of the remaining surplus to be distributed amongst the Council with an in year deficit.

Year two (2009/10) – Councils contribute 1/3 of 2008/09 actual plus 2/3 of anticipated pool contribution, again with the first £50k retained by the authorities in surplus with 75% of the remainder being redistributed.

Year three (2010/11) – Councils contribute 2/3 of 2009/10 actuals plus 1/3 of anticipated pool contribution with the same distribution principal applied.

Year three (2010/11) – Actual costs.

The effect of this is that Chorley contribution to the pool is expected to reduce by the following sums for the pooling adjustment.

Chorley Councils Benefit

	£000
2008/9	64
2009/10	17
2010/11	0
2011/12	0

The table shows in total that the expected pooling benefit to Chorley amounts to £81k over a two year period. Whilst this is welcomed, the overall impact is limited in terms of the budget deficit. Using the forecasts as a guide, the budget position will be as follows:

	2008/9	2009/1	2010/11
Pool Contribution	1.355	1.388	1.458
Pooling adjustment	-64	-17	0
Cost to Council	1.291	1.371	1.458
Base budget	1.125	1.125	1.125
	0.166	0.246	0.333

11. At their meeting on 8th December The Lancashire Leaders agreed the following:

The allocation of Government funding for this scheme is both inadequate, even after allowing for contracted services and unfairly divided. Consequently we will:

- o Obtain Counsel's opinion and the views of the Audit Commission on the legality of a pooling arrangement across Lancashire in order to mitigate the risks for participating councils.
- o Engage bus companies in seeking cost reductions and reimbursements, including those companies in which there is a local government interest or control.
- o Set and monitor cost and savings targets

Additionally we will:

- o Work with Government to affect changes to the allocation system and the modus operandi.
- o Appoint a senior task and finish group to implement the new pooling arrangement.

IMPLICATIONS OF REPORT

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

Finance	√	Customer Services	
Human Resources		Equality and Diversity	
Legal		No significant implications in this area	

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

13. Despite the Lancashire Councils now reaching an agreement on the pooling mechanism, the overall impact is marginal. The fundamental problem still remains that costs have risen by 54% when compared to 2007/08. Which is significantly more than anticipated.

Whilst some of the suggested action by the Lancashire leads will hopefully lead to a realignment of costs or grant, this is likely to take some time to crystallise or indeed materialise.

The Councils immediate problem is the in year deficit and thereafter the future years deficits. Given the forecasts are still uncertain I propose as a precautionary measure to apply to the Government for a capitalisation direction to mitigate the potential impact on the Councils revenue budget.

The DCLG allow for such circumstances whereby exceptional expenditure is incurred, in this case an increase in costs of greater than the additional grant of £275k. However a final decision would rest with the DCLG. I believe that there is recognition in government that the grant distribution used has resulted in inequalities and that as the scheme is statutory it would be reasonable to grant a direction whilst the grant distribution model is re-evaluated, something that the government promised to do when it introduced the current mechanism.

In terms of financing the unbudgeted costs, given that they should be non recurrent once either the grant distribution mechanism is changed or the responsibility is passed to the upper tier authorities, the proposal is that working balances are used to mitigate the financial impact. Members may recall that the level of working balances have been increased specifically to cover the risk of unbudgeted costs being incurred.

COUNCILLOR PETER GOLDSWORTHY
EXECUTIVE LEADER

There are no background papers to this report.

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Report of	Meeting	Date
Corporate Director (Business)	Executive Cabinet	8 th January

COTSWOLD HOUSE TRANSFER

PURPOSE OF REPORT

1. To outline the arrangements for the management of Cotswold House, temporary accommodation for homeless customers from 1st April 2009.

RECOMMENDATION (S)

2. To approve the proposed 2009/10 budget and staffing structure for Cotswold House.
3. To approve charges for 2009/10 of – rent £97.01 per wk, eligible service charges £81.40, and ineligible services £12.00 per wk.

EXECUTIVE SUMMARY OF REPORT

4. The Council took the decision to enter into negotiations with CCH to bring the management of the hostel back to the Council. This was for a variety of reasons, mainly concerning the quality of the management of the service and potential to improve value for money.
5. Negotiations began following the Councils' decision and CCH have agreed subject to terms of agreement, to end the agreement to manage the hostel. The Council and CCH have agreed a target date of 31st March for the completion of this transfer. This means that from 1st April 2009, responsibility for the management of Cotswold House will be the Business Directorates'.
6. In order to be fully prepared to manage the hostel effectively from 1st April, it is essential that a proposed budget be set for the hostel, which takes into account the incomes from Supporting People grant and rental income, and projected expenditure. Expenditure has been estimated as this is based on uplifted accounts available to the Council from 2006/7, as CCH have not yet provided a full breakdown of the outturn for 2007/8. Staffing costs are based on the proposed staffing structure, which is included within this report.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

7. The budget will be agreed for 2009/10 and necessary improvements can be planned
8. The vacant posts can be advertised and recruited in preparation for date of transfer.

CORPORATE PRIORITIES

9. This report relates to the following Strategic Objectives:

Put Chorley at the heart of regional economic development in the Central Lancashire sub-region		Develop local solutions to climate change.	
Improving equality of opportunity and life chances	3	Develop the Character and feel of Chorley as a good place to live	3
Involving people in their communities	3	Ensure Chorley Borough Council is a performing organization	

BACKGROUND

10. Following the decision to bring back the management of Cotswold House, temporary accommodation hostel, which is owned by the Council but currently managed by CCH on the Councils' behalf, negotiations have been underway to agree the terms of the transfer.
11. A draft heads of terms agreement has been drafted and officers are developing the necessary infrastructure to ensure the transition to the Council will be smooth for both staff and for our customers. A provisional date of 31st March for the termination of the existing agreement has been agreed, which would mean that from the 1st April 2009, the management of the hostel would fall to the Business Directorate.

BUDGET

12. In order to make the necessary improvements to the building, the furnishings and the quality of service, it is essential to have an accurate, balanced budget for the hostel. This budget will provide the necessary resources for the improvement plan for the hostel and also generate some cash savings for the Council.
13. There is an existing Supporting People contract awarded to the hostel for the provision of support services and discussions are underway with Lancs. County Council as to the transfer of that contract (of no less than the current value of £127,000) to the Council on or before 1st April 2009 and this has been agreed in principle.
14. Upon the transfer of the Supporting People contract, there will be a number of key performance indicators, which are currently under performing, which the Supporting People Team will expect to see improvement of within 12 months.
15. The contract for the concierge service for the hostel will also need to be tendered and this process will need to be started as soon as possible.

STAFFING STRUCTURE

16. The staffing structure proposed consists of

- 1x full time Hostel Coordinator post (POA)
- 2x full time Homelessness Support and Advice Officers (Scale 5)
- 1x part time Homelessness Support and Advice Officer (Scale 5)
- 2 x weekend Homelessness Support and Advice Officers (Scale 5)
- 2 x part time domestics (Scale 1)

This structure will provide a full time manager for the hostel along with two full time staff and three part time staff. It will also provide a contribution to the Prevention Officer Post within the Homelessness and Housing Advice Team, which will play a role improving the life chances of our customers who reside in the hostel.

17. It is envisaged that there will be two full time staff and two part time domestics transferring from CCH to the Council under the TUPE regulations, although these details are yet to be confirmed officially. These staff will slotted into the new structure and will be able to apply for any other remaining posts should they wish to do so.

- 18. It is imperative that a full time Hostel Coordinator post is included within the structure as this officer will be responsible for driving forward the change management process required for Cotswold House and expanding the services provided by outside agencies within the hostel, to include education, life skills, health and links to employment and training. It is also recommended that this manager post be recruited following the approval of this report and that they are permitted to start two weeks prior to the date of transfer (i.e. 18th March 2009). This will enable them to undertake a full handover of the services from CCH, and also identify any outstanding matters prior to CCH's exit.
- 19. The staffing structure which is proposed meets the current requirements of the Supporting People Contract to provide 117.90 hours of support with support opening hours as per appendix one. There will be staff available until 8.00pm weekdays and from 10.00 until 4.00pm weekends. At all other times, a concierge service will be provided, which meets the requirements of Supporting People and evidence from other projects, such as the Stonham project on Southport Road has demonstrated this to be an effective method of reducing anti social behaviour.

IMPLICATIONS OF REPORT

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

Finance	3	Customer Services	
Human Resources	3	Equality and Diversity	
Legal	3	No significant implications in this area	

COMMENTS OF THE CORPORATE DIRECTOR OF HUMAN RESOURCES

- 21. The report outlines the recommendation to terminate the agreed contract with CCH to provide the management of Cotswold House on behalf of Chorley Council and bring the service back in house. In employment law this is regarded as a TUPE transfer under the TUPE regulations 2006 and therefore the four employees currently employed by CCH at Cotswold House are eligible to transfer to Chorley Council under the terms of the TUPE regulations. The relevant Council policies and statutory requirements would be adhered to when dealing with the transfer. Furthermore, all posts affected by the transfer of Cotswold House, including those within the Strategic Housing Unit will need consideration being given as to whether there is a requirement for them to be re-evaluated, in particular where additional duties have resulted from the transfer.

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION)

- 22. Hostels provide both accommodation and support for residents. To meet these costs authorities receive Supporting people Grant (SPG), and residents can claim higher levels of housing benefit to meet rents and service charges. In addition occupiers have to meet their own heating, lighting and water charges.

- 23. The budget for 2009/10 is as follows

Expenditure	£'000	Income	£'000
Employees	236.1	Supporting People Grant	127.3
Other running costs	112.6	Rents	126.1
Irrecoverables (see para. 23)	13.0	Eligible service charges	105.8
		Services to be met by resident	28.5
		Less void losses	(26.0)
	361.7		361.7

24. Included within "other running costs" is a recharge of £39,000 for administration overheads. The transfer of this cost from the General Fund represents a budget saving to the Council and is consistent with its wider budget proposals for 2009/10.
25. With regard to the robustness of these figures, it has been difficult to obtain from CCH all the information needed. Best estimates have been used where firm data is missing.
26. The current charges (collectible over 52 weeks), and those proposed for 2009/10, and which will achieve the levels of income shown above, are as follows

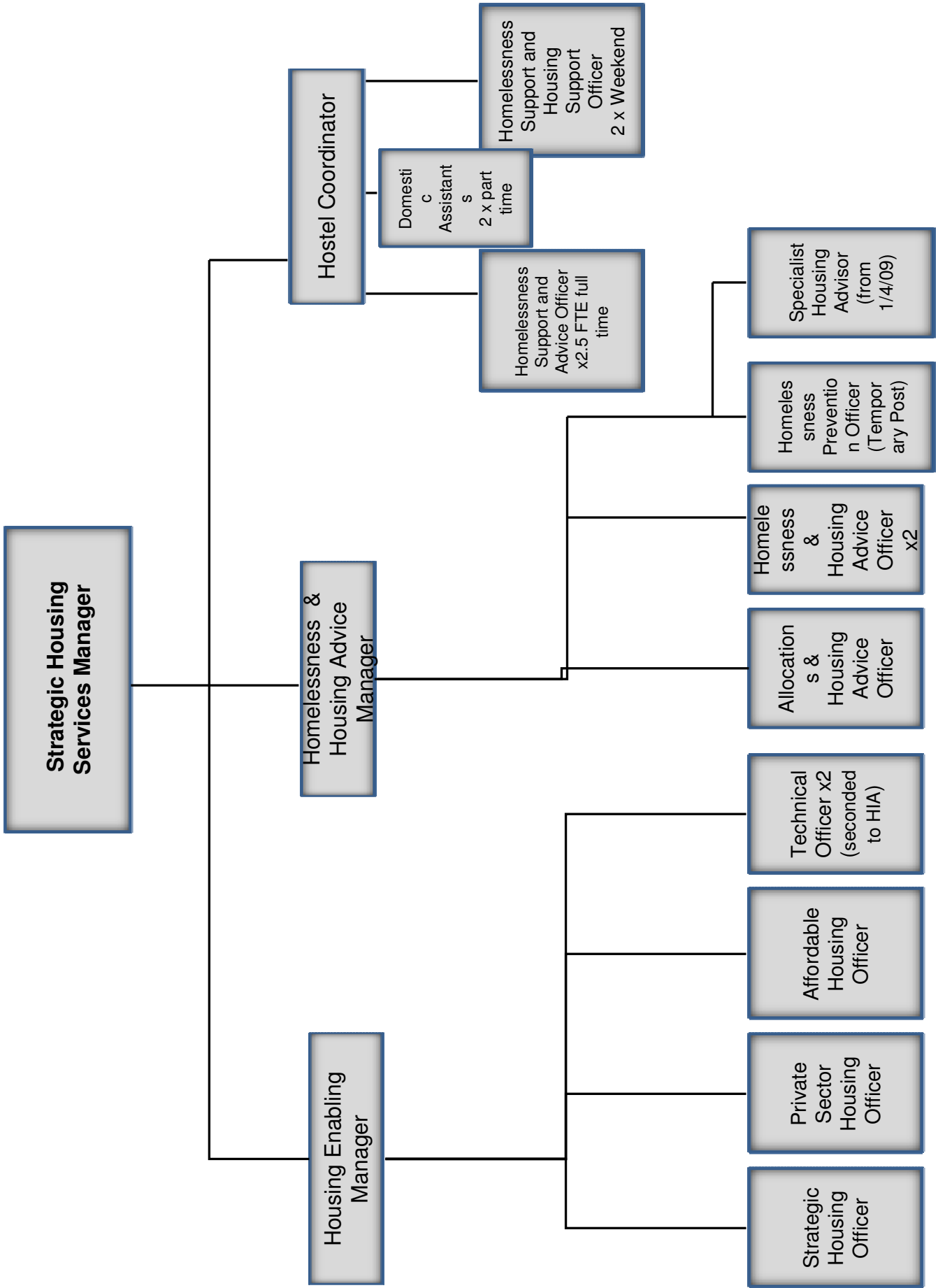
	Current weekly charges	Proposed weekly charges
	£.pp	£.pp
Rents (eligible for housing benefit)	52.20	97.01
Services (eligible for housing benefit)	41.57	81.40
Services to be met by residents	9.06	21.94

27. The first two charges will, subject to the means of the resident, be fully met by housing benefit.
28. The major increase in residents service charges is the result of fuel costs which have more than doubled in recent years, Whilst these charges are justified by the costs they may be uncollectable, and the budget has included an irrecoverable provision of approximately 50%. The alternative strategy is to fix a lower level of charge. This would reduce the potential income, but this would be offset by a reduction in the bad debt risk. It is therefore proposed that a charge of £12 per week be levied. There is the risk that this will cause a small deficit to be incurred on the scheme.

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Zoë Whiteside	5771	5/01/2009	



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Hostel Staffing Structure

DAY	Support Centre OPENING HOURS	CONCIERGE
MONDAY	9:00am – 8:00pm	8:00pm – 8:00am
TUESDAY	9:00am – 8:00pm	8:0pm – 8:00am
WEDNESDAY	9:00am– 12:00pm 2:00pm- 8:00pm (Closed 1.00 to 2.00pm for staff training. Staff available for emergencies)	8:0pm – 8:00 am
THURSDAY	9:00am – 8:00pm	8:00pm –8:00am
FRIDAY	9:00am – 8:00pm	8:00pm – 10:00am
SATURDAY	10:00am – 4:00pm	4:00pm – 10:00am
SUNDAY	10:00am – 4:00pm	4:00pm – 8:00am

Support Staff Shift Rota

Full Time Staff (2x Support) SP funded Mon –Fri

Shift Patterns

8.00am –4.00pm

12.00pm – 8.00pm

Part time Staff (x1) Funded by rents Mon-Fri

Shift patterns

9.00am- 12.45pm

4.15pm- 8.00pm

10.00am- 1.45pm

To be mixed across three staff ensuring two staff on late shift at any one time.

Manager 0.4 SP Funded, remainder through rents.

Flexible Hours according to needs of service. Expected to work until 8.00pm on regular basis

Part time outreach (Existing Prevention officer) part SP funded

Mon-Fri

6.9 hours per week according to needs of the service

Part time x 2 (weekend) SP funded

Sat-Sun

Fixed Hours

10:00am – 4.00pm

(= 117.90 hours support)

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By virtue of paragraph(s) 6 of Part 1 of Schedule 12A
of the Local Government Act 1972.

Document is Restricted

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