

Executive Cabinet

Agenda and Reports
for consideration on

Thursday, 25th June 2009

in the Council Chamber, 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
Carol Russell (Tel: 01257 515196, E-Mail: carol.russell@chorley.gov.uk)
in the Democratic Services Section.

16 June 2009

Dear Councillor

EXECUTIVE CABINET - THURSDAY, 25TH JUNE 2009

You are invited to attend a meeting of the Executive Cabinet to be held in the Council Chamber, Town Hall, Chorley on Thursday, 25th June 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 of meeting Thursday, 28th May 2009 of Executive Cabinet (Pages 1 - 6)**

To confirm, as a correct record the minutes of the meeting of the Executive Cabinet held on 28 May 2009 (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 LEADER (INTRODUCED BY COUNCILLOR P GOLDSWORTHY)

5. **Sustainable Communities Act, 2007 - Implications for Chorley (Pages 7 - 10)**

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

ITEMS OF EXECUTIVE MEMBER (BUSINESS) (INTRODUCED BY COUNCILLOR PETER MALPAS)

6. **Executive's response to Overview and Scrutiny inquiry into Chorley Community Housing (Pages 11 - 14)**

To receive and consider the enclosed report of the Corporate Director (Business) on the suggested response of the Executive Cabinet to the Overview and Scrutiny Task Group's report into Chorley Community Housing.

7. **Section 106 Agreements - Involvement of Parish Councils (Pages 15 - 18)**

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

ITEM OF EXECUTIVE MEMBER (NEIGHBOURHOODS) (INTRODUCED BY COUNCILLOR ERIC BELL)

8. **Off-Street Parking - Enforcement**

To consider a report of the Corporate Director (Neighbourhoods) (Report to follow).

ITEMS OF EXECUTIVE MEMBER (RESOURCES) (INTRODUCED BY COUNCILLOR K JOYCE)

9. **Capital Programme - Provisional Outturn for 2008/09 and Monitoring Programme for 2009/10 and onwards (Pages 19 - 34)**

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

10. **Revenue Budget, 2008/09 - Outturn (Pages 35 - 44)**

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

11. **Possible changes to the administration of Concessionary Travel (Pages 45 - 52)**

To consider the enclosed report of the Assistant Chief Executive (Business Transformation).

12. **Any other item(s) that the Chair decides is/are urgent**

13. **Exclusion of the Public and Press**

To consider the exclusion of the press and public for the following items of 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 (BUSINESS) (INTRODUCED BY COUNCILLOR P MALPAS)

14. **Affordable Housing Task Group - Service Improvement Plan (Pages 53 - 64)**

To receive and consider the enclosed confidential report of the Corporate Director (Business), with attached draft action plan and delivery programme.

The Corporate Director (Business) will make a short presentation at the meeting to explain the proposed action plan.

Yours sincerely

Donna Hall

Donna Hall
Chief Executive

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

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Executive Cabinet

Minutes of meeting held on Thursday, 28 May 2009

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

Also in attendance:

Lead Members: Councillors Harold Heaton (Lead Member (Development Control))

Other Members: Councillors Mike Devaney, Dennis Edgerley, Anthony Gee, Laura Lennox, Adrian Lowe, June Molyneaux, Mick Muncaster, Debra Platt, Geoffrey Russell and Ralph Snape.

09.EC.34 APOLOGIES FOR ABSENCE

An apology for absence was received from Councillor Rosemary Russell (Lead Member for Health and Older People).

09.EC.35 DECLARATIONS OF ANY INTERESTS

There were no declarations of interest by any of the Executive Members in any of the meeting's agenda items.

09.EC.36 MINUTES

The minutes of the meeting of the Executive Cabinet held on 26 March 2009 were confirmed as a correct record for signature by the Executive Leader.

09.EC.37 PUBLIC QUESTIONS

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

09.EC.38 PERFORMANCE MONITORING REPORT - FOURTH QUARTER OF 2008/09

The Executive Cabinet considered a report of the Assistant Chief Executive (Policy and Performance) which set out and reviewed the Authority's performance both in respect of the 36 key projects included in the refreshed 2008/09 Corporate Strategy and against the new National Indicators for which the Council was responsible, during the fourth quarter of 2008/09 ending on 31 March 2009.

The report revealed an overall commendable performance on the delivery of the Corporate Strategy key projects, with 35 projects being either completed, progressing on or ahead of schedule or scheduled to commence later in the year. Only the refurbishment of the Covered Market project was behind schedule, but the resolution of past issues was expected to ensure the delivery of the project before the end of June 2009. In relation to this project, a Member requested the Officers to re-examine the location of the used cigarette receptacles near the Market entrances.

The report also revealed a good performance in respect of the national indicators that could be measured, with 12 out of 17 indicators having matched or exceeded their

targets. Action plans had been compiled and adopted in respect of the 5 indicators where the target performance had not been reached.

Data comparing Chorley's performance with other similar authorities would be presented to future meetings.

Decision made:

That the report be noted.

09.EC.39 CHORLEY PARTNERSHIP DRAFT ANNUAL REPORT FOR 2008/9

The Executive Cabinet received a report of the Assistant Chief Executive (Policy and Performance) presenting the Chorley Partnership's end of year performance report for 2008/09.

The report reviewed the Partnership's activities and performance throughout 2008/09, commenting particularly on the progress and implications of the LSP sponsored projects and how they were contributing to the achievement of the Sustainable Community Strategy. The report also reviewed the Council's performance against the first year of the Local Area Agreement.

The Assistant Chief Executive's report highlighted a number of key issues discussed in the Annual Report, pointing out, for example, that the number of business start-ups had exceeded the target number, despite the economic downturn and that the number of teenage pregnancies had fallen by a further 10% since the previous year.

While the overall crime rate had reduced by 2.2% over the past 12 months, the number of violent crime incidents had risen, albeit by a small number and some related to domestic incidents. In this context, the Members agreed that it would be beneficial for domestic crime statistics to be reported periodically to the Executive Cabinet. Concern was also expressed at the rise in the number of hospital admissions for alcohol related harm. Members agreed that these two issues, in particular, would need to be addressed more thoroughly.

Decision made:

That the report be noted.

09.EC.40 EXECUTIVE'S RESPONSE TO OVERVIEW AND SCRUTINY INQUIRY INTO STREETSCENE ISSUES

Following the Executive Cabinet's receipt at its meeting on 8 January 2009 of the findings and recommendations of the Overview and Scrutiny Task Group on its inquiry into the activities of the Streetscene Section of the Neighbourhoods Directorate, the Corporate Director (Neighbourhoods) submitted a report on a suggested response to the inquiry report.

The Corporate Director's report reminded Members of the Transformation Action Plan developed in response to the recent Value for Money review of the Directorate. The Action Plan contained a number of processes which would support the implementation of the Overview and Scrutiny report, through, for example, the formulation of schedules for the cleaning and emptying of litter bins; and the mapping and numbering of assets (including litter bin locations) on the Geographical Information System.

In addition, the operational teams within the Streetscene function were being re-aligned to support the new Neighbourhood Working agenda. The teams would be

reviewing the current operations for all streetscene activities (including mowing, litter collection and street sweeping) with the aim of establishing more efficient and effective arrangements for each neighbourhood area.

The Corporate Director's report outlined each of the Overview and Scrutiny Task Group's 25 specific recommendations and contained a suggested response to each recommendation which referred to the appropriate action that had been, or would be, instigated under the Transformation Action Plan.

Decisions made:

(1) That the recommendations of the Overview and Scrutiny Task Group having conducted the inquiry into Streetscene issues, as outlined in the submitted report, be received and endorsed.

(2) That the Executive Cabinet's thanks to the Overview and Scrutiny Task Group for its inquiry report be placed on record.

Reason for decision:

To ensure the delivery and implementation of the recommendations of the Overview and Scrutiny Task Group.

Alternative option(s) considered and rejected:

None.

09.EC.41 REGULATORY ENFORCEMENT AND SANCTIONS ACT 2008

The Corporate Director (Neighbourhoods) submitted a report which summarised the main provisions of the new Regulatory Enforcement and Sanctions Act, 2008 and its implications for the Council's enforcement functions.

The Act aimed to establish a link based approach to enforcement and created a new agency to monitor the mechanisms put in place by local authorities to regulate enforcement action, the Local Better Regulation Office, which would report directly to the Secretary of State for Business Enterprise and Regulatory Reform. The Council's Service Manager (Environment) would be nominated as Chorley Council's Key Point of Contact on enforcement issues, as required by the new agency.

The Act also created a Primary Authority scheme, under which a business operating in two or more local authority areas could request a single authority to act on its behalf for specified regulatory enforcement matters such as food safety, health and safety at work and environmental enforcement activity. This would require any authority wishing to pursue enforcement action against a business within a Primary Authority arrangement to consult the Primary Authority before taking action.

The Act also required local authorities to undertake a review by December 2009 of its application of current legislation and Bye-laws to ensure that any business within the European Community wishing to trade in the locality was not prejudiced.

The Corporate Director confirmed the provision for the costs of undertaking the role of a Primary Authority to be recovered, but intimated that the Council would need to ensure that sufficient administrative support was available in the event of Chorley Council being requested to act as a Primary Authority.

Decision made:

That the report be noted.

09.EC.42 BUSINESS DIRECTORATE VALUE FOR MONEY REVIEW - FINAL REPORT

The Assistant Chief Executive (Business Transformation) presented a report which commented on the findings, conclusions and recommendations contained within the recent value for money review of the Council's Business Directorate.

The internal review had been undertaken to assess the Directorate's effectiveness in the delivery of quality services and value for money and to produce recommendations on how the service could be improved. The report clarified the factors and scoring criteria that had applied during the review.

The review had concluded that, while the Directorate was found generally to offer good value for money, there were areas where improvements could be pursued. A series of recommendations indicated in the final report had formed the basis of a transformation plan to drive the suggested improvements. The plan had, in fact, already resulted in a Directorate restructure which had achieved a saving of £125,000.

A copy of the final report document had been made available in the Members' Room and on the Council's website.

Decision made:

That the report be noted and that the recommendations contained within the findings report of the Value for Money review of the Business Directorate to make the services more effective and efficient be approved for development and implementation.

Reason for decision:

The Value for Money review is an integral part of the Council's drive to improve services across the Council and implementation of the recommendations will enable the services to be effective and efficient.

Alternative option(s) considered and rejected:

None.

09.EC.43 EXCLUSION OF PRESS AND PUBLIC

Decision made:

That the press and public be excluded from the meeting for the following item of business on the ground that it involves the likely disclosure of exempt information as defined in Paragraph 1 of Part 1 of Schedule 12A to the Local Government Act 1972.

09.EC.44 STRUCTURE CHANGES TO ACCOMMODATE INTEGRATION OF THE LICENSING FUNCTION INTO NEIGHBOURHOODS DIRECTORATE

The Executive Cabinet considered a report of the Corporate Director (Neighbourhoods) proposing structural changes within the Neighbourhoods Directorate following the integration of the Council's licensing functions within the Directorate.

The report drew attention to the differing strands of licensing activities and functions for which the Council had responsibility, highlighting the number of licensable activities where responsibility was currently split across Council Directorates. For example, the licensing of hackney carriage and private hire vehicles and premises for the sale of alcohol and use for gambling and gaming machines was administered by the recently transferred Licensing Team, whereas street trading, animal boarding and pet shop activities fell within the Neighbourhoods Directorate's responsibility.

The report also clarified the following two distinct operations of the licensing function:

- a quasi-judicial administrative process to validate and issue licence applications; and
- an enforcement operation to ensure that licensable activities complied with legislative requirements and that the conditions of licences were adhered to.

The new structure sought to separate the functions to allow the administrative element to be operated as part of the Neighbourhoods Directorate's Business Improvement Team and the operational enforcement element to fall within the Public Protection Section of the Directorate. This would entail a projected fundamental change in the operation and management of the Licensing Team.

In addition, the report recommended the refinement of the structure of the Neighbourhood Quality Team to enable a more coherent integration of the responsibilities for private sector housing standards and general statutory nuisance and pollution work into the new neighbourhood working arrangements.

Details of the proposed structural changes, which were aimed at avoiding unnecessary duplication of inspection processes, improving working methods and achieving budgetary savings, were shown in appendices to the submitted report.

Decision made:

That the proposals outlined in the submitted report to revise the staffing structure of the Neighbourhoods Directorate in order to make the best use of resources following the integration of the Council's licensing function into the Directorate and ensure the best delivery of housing standards and statutory nuisance services be approved for consultation purposes.

Reasons for decision:

1. To ensure the best use of resources and strengthen the Council's licensing enforcement function through integration into a Public Protection Team.
2. To provide a coherent Neighbourhood Quality Team structure which best fits the Council's neighbourhood working agenda.

Alternative option(s) considered and rejected:

The transfer of the existing Licensing Team into the Neighbourhoods Directorate as a stand alone unit was considered but rejected on the grounds that better use of resources and synergies with other enforcement activities could be achieved.

Executive Leader

Report of	Meeting	Date
Corporate Director (Business) (Introduced by the Executive Leader)	Executive Cabinet	25 June 2009

SUSTAINABLE COMMUNITIES ACT

PURPOSE OF REPORT

- To inform members of the powers that the Council could gain under the Sustainable Communities Act and seek endorsement of the recommendation below.

RECOMMENDATION(S)

- That Executive Cabinet endorses consultation to be carried out with the community on the following three options:
 - Business Rates - that business rates should be retained by the local authority to be spent on local priorities.
 - Garden Development - amendment to PPS3 to exclude gardens from the definition of brownfield land.
 - Governance - local authority representation on public bodies e.g. PCT.

EXECUTIVE SUMMARY OF REPORT

- The Sustainable Communities Act came into force in October 2007. Its aim is to promote the sustainability of local communities by giving local authorities the opportunity to gain new powers. This is done by submitting proposals to central government, via the LGA, the deadline for which is 31 July 2009.
- There is no limit to the type of proposals that can be put forward however they must not already be within the existing powers of the local authority and must relate to actions that the local authority believes would better enable them to improve the social, environmental and economic well-being of their area.
- Local authorities are required to consult with citizen's panels on the proposals. These panels are the mechanism by which residents can put forward their ideas on what proposals they think the local authority should make to the government.
- Local authorities have the choice as to whether to use the Act. The Executive Cabinet is recommended to endorse the use the Act and put forward proposals to Central Government in order to gain control of powers and spending that effect the local area.

CORPORATE PRIORITIES

7. 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

- 8. The Sustainable Communities Act received Royal Assent on 23 October 2007. Its aim is to promote the sustainability of local communities.
- 9. The Act establishes a new ‘bottom up’ approach where local authorities have more control over what Central Government does locally. Local authorities can use the Act to gain new powers, devolve existing powers and money from central government control to local control, change planning rules and reduce centrally imposed duties.
- 10. This is achieved by local authorities being given the power to make proposals to the government on how they can assist the local authority in promoting the sustainability of local communities. The process for making proposals and the types of proposals that can be made are set out below.

THE PROCESS

- 11. Local authorities are invited to make proposals to Central Government, via the LGA, by 31st July 2009 for the first round. The whole process of submitting proposals is expected to occur on an annual basis.
- 12. The process requires local authorities to consult with citizen’s panels made up of representatives of local people. They must also include representatives from all sections of communities in the area. These panels are the mechanism by which residents can put forward their ideas on what proposals they think the local authority should make to the government.
- 13. The local authority will then forward the proposals to the LGA. It will not be possible for all proposals to be put direct to Central Government therefore the LGA will act as ‘selector’ and short-list those proposals that are to be submitted.
- 14. The government then consults with the LGA to try and reach agreement on which of the proposals on the short-list should be implemented. The government will not be able to reject proposals simply because they do not like them and details of the selection and negotiation of the proposals will all be public.
- 15. Finally the government must publish what action it proposes to take on the proposals that are granted and put a report on this before Parliament for debate and scrutiny. Government action will then begin to be taken on those proposals that have been granted.

TYPE OF PROPOSALS

- 16. The Act does not limit the type of proposals that can be put forward however there are two main criteria for a valid proposal. These are as follows:

1. The proposals must be ones that require action from the government and not be possible within the existing powers of the local authority; and
 2. The proposals must relate to actions that the local authority believe would better enable them to improve the social, economic or environmental well being of their area.
17. There are a wide range of possible proposals including:
- That government change the planning system so that developers cannot appeal to central government to overturn a local planning decision.
 - That government give local authorities the power to use the planning system to stop developers from demolishing public services (for example public houses) that they own so that they can then apply for planning permission to develop the site.
 - That government reduce the restrictions on local authorities regarding how they spend granted money so that they can choose to spend it on locally decided priorities, e.g. Post Offices and other public services provision.
 - That government give local authorities the power to retain revenue from business rates to be spent on locally decided priorities.
 - That government give local authorities the power and resources to increase local recycling and/or the amount of recycling that is processed locally.
 - That government give local authorities the power to decide how to spend central agency money (e.g. Business Link money) already being spent in the area.
 - That government give local authorities the power to enforce congestion charging.
 - That government give local authorities the power to ban single occupancy cars from certain routes at certain times.
 - That government give local authorities greater powers over local bus company operators.

BENEFITS OF USING THE ACT

18. Local authorities have a choice whether to use the Act or ignore it. Below are some benefits of using the Act:
- Power to determine the action and assistance government gives.
 - Strength in numbers as local authorities can make joint proposals.
 - Transferring powers and monies from central to local government so that local authorities can gain control of powers and spending that effect their local areas. The majority of public money currently spent in any area of the country is controlled by central government departments.
 - Democratic citizen involvement in coming up with proposals.

CONCLUSION

19. The Executive Cabinet is recommended to take advantage of the Sustainable Communities Act and submit proposals to Central Government.
20. Following consideration of the economic climate and other issues affecting the Borough, the following three options have been selected for consideration by the Executive Cabinet as possible proposals to be submitted to the LGA:
1. Business Rates - that business rates should be retained by the local authority to be spent on local priorities.
 2. Garden Development - amendment to PPS3 to exclude gardens from the definition of brownfield land.
 3. Governance - local authority representation on public bodies e.g. PCT.
21. The Council will need to consult the Citizen's Panel on these options in order to allow residents the opportunity to put forward their ideas on what proposals they think the local authority should make to the government.

IMPLICATIONS OF REPORT

22. 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)

23. In pure financial terms the option to keep the local business rates collected is potentially advantageous. Presently the Council collects and pays over £20.7m of business rates, yet the Council receives £7.2m in grant back from the pool.

Whilst this indicates the scale of the difference any local scheme is unlikely to be allowed to benefit to the full extent of the difference. The hope would be that if such a scheme were implemented there would be some financial gain to the Council.

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

Background Papers			
Document	Date	File	Place of Inspection
Sustainable Communities Act 2007: A Guide	February 2008	***	Union St Offices
The Sustainable Communities Act: A 4 page briefing for councillors and officers	October 2008	***	

Report Author	Ext	Date	Doc ID
Katherine Howarth	5295	05/06/09	***



Report of	Meeting	Date
Corporate Director (Business) Introduced by the Executive Member for Business	Executive Cabinet	25 th June 2009

RESPONSE TO OVERVIEW AND SCRUTINY TASK GROUP – CHORLEY COMMUNITY HOUSING

PURPOSE OF REPORT

- To respond to the findings and recommendations of the Overview and Scrutiny inquiry report on Chorley Community Housing (CCH)

RECOMMENDATION(S)

- That the Executive Cabinet endorses the response attached to be received by Overview and Scrutiny Committee.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

- To inform Overview and Scrutiny Committee of the Executive’s response to the recommendations made by the O&S Inquiry on Chorley Community Housing.

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 organization	√



BACKGROUND

6. In the Autumn/Winter of 2008 an Overview and Scrutiny Task Group conducted a scrutiny inquiry to investigate whether the promises made by Chorley Council and provided under contract by Chorley Community Housing were being delivered to the tenants. Four of the six promises were investigated in detail:

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

7. The report containing a number of recommendations was presented to Executive Cabinet in January 2009. Outlined below are the responses to each of the 13 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.

The recommendation for more detailed performance information on delivery against targets is supported. CCH are aware of this request and have said they would provide performance management information where readily available provided it is not commercially sensitive. As part of the quarterly meeting with CCH, the Corporate Director (Business) will seek to ensure the information outlined is provided by CCH and if required invite the Operations Director to attend Overview & Scrutiny.

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.

CCH are obliged under the contract to provide information on the scale and payment profile of the VAT shelter. The Assistant Chief Executive (Business Transformation) is currently pursuing this information with CCH's Finance Director.

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.

As part of the Council's action plan to ensure affordable housing provision within the Borough, the Corporate Director (Business) is working in partnership with Adactus to deliver affordable housing including drawing up a delivery programme.

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.

A progress report on delivery of the six promises provided by CCH has historically been attached to the performance of key partnerships report presented to cabinet

every 6 months. The additional information outlined in recommendation 1 should further strengthen this 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.

Updated contact details re CCH staff has been included in the forward plan of items for 'in the know'. To date, CCH have provided updated contact details re their staff during the inquiry circulated via 'in the know' and a further update is expected shortly which can also be accessed via the link on 'in the know'. Re other relevant information of interest to members, Democratic Services contact all partners including CCH on a regular basis for such information for inclusion in 'in the know'.

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.

A copy of the final O&S Inquiry report will be forwarded to Lancashire County Council for them to act upon.

6. 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.

CCH were informed of this recommendation and the CCH Director of Operations has confirmed that this recommendation has been implemented.

8. To support the Council's Neighbourhood Working arrangements by strengthening the reporting and monitoring systems between the Council and Chorley Community Housing.

This recommendation could have been supported more easily if the streetscene services were still provided through a contract arrangement between Chorley Council and CCH (see recommendation 10). However, CCH are members of the Neighbourhood Teams which operate across the borough and this mechanism will be maintained to ensure streetscene standards are achieved across Chorley.

9. Contractors should provide tenants with information to enable tenants to contact them throughout the course of work being undertaken on their property.

CCH were informed of this recommendation and the CCH Director of Operations has confirmed that this recommendation has been implemented.

10. To collect and monitor tenant satisfaction before, during and after work is undertaken on their property.

CCH were informed of this recommendation and the CCH Director of Operations has confirmed that this recommendation has been implemented.

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

The Council submitted a tender earlier this year to continue to provide grounds maintenance and street scene services for CCH. Unfortunately the tender was unsuccessful and was awarded to Adactus with effect from 1st April 2009. However, we will notify CCH of any feedback, issues etc. we are made aware of re the Streetscene Service for them to act upon

- 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.

This view is supported and it is highly likely that councillors with social housing in their ward already contact the social housing provider and participate in and support residents associations. However, a reminder of this positive message will be included in the next edition of 'in the know'

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

S106 agreements need to be flexible to reflect the needs of the community and the current market situation.

- 8. The Executive would like to thank the Task Group for their report and recommendations which will help guide the Council in their scrutiny of CCH and their delivery of the promises.

IMPLICATIONS OF REPORT

- 9. 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	X

JANE MEEK
Corporate Director (BUSINESS)

There are no background papers to this report.



Report of	Meeting	Date
Corporate Director Business	Executive Cabinet	25 June 2009

S106 AGREEMENTS – INVOLVEMENT OF PARISH COUNCILS

PURPOSE OF REPORT

1. To review the S106 process and identify how Parish Councils can be involved in the process, particularly in relation to the needs of their local community.

RECOMMENDATION(S)

2. That the process for consulting on planning applications and associated S106 Agreements, together with the establishment of a Play and Recreation Fund, be endorsed for discussion and consultation at the next Borough/Parish Liaison meeting on 15 July 2009.
3. That, provided no issues of major significance are raised at the Borough/Parish Council Liaison meeting, the Corporate Director (Business) be authorised to approve the recommended consultation process.

EXECUTIVE SUMMARY OF REPORT

4. There is a need to identify play and recreation provision improvements within the Borough and find funding solutions to enable these to be provided. The Councils requirement to pay a fixed fee per house on smaller schemes does potentially provide the option for Parish Councils or other bodies, including Chorley Council, to utilise some of the money and provide good value by attracting external funds to complete the projects that will provide benefit to the local community.
5. A mechanism for consulting with Parish Councils and other bodies needs to be identified and a fund for play and recreation provision with an application pack can be provided to enable and assist the application process

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

6. There is significant value that can be gained for the community in identifying needs and priorities for all areas, this has to be tempered with the development industries ability to fund any benefits and the ability of the Council to require certain benefits to be provided.
7. The involvement of the Parish Councils in the S106 process will ensure that the needs of the local community can be identified and any money can be effectively distributed.

CORPORATE PRIORITIES

8. 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	4	Develop the Character and feel of Chorley as a good place to live	4
Involving people in their communities	4	Ensure Chorley Borough Council is a performing organization	

BACKGROUND

- 9. A number of planning applications are subject to S106 agreements. These are legal requirements which are used to mitigate the impact of a development when a planning condition cannot be used – and related to projects which will be funded by the developer. S106 agreements have to be related to the development proposed and there is case law and guidance on what they can include and what issues are considered illegal.
- 10. With regards large scale planning applications there are usually a number of requirements eg affordable housing, transport/infrastructure and play and recreation requirements, which can be provided either on or off site depending on the nature of the development. The review of play and recreation space currently being undertaken by the People Directorate will feed into this and help identify priorities across the Borough; as will the Neighbourhood Action Plans
- 11. In addition the Council approved a policy some years ago requesting for a contribution towards play and recreation of £2,526 for each new dwelling

PARISH COUNCIL INVOLVEMENT

- 12. The Parish Council’s wish to have an input into the S106 process with regards identifying what should be included in the agreement and how it should be spent. With regards what should be included in the S106 this can be done at the same time the Parish Council’s are consulted on applications similar to other organisations eg Lancashire County Council. In order that any requests can be incorporated into the S106 agreements they need to be identified early so that they can be included in any negotiations and should be supported by evidence.
- 13. The majority of the large scale applications and associated S106 agreements are subsequently presented to Development Control Committee for approval.
- 14. The play and recreation contribution is a fixed amount and is automatically applied. This money is used for the provision and maintenance of play and recreation facilities. These are small amounts of money and on their own are insufficient to fund a new play area, and some rural areas which have no development do not have access to these funds at all. It is therefore proposed that the S106 agreement on developments below 15 properties should state that it is a borough-wide contribution for the provision, maintenance of play and recreation and would not be limited to the locality.

ALLOCATION OF S106 MONEY

- 15. The payment of S106 money to the Council, and when it is paid, is included in the agreement and can be spread over a period of time particularly in relation to large schemes. When the Council has received the money and there is some flexibility as to how or where it should be spent it is proposed that it should go through a twice yearly bidding

process which will be subject to Executive Cabinet approval. Any bids will need to cover a number of factors including amounts required; leverage; need; value for money; engagement with children and young people; maintenance arrangements timing of expenditure and an outline of what will be funded. Chorley Council, Parish Councils and other appropriate community groups who provide play and recreation facilities, will be invited to submit schemes which can be considered for funding. These will be assessed alongside schemes identified in the Neighbourhood Action Plans and the Review of Play and Recreation Space.

CONCLUSION

16. These proposals form part of the initiatives we are putting in place to manage and monitor S106 agreements and ensure that they fulfil their objective which is to help mitigate the impact of the development. In addition the application process will help ensure that any available funds are spent in a fair and equitable way.

COMMENTS OF THE ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

17. Whilst the sums individually are insignificant they can add up over a period. At present there is a sum of just over £100k which has been received but has not yet been allocated to schemes, pending this proposal.

The report outlines that engaging other partners in the process of allocating the costs would ensure that some leverage is found this of course will need to be balanced against the demands the Council has to manage and maintain its own play facilities.

JANE MEEK
CORPORATE DIRECTOR (BUSINESS)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Jane Meek/Paul Whittingham	5285/5349	19 May 2009	D&RREP/S106

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Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources)	Executive Cabinet	25th June 2009

CAPITAL PROGRAMME PROVISIONAL OUTTURN 2008/09 AND MONITORING 2009/10 ONWARDS

PURPOSE OF REPORT

1. To report the provisional outturn for the capital programme for 2008/09 and to update the programme for 2009/10 onwards.

RECOMMENDATION(S)

2. That the 2008/09 capital programme provisional outturn be noted.
3. That the financing of the programme as indicated in Appendix 1 be approved.
4. That the capital programme for 2009/10 be increased to £9,672,620 to take account of slippage from 2008/09, increased resources and other increases.

EXECUTIVE SUMMARY OF REPORT

5. The provisional outturn at a total cost of £5,235,092 is attached as Appendix 1. This also sets out the financing of the programme, which has achieved a reduction in prudential borrowing in 2008/09 by £1.529 million. This is not a saving over the three years to 2010/11, but slipping borrowing to 2009/10 achieves a revenue budget saving in that financial year.
6. The updates to the budgets for 2009/10 and 2010/11 are also presented in Appendix 1. Further information about the slippage of £3.601 million from 2009/10 is presented in Appendix 2. Information about the other budget increases totalling £1.018 million in 2009/10 is given in Appendix 3. Most of this increase relates to a considerable increase in the Regional Housing Pot capital grant allocated to the Council for 2009/10.

REASONS FOR RECOMMENDATION(S)

(If the recommendations are accepted)

7. To give formal approval to the financing of the 2008/09 capital programme.
8. To update the capital programme for 2009/10 to take account of expenditure committed during 2008/09 but not incurred by 31st March 2009.
9. To update the 2009/10 capital programme to take account of additional resources such as Regional Housing Pot Capital grant.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

10. None.

CORPORATE PRIORITIES

11. 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

12. Council reduced the capital programme for 2008/09 to a total of £8,582,620 on 27 January 2009. The financing of schemes for the years 2008/09 to 2010/11 was amended so that prudential borrowing would be restricted to the previously approved maximum of £3,624,640.

13. The capital programme for 2009/10 to 2011/12 was approved by Council on 26 February 2009. Estimated expenditure for 2009/10 was £5,053,280, which included the slippage of £1,297,580 expenditure from 2008/09 that had been reported previously.

2008/09 PROVISIONAL OUTTURN

14. The provisional outturn for the 2008/09 capital programme is £5,235,092, which is a reduction of £3,347,528 compared to the budget approved in January 2009. The detailed outturn is presented in Appendix 1.

15. Of the total variance, £3,601,290 is slippage of expenditure to 2009/10. Further information is presented in Appendix 2. The major variances were as follows:

- £1,200,000 - New recycling containers, which were delivered to Chorley residents in April 2009.
- £481,330 – Chorley Strategic Regional Site. Effect on capital resources is neutral because to be financed with earmarked capital receipt.
- £370,210 – Astley Park pavilion/pets corner phase, and CCTV. Lottery scheme due to be completed during 2009/10. CCTV contract nearly completed.
- £365,360 – Improvements to property assets. Schemes will be developed with Liberata.
- £191,070 – Various ICT projects, including CRM. Due to be completed in 2009/10.
- £164,800 – Recreation schemes funded by grants and contributions. Effect on capital resources is neutral.
- £160,500 – Energy Grants. New contractor commenced work towards end of 2008/09.
- £150,000 – Affordable Housing. Implementation of projects depends on housing association partners.

16. Expenditure on a number of schemes exceeded budget provision, though in several cases this was matched by increased funding from external sources. In particular, increased expenditure in respect of the Astley Park, Common Bank and Leisure Centres schemes was financed by grants and contributions from other funding partners. The expenditure on Buckshaw Village Railway Station was financed using the S106 contribution received for that purpose.

17. Plant and equipment required for the Grounds Maintenance service has now been included in the capital programme at a cost of £74,564, and has been financed by prudential borrowing because this would be cheaper than paying annual lease rentals. Though this has contributed to an increase in borrowing above that included in the budget for 2008/09 to 2010/11, the revenue savings are greater than the increased revenue costs arising from the borrowing.
18. Some expenditure was moved from the revenue budget when it was considered appropriate to charge it to the capital programme instead. This included improvements to various properties and the purchase of ICT equipment. Capitalising the expenditure achieved savings against the revenue budget. However, some expenditure that had been included in the capital programme was charged to the revenue budget instead, because it was not considered appropriate to capitalise it. The effect on the revenue budget was neutral, because earmarked reserves that would have financed capital expenditure were used to finance this revenue expenditure instead.
19. Some capital projects show variances at 2008/09 outturn because they have received an allocation of capitalised salaries, the budget for which was included as Project Design Fees under Business directorate.
20. There was a net shortfall in capital receipts of £17,350, the main reason being that preserved Right To Buy (RTB) receipts from Chorley Community Housing (CCH) fell short of even the reduced estimate. This is a continuing effect of the so-called "credit crunch".
21. Prudential borrowing in 2008/09 has reduced by £1,529,482 to £1,142,898. Most of this relates to slippage to 2009/10, so the reduction is only temporary. However, this delay in borrowing leads to revenue budget savings during 2009/10.

2009/10 CAPITAL PROGRAMME

22. The capital programme for 2009/10 is shown in Appendix 1 as increasing by £4,619,340 to £9,672,620. Of this total £3,601,290 is the slippage of expenditure from 2008/09, which is itemised in Appendix 2. Appendix 3 identifies the reasons for the further increase by £1,018,050 and further details are presented below in respect of the major variances.
23. Of the expenditure identified as slippage, £1,200,000 relates to the purchase of the new recycling containers, which were received by Chorley residents during April 2009 and therefore should be accounted for in 2009/10. The next largest item (£481,330) is in respect of infrastructure work at the Chorley Strategic Regional Site, which is being financed by a capital receipt from the sale of the land, earmarked for that purpose. The effect on the Council's capital resources is neutral, and if the receipt is not spent in full, the balance should become payable to the North West Development Agency, which provided the grant funding for the reclamation of the land being developed.
24. The Council has received a considerable increase in its allocation of Regional Housing Pot (RHP) capital grant. The base estimate for 2009/10 was £311,500, based on the allocation for 2008/10. The actual grant received in 2009/10 is £1,277,000, an increase of £965,500. This represents most of the increase in the 2009/10 programme other than slippage from 2008/09. At present the increased grant has not been allocated to fund specific projects, but the Business directorate budget for 'housing renewal' has been increased by a sum that will be reallocated when proposals have been developed.
25. The 2009/10 programme includes £1,753,140 expenditure on promotion of affordable housing schemes. However, of this total, £600,000 represents a S106 contribution that has not yet been received from the developer. It is by no means guaranteed that the contribution will be received during 2009/10, though that was a reasonable assumption when the programme was prepared. Affordable housing expenditure that is intended to be

financed with the contribution should not be incurred before it is received, so it is possible that any programme would have to be rephrased to reflect any delay in receipt of the resource. Furthermore, an affordable housing programme would require housing association partners to have funding available and to implement their schemes on time, which means that some slippage is likely to occur in any case for reasons beyond the control of the Council

- 26. Further expenditure on the implementation of the Buckshaw Village Railway Station is not yet included in the programme. As at 1 April 2009, the balance of the S106 contribution received for this purpose was £3.506 million, though additional external grants and contributions will be required in order to complete the project.
- 27. Officers are working with Liberata to reduce the estimated cost of the Covered Market improvement scheme. The total estimated works cost is £366,200, which is expected to be the maximum payable. Additional works estimated to cost £26,650, in particular those relating to rainwater harvesting, should help to reduce subsequent annual running costs. This work is funded in part from the Climate Change Pot budget. The revenue budget savings from rainwater harvesting are estimated to be £3,000 per year.
- 28. A consequence of adding additional expenditure to the capital programme in 2008/09 and further increases in 2009/10 is that prudential borrowing is now estimated to exceed the budgeted total by £46,480. However, this is less than the cost of the Grounds Maintenance equipment added to the programme in 2008/09 (£74,564), and the increase in borrowing costs chargeable to revenue is less than the saving in lease rentals, so there is at present a saving to the revenue budget.
- 29. Avoiding further increases in borrowing is likely to be possible only if all budgeted receipts are achieved and further assets included in the disposal programme are sold during the year. At present the estimate for Preserved RTB receipts from CCH remains at £100,000, though the total achieved during 2008/09 was only £63,275. The total in 2007/08, before the “credit crunch” was £1.144 million.

IMPLICATIONS OF REPORT

- 30. 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	

Financial implications are indicated in the body of the report.

GARY HALL
 ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael L. Jackson	5490	10 June 2009	Capital Programme Provisional Outturn 2008-09.doc

Capital Programme - 2008/09 to 2010/11

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Provisional Outturn (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) £
<u>Town Centre Investment</u>												
Markets Action Plan (Phase I)	325,800	(37,820)	12,342	300,322	0	37,820	67,980	105,800	0		0	406,122
Town Centre Investment	0			0	0		0	0	1,025,000		1,025,000	1,025,000
Town Centre Investment Total	325,800	(37,820)	12,342	300,322	0	37,820	67,980	105,800	1,025,000	0	1,025,000	1,431,122
<u>Affordable Housing</u>												
Homelessness Prevention Central Lancs Sanctuary Scheme	28,500		3,137	31,637	28,500			28,500	0		0	60,137
Affordable Housing Halliwell Street Project 2007-2010	0		1,505	1,505	79,000			79,000	0		0	80,505
Affordable Housing HALS Project 2007/08 - 2008/09	130,000	(130,000)	1,505	1,505	750,000	130,000		880,000	0		0	881,505
Choice Based Lettings	20,000	(20,000)	7,011	7,011	0	20,000		20,000	0		0	27,011
Affordable Housing New Development Project 2008/09 - 2010/11	0		8,500	8,500	754,140		(8,500)	745,640	533,760		533,760	1,287,900
Affordable Housing Total	178,500	(150,000)	21,658	50,158	1,611,640	150,000	(8,500)	1,753,140	533,760	0	533,760	2,337,058
<u>Sustainability & Climate Change</u>												
Climate Change Pot	70,000	(70,000)	0	0	110,000	70,000	(10,000)	170,000	0		0	170,000
Sustainability & Climate Change Total	70,000	(70,000)	0	0	110,000	70,000	(10,000)	170,000	0	0	0	170,000
<u>Matched Funding Pot</u>												
Matched Funding Pot / Invest To Save	50,000	(50,000)	0	0	150,000	50,000	(25,000)	175,000	100,000		100,000	275,000
Matched Funding Pot Total	50,000	(50,000)	0	0	150,000	50,000	(25,000)	175,000	100,000	0	100,000	275,000
<u>Performing Organisation - Investment in Infrastructure</u>												
<u>Assistant Chief Executive (Business Transformation)</u>												
Planned Improvements to Fixed Assets	299,990	(299,990)	(1,296)	(1,296)	200,000	299,990		499,990	200,000		200,000	698,694
Investment in Council Assets	100,000	(65,370)	48,867	83,497	50,000	65,370	(63,820)	51,550	0		0	135,047
Capitalised restructuring costs	530,000	0	(4,431)	525,569	0			0	0		0	525,569
Assistant Chief Executive (Business Transformation)	929,990	(365,360)	43,140	607,770	250,000	365,360	(63,820)	551,540	200,000	0	200,000	1,359,310

Capital Programme - 2008/09 to 2010/11

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Provisional Outturn (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) £
<u>Assistant Chief Executive (Policy & Performance)</u>												
Project Management Support Capitalisation	40,000	0	(40,000)	0	40,000			40,000	40,000		40,000	80,000
Performance Management	0	0	0	0	10,000			10,000	0		0	10,000
Assistant Chief Executive (Policy & Performance)	40,000	0	(40,000)	0	50,000	0	0	50,000	40,000	0	40,000	90,000
<u>Corporate Director (Business)</u>												
Disabled Facilities Grants	423,360	(4,090)	12,202	431,472	300,000	4,090		304,090	300,000		300,000	1,035,562
Housing Renewal					200,000		973,000	1,173,000	200,000		200,000	1,373,000
- Home Repair Grants	128,030	0	9,877	137,907	0	0		0	0		0	137,907
- Energy Grants	200,000	(160,500)	6,619	46,119	0	160,500		160,500	0		0	206,619
- Handyperson Scheme	10,000	0	2,084	12,084	0			0	0		0	12,084
Project Design Fees	86,940	0	(86,940)	0	70,000		(28,560)	41,440	70,000	(28,560)	41,440	82,880
eDevelopment and Building Control Project	0	0	(1,825)	(1,825)	0			0	0		0	(1,825)
Eaves Green Link Road - contribution to LCC scheme	699,450	(80,000)	1	619,451	0	80,000		80,000	0		0	699,451
Buckshaw Village Railway Station	0	0	76,463	76,463	0			0	0		0	76,463
Chorley Strategic Regional Site	576,530	(481,330)	1	95,201	0	481,330		481,330	0		0	576,531
Contribution to LCC Euxton Library Extension (S106 funded)	60,000	(60,000)	0	0	0	60,000		60,000	0		0	60,000
Contribution to LCC Buckshaw Village Primary School (S106)	0	0	0	0	1,000,000			1,000,000	0		0	1,000,000
Corporate Director (Business)	2,184,310	(785,920)	18,482	1,416,872	1,570,000	785,920	944,440	3,300,360	570,000	(28,560)	541,440	5,258,672
<u>Corporate Director (Governance)</u>												
Legal Case Management System	31,750	(31,750)	0	0	0	31,750		31,750	0		0	31,750
Corporate Director (Governance)	31,750	(31,750)	0	0	0	31,750	0	31,750	0	0	0	31,750
<u>Corporate Director (Human Resources & Organisational Development)</u>												
Integrated HR, Payroll and Training System	17,410	(350)	(3)	17,057	77,850	350		78,200	0		0	95,257
Corporate Director (Human Resources) Total	17,410	(350)	(3)	17,057	77,850	350	0	78,200	0	0	0	95,257

Capital Programme - 2008/09 to 2010/11

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Provisional Outturn (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) £
Corporate Director (Neighbourhoods)												
Replacement of recycling/litter bins & containers	87,710	(14,850)	3	72,863	85,000	14,850		99,850	85,000		85,000	257,713
Highway improvements - Gillibrand estate/Southlands	0	0	0	0	90,000			90,000	0		0	90,000
Intelligent Management Information	65,520	(65,520)	0	0	0	65,520	(65,520)	0	0		0	0
Alleygates	41,030	(12,580)	4	28,454	30,000	12,580		42,580	30,000		30,000	101,034
Refuse and Recycling Contract Revenue Mitigation	1,200,000	(1,200,000)	0	0	0	1,200,000		1,200,000	0		0	1,200,000
MATAC CCTV Infrastructure Upgrades	0	0	0	0	25,000			25,000	0		0	25,000
Purchase of Grounds Maintenance Equipment	0	0	74,564	74,564				0			0	74,564
Corporate Director (Neighbourhoods)	1,394,260	(1,292,950)	74,572	175,882	230,000	1,292,950	(65,520)	1,457,430	115,000	0	115,000	1,748,312
Corporate Director (ICT)												
Website Development (incl. ICT salary capitalisation)	30,000	0	(30,000)	0	30,000			30,000	30,000		30,000	60,000
Thin Client/Citrix (started 2007/08)	196,980		17,431	214,411	44,850	0		44,850	159,350		159,350	418,611
Telephony	137,000	0	1,087	138,087	0			0	0		0	138,087
Data Storage Solution	67,350	(67,350)	0	0	0	67,350	(67,350)	0	0		0	0
OS Positional Accuracy Improvement	38,900	0	2,066	40,966	0			0	0		0	40,966
Server Virtualisation / Data Storage Solution	0	0	0	0	152,200		67,350	219,550	0		0	219,550
Web Accessibility	20,000	(20,000)	0	0	0	20,000		20,000	0		0	20,000
Corporate Director (ICT)	490,230	(87,350)	(9,416)	393,464	227,050	87,350	0	314,400	189,350	0	189,350	897,214
Corporate Director (People)												
Leisure Centres/Swimming Pool Refurbishment	200,000	(88,940)	31,428	142,488	297,240	88,940		386,180	244,180		244,180	772,848
Duxbury Park Golf Course capital investment	470,090	(56,560)	(3)	413,527	30,000	56,560		86,560	0		0	500,087
Improvements to Sports Pitches	0	0	0	0	0			0	275,000		275,000	275,000
Astley Park Improvements - Construction	1,525,810	(336,210)	75,571	1,265,171	74,000	336,210	58,080	468,290	0		0	1,733,461
Astley Hall/Park CCTV	34,000	(34,000)	0	0	0	34,000		34,000	0		0	34,000
Ulnes Walton Play/Leisure Schemes (S106 funded)	10,630	(10,630)	0	0	0	10,630		10,630	0		0	10,630
Corporate Play Development Plan	47,340	0	(2)	47,338	0			0	0		0	47,338
Coppull Playzone	25,000	0	0	25,000	0			0	0		0	25,000
Play/Recreation Facilities (S106 funded)	23,570	0	3	23,573	0			0	0		0	23,573
Clayton Brook Play Area (lottery funded)	96,780	(96,780)	0	0	0	96,780		96,780	0		0	96,780
Lighting at Coronation Recreation Ground	76,280	(7,630)	2,474	71,124	0	7,630		7,630	0		0	78,754
Eaves Green Play Development	30,600	(30,600)	0	0	181,880	30,600		212,480	0		0	212,480
Village Hall & Community Centres Projects	60,000	(11,670)	(5)	48,325	60,000	11,670		71,670	0		0	119,995
Cemetery Development	13,280	(13,280)	0	0	0	13,280		13,280	0		0	13,280
Memorial Safety St Johns Churchyard	28,460	0	(28,460)	0	0			0	0		0	0
Memorial Safety	0	0	0	0	50,000			50,000	25,000		25,000	75,000
Common Bank - Big Wood Reservoir	143,280	(19,160)	51,980	176,100	0	19,160		19,160	0		0	195,260
Groundwork Projects	25,250	(18,230)	0	7,020	0	18,230		18,230	0		0	25,250
CRM Implementation	60,000	(6,100)	1	53,901	83,620	6,100	65,520	155,240	0		0	209,141
On-line Booking System				0			25,000	25,000				25,000
Project Design Fees				0			29,870	29,870		29,870	29,870	59,740
Corporate Director (People)	2,870,370	(729,790)	132,988	2,273,568	776,740	729,790	178,470	1,685,000	544,180	29,870	574,050	4,532,618

Capital Programme - 2008/09 to 2010/11

Scheme	2008/09 Current Estimate (1) £	Slippage (to)/from 2009/10 (2) £	Other Changes (3) £	2008/09 Provisional Outturn (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) £
Performing Organisation - Investment in Infrastructure Total	7,958,320	(3,293,470)	219,762	4,884,612	3,181,640	3,293,470	993,570	7,468,680	1,658,530	1,310	1,659,840	14,013,132
Capital Programme Total	8,582,620	(3,601,290)	253,762	5,235,092	5,053,280	3,601,290	1,018,050	9,672,620	3,317,290	1,310	3,318,600	18,226,312
<i>Financing the Capital Programme</i>												
Prudential Borrowing - budgeted	2,672,380	(1,512,140)	(17,342)	1,142,898	321,850	1,512,140	100,570	1,934,560	630,410	(83,230)	547,180	3,624,638
- unbudgeted	0			0	0		46,480	46,480	0		0	46,480
Unrestricted Capital Receipts	1,243,840	(199,120)	19,374	1,064,094	510,000	199,120		709,120	411,130		411,130	2,184,344
Capital Receipt earmarked for Strategic Regional Site	576,530	(481,330)	1	95,201	0	481,330		481,330	0		0	576,531
Preserved RTB Capital Receipts from CCH	100,000	0	(36,725)	63,275	100,000	0		100,000	100,000		100,000	263,275
Revenue Budget - Specific Revenue Reserves or Budgets	124,020	0	(124,020)	0	16,750	0	9,750	26,500	0		0	26,500
Revenue Budget - VAT Shelter income	444,000	(444,000)	142,686	142,686	594,000	444,000	0	1,038,000	593,750		593,750	1,774,436
CBC Resources	5,160,770	(2,636,590)	(16,027)	2,508,153	1,542,600	2,636,590	156,800	4,335,990	1,735,290	(83,230)	1,652,060	8,496,203
Ext. Contributions - Developers	1,119,980	(404,390)	86,060	801,650	2,926,850	404,390	(81,830)	3,249,410	1,025,000	84,540	1,109,540	5,160,600
Ext. Contributions - Lottery Bodies	1,273,140	(278,940)	3	994,203	40,870	278,940		319,810	0		0	1,314,013
Ext. Contributions - Other	226,340	(96,780)	99,860	229,420	0	96,780	22,520	119,300	0		0	348,720
Government Grants - Disabled Facilities Grants	180,000	0	0	180,000	180,000			180,000	180,000		180,000	540,000
Government Grants - Housing Capital Grant	622,390	(184,590)	52,440	490,240	362,960	184,590	920,560	1,468,110	377,000		377,000	2,335,350
Government Grants - Other	0	0	31,426	31,426	0			0	0		0	31,426
External Funding	3,421,850	(964,700)	269,789	2,726,939	3,510,680	964,700	861,250	5,336,630	1,582,000	84,540	1,666,540	9,730,109
TOTAL CAPITAL FINANCING	8,582,620	(3,601,290)	253,762	5,235,092	5,053,280	3,601,290	1,018,050	9,672,620	3,317,290	1,310	3,318,600	18,226,312

<u>Capital Programme 2009/10 - Slippage from 2008/09</u>	Slippage (to)/from 2008/09 £	Comments
Scheme		
<u>Town Centre Investment</u>		
Markets Action Plan (Phase I)	37,820	Slippage due to delays in installation of central aisle roof
<u>Town Centre Investment Total</u>	<u>37,820</u>	
<u>Affordable Housing</u>		
Affordable Housing HALS Project 2007/08 - 2008/09	130,000	To be used to contribute to housing association projects
Choice Based Lettings	20,000	Now to be financed with regional choice grant
<u>Affordable Housing Total</u>	<u>150,000</u>	
<u>Sustainability & Climate Change</u>		
Climate Change Pot	70,000	Use of budget has been identified (report to Executive Cabinet 2 October 2008) but payments not made during 2008/09
<u>Sustainability & Climate Change Total</u>	<u>70,000</u>	
<u>Matched Funding Pot</u>		
Matched Funding Pot / Invest To Save	50,000	Balance of 2008/09 budget provision
<u>Matched Funding Pot Total</u>	<u>50,000</u>	

<u>Capital Programme 2009/10 - Slippage from</u> <u>2008/09</u> Scheme	Slippage (to)/from 2008/09 £	Comments
<u>Performing Organisation - Investment in Infrastructure</u>		
<u>Assistant Chief Executive (Business Transformation)</u>		
Planned Improvements to Fixed Assets	299,990	To be applied 2009/10 onwards on improvements to property assets working with Liberata
Investment in Council Assets	65,370	Balance of 2008/09 budget provision
<u>Assistant Chief Executive (Business Transformation)</u>	<u>365,360</u>	
<u>Corporate Director (Business)</u>		
Disabled Facilities Grants	4,090	Balance of 2008/09 budget provision
Housing Renewal		
- Energy Grants	160,500	Balance of 2008/09 budget provision
Eaves Green Link Road - contribution to LCC scheme	80,000	Contribution not yet received from developer.
Chorley Strategic Regional Site	481,330	Balance of 2008/09 budget provision
Contribution to LCC Euxton Library Extension (S106 funded)	60,000	Contribution not yet received from developer.
<u>Corporate Director (Business)</u>	<u>785,920</u>	
<u>Corporate Director (Governance)</u>		
Legal Case Management System	31,750	Implementation has been rephased
<u>Corporate Director (Governance)</u>	<u>31,750</u>	

<u>Capital Programme 2009/10 - Slippage from</u> <u>2008/09</u> Scheme	Slippage (to)/from 2008/09 £	Comments
<u>Corporate Director (Human Resources & Organisational Development)</u>		
Integrated HR, Payroll and Training System	350	Balance of 2008/09 budget provision
<i>Corporate Director (Human Resources) Total</i>	350	
<u>Corporate Director (Neighbourhoods)</u>		
Replacement of recycling/litter bins & containers	14,850	Balance of 2008/09 budget provision
Intelligent Management Information	65,520	Implementation has been rephased
Alleygates	12,580	Balance of 2008/09 budget provision
Refuse and Recycling Contract - new recycling containers	1,200,000	New blue bins provided April 2009
<i>Corporate Director (Neighbourhoods)</i>	1,292,950	
<u>Corporate Director (ICT)</u>		
Data Storage Solution	67,350	Implementation has been rephased
Web Accessibility	20,000	Implementation has been rephased
<i>Corporate Director (ICT)</i>	87,350	

<u>Capital Programme 2009/10 - Slippage from</u> <u>2008/09</u> Scheme	Slippage (to)/from 2008/09 £	Comments
<u>Corporate Director (People)</u>		
Leisure Centres/Swimming Pool Refurbishment	88,940	Balance of 2008/09 budget provision
Duxbury Park Golf Course capital investment	56,560	Balance of 2008/09 budget provision
Astley Park Improvements - Construction	336,210	Pavilion/pets corner phase implemented later than originally planned
Astley Hall/Park CCTV	34,000	Work commenced April 2009
Ulnes Walton Play/Leisure Schemes (S106 funded)	10,630	
Clayton Brook Play Area (lottery funded)	96,780	
Lighting at Coronation Recreation Ground	7,630	Balance of 2008/09 budget provision
Eaves Green Play Development	30,600	
Village Hall & Community Centres Projects	11,670	Balance of 2008/09 budget provision
Cemetery Development	13,280	
Common Bank - Big Wood Reservoir	19,160	Budget provision retained for additional work
Groundwork Projects	18,230	Balance of 2008/09 budget provision
CRM Implementation	6,100	Balance of 2008/09 budget provision
<u>Corporate Director (People)</u>	<u>729,790</u>	
<u>Performing Organisation - Investment in Infrastructure Total</u>	<u>3,293,470</u>	
<u>Capital Programme Total</u>	<u>3,601,290</u>	

Capital Programme 2009/10 - Other Changes

Scheme	Other Changes 2009/10 £	Comments
<u>Town Centre Investment</u>		
Markets Action Plan (Phase I)	67,980	Virement from Climate Change Pot re rainwater harvesting and from Investment in Council Assets
<u>Town Centre Investment Total</u>	<u>67,980</u>	
<u>Affordable Housing</u>		
Affordable Housing New Development Project 2008/09 - 2010/11	(8,500)	Expenditure incurred during 2008/09
<u>Affordable Housing Total</u>	<u>(8,500)</u>	
<u>Sustainability & Climate Change</u>		
Climate Change Pot	(10,000)	Virement to Covered Market scheme re rainwater harvesting, as reported to Executive Cabinet 2 October 2008. Contributes to annual revenue budget savings
<u>Sustainability & Climate Change Total</u>	<u>(10,000)</u>	
<u>Matched Funding Pot</u>		
Matched Funding Pot / Invest To Save	(25,000)	Virement to On-line Booking system, which should enable revenue budget savings arising from restructuring of People directorate
<u>Matched Funding Pot Total</u>	<u>(25,000)</u>	

Capital Programme 2009/10 - Other Changes

Scheme	Other Changes 2009/10 £	Comments
<u>Performing Organisation - Investment in Infrastructure</u>		
<u>Assistant Chief Executive (Business Transformation)</u>		
Investment in Council Assets	(63,820)	To Covered Market scheme and other minor adjustments
<u>Assistant Chief Executive (Business Transformation)</u>	<u>(63,820)</u>	
<u>Corporate Director (Business)</u>		
Housing Renewal	973,000	Increase in Regional Housing Pot capital grant
Project Design Fees	(28,560)	Transferred to People directorate budget
<u>Corporate Director (Business)</u>	<u>944,440</u>	
<u>Corporate Director (Neighbourhoods)</u>		
Intelligent Management Information	(65,520)	Virement to Customer Relationship Management (CRM) project
<u>Corporate Director (Neighbourhoods)</u>	<u>(65,520)</u>	
<u>Corporate Director (ICT)</u>		
Data Storage Solution	(67,350)	Merged with Server Virtualisation project
Server Virtualisation / Data Storage Solution	67,350	From Data Storage Solution budget
<u>Corporate Director (ICT)</u>	<u>0</u>	

Capital Programme 2009/10 - Other Changes

Scheme	Other Changes 2009/10 £	Comments
<u>Corporate Director (People)</u>		
Astley Park Improvements - Construction	58,080	External funding of Pavilion/Pets Corner
CRM Implementation	65,520	Transferred from Neighbourhoods' Intelligent Management Information
On-line Booking System	25,000	Transferred from Invest to Save - to achieve revenue budget savings
Project Design Fees	29,870	Transferred from Business directorate plus increase of £1,310 to match recharges from revenue budget
<u>Corporate Director (People)</u>	<u>178,470</u>	
<u>Performing Organisation - Investment in Infrastructure Total</u>	<u>993,570</u>	
<u>Capital Programme Total</u>	<u>1,018,050</u>	

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Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources)	Executive Cabinet	25th June 2009

PROVISIONAL REVENUE OUTTURN 2008/2009

PURPOSE OF REPORT

1. To report to Members the provisional outturn figures for the Council's budget for the financial year 2008/09. This paper sets out the financial position of the Council as compared against the budgets and efficiency savings targets it set itself for 2008/09 for the General Fund Revenue Account.
2. The accounts are now subject to final checking and scrutiny by the Council's external auditor. Should there be any significant changes to the outturn as a result of this process I shall submit a further report to Executive Cabinet.

RECOMMENDATION(S)

3. Executive Cabinet are asked to note the contents of the report.

EXECUTIVE SUMMARY OF REPORT

4. In December I reported on the financial position of the Council as compared against the budgets and efficiency savings it set itself for 2008/09. I predicted that with the likelihood of further savings the Council should be broadly on track to balance its budget (excluding Concessionary Travel) and meet all its savings targets for the year. I am pleased to report that both of these objectives have been achieved with the revenue outturn coming in under budget by £20,000 and all efficiency savings targets achieved.
5. The report also outlined a potential overspend on Concessionary Travel of £166,000 (based on information made available to the end of November 2008) to be financed from working balances. The position has since improved with a reduced outturn figure resulting in a budget overspend of £135,000.
6. As a result of these changes, the report shows that the level of working balances at 31 March 2009 is £1.601m. This level represents an increase in balances of £51,000 compared to the forecast balance reported in the Medium Term Financial Strategy of £1.55m for the end of March 2009. The increase is made up of £20,000 from the revenue underspend and a reduction in overspend on Concessionary Travel of £31,000.

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

7. None.

CORPORATE PRIORITIES

8. 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	✓

9. Ensuring cash targets are met maintains the Council's financial standing.

BACKGROUND

10. The Council's budget for 2008/09 included real cash savings targets of £260,000 from the management of the establishment and a further £60,000 to come from efficiency and procurement related activities.
11. The budget also included challenging targets for the Council's main income streams following a full review of fees and charges. The financial risk to the Council was that there could be a level of consumer resistance to the increase in fees.
12. During the year I reported that with further savings expected, General Fund spending excluding concessionary travel was broadly on course to be within budget by the end of the financial year.
13. The Council's strategy is to finance concessionary travel overspends from working balances, pending either the transfer of responsibility for the scheme to the County Council or the current grant distribution method is amended. This is likely to happen in 2011.

PROVISIONAL OUTTURN GENERAL FUND

14. The Council expected to make overall target savings of £320,000 in 2008/09. From the position previously reported, I am pleased to report that further savings have been generated in the areas of recruitment advertising, telephone charges and postages and that the target for the year has been achieved.
15. In my report to the Executive Cabinet of 12 February I advised on the projected outturn for 2008/09 which, excluding the potential overspend on concessionary travel, showed a deficit of £64,000. Further savings were anticipated and this proved to be the case as the Council's net expenditure at the end of the year shows an underspend of £20,000 or -0.13% of total service expenditure. A summary of individual directorate performance is attached at Appendix A.
16. The net movement in expenditure from the position reported in December shows a reduction of £84,000.
17. An analysis of the main variances over and above those previously reported in monitoring is shown below. Further details are contained in the directorate analysis available in the members' room.

Significant variations since the last monitoring report

	£'000
Expenditure	
- Staffing	(68)
- Asset Maintenance Fund (including office moves)	36
- Members Allowances & Expenses	(12)
- Consultants	(10)
- Recruitment	(16)
- Internet Charges	(28)
- Telephone Rental/Calls	(10)
- Increase in Provision for Bad Debts	49
- Supplies - Grounds Maintenance/Highways Cleansing	17
- Refuse Collection (skips)	(18)
- Servicing of Vehicles	(9)
- Utilities	(9)
Income	
- Building Control/Planning Application Fees	(22)
- Employment & Support Allowance grant	(13)
- Summons/Committal costs	(12)
- Car Parking Fees	27
- Benefits Subsidy & Overpayments recovered	65
- LABGI (prior year adj.)	(28)
- Grants & Other Income	(26)
- Net Financing Transactions	30
- Building Control reserve	(25)
- Other minor forecasts	(2)
Net Movement	<u>(84)</u>

Brackets = underspend or additional income

18. The most significant changes being reported here is the additional savings relating to salaries. These savings are again as a result of vacant posts, many of which have been a result of directorate and departmental restructures implemented to improve efficiency. The main savings are further analysed by directorate as £34,000 from People, £20,000 from Business, £18,000 from Neighbourhoods.
19. Previous budget monitoring reports have highlighted the volatility of a number of budgets. One such budget that has impacted on the year-end position is housing and council tax benefits. Throughout the year it is extremely difficult to accurately predict the level of expenditure and subsequent levels of subsidy, as the nature of the budget is demand driven. The provisional outturn position shows an additional shortfall of £65,000. This is made up of a reduction in the level of subsidy received and a reduction in the level of overpayments recovered.
20. It should be noted however that the Council is currently involved in a court case regarding the level of rents charged by certain landlords and the subsequent level of benefits subsidy claimable against these rents. If successful, the level of costs recovered could well offset the additional shortfall reported above.

21. Various works have been required throughout 2008/09 in relation to the Council's buildings to ensure they are adequately maintained. The cost of these works, together with the additional cost of refurbishment following office re-organisations in the main civic buildings has resulted in an additional cost of £36,000 against the Council's budgets for 2008/09. The majority of these costs are non-recurrent and therefore should not impact on the budget for 2009/10.
22. One issue that has been highlighted to members throughout the budget monitoring process for 2008/09 is the loss of income in relation to car parking fees and permits. The final outturn figures for the year show a shortfall in income of £129,000, an increase of £27,000 compared to the position reported in December. Although the budget for 2009/10 has been adjusted to take into account a significant reduction in parking fees income due to the current economic climate, income levels will have to be monitored closely over the coming months.
23. One related issue that members should be aware of is the ongoing discussions with Lancashire County Council regarding the use and application of marginal off-street parking income on the Parkwise account. It is the Council's view that the recording of this income has not been treated correctly in the account and that a sum in the region of £45,000 may be payable to Chorley Council for the year 2008/09 once this issue is resolved. It is also possible that any correction in treatment could be backdated for previous years in which case the amount owing to the council could be as much as £330,000 in total. We are currently awaiting a response from the County's legal department and members will be notified of the outcome at the earliest opportunity.
24. Following an appraisal of the Council's bad debt provision, it was deemed necessary to increase the level of cover to provide an adequate safeguard against potential future losses. This together with the write-off of certain bad debts has resulted in a budget shortfall of £49,000 for 2008/09. This can be broadly analysed further as £24,000 relating to Housing Benefits, £18,000 for Business Directorate, and £7,000 from Property, Finance and other areas.
25. One area where the Council has managed to offset costs in 2008/09 is in generating additional income by securing the award of various grants and allowances. Additional LABGI grant of £28,000 was received in 2008/09 together with other awards for Employment & Support Allowance, LAA Reward Grant, Habitats Grant and Council Tax Efficiency Information Grant.
26. The 'Net Financing Transactions' budget consists of the provision to repay borrowing, plus interest payable on external borrowing, less interest receivable on cash balances invested. Overall the outturn position for 'Net Financing Transactions' shows a reduction in the net credit by a further £30,000 from the position reported in December, which in the main reflects the reduction in interest rates offered by borrowers.
27. One area where the Council has managed to offset additional costs in 2008/09 is in the use of the Building Control reserve account. Under the Building (Local Authority Charges) Regulations the function is set a target of covering expenditure incurred by income earned from fees and charges over a rolling three year period. Any surplus of income is then paid into the reserve to offset any future deficits in the account. As the Building Control account incurred a deficit for the year it was considered appropriate to offset this cost by a transfer from the reserve account of £25,000 in 2008/09.
28. It should be noted however that the balance remaining in the reserve after this transfer is now marginally above £25,000 and should the Building Control function continue to trade at a deficit, there would be no further resources to offset any future losses. It is recommended that all costs relating to the Building Control function are reviewed to identify possible savings, as any increase in fees and charges income may prove unlikely in the short term due to the economic climate.

29. The accounting treatment of the £2 million invested in Landsbanki and the interest of £64,945 due to the Council as at 31 March 2009 is in accordance with the Chartered Institute of Finance and Accountancy's Local Authority Accounting Panel Bulletin 82, published May 2009, and Statutory Instrument 2009 No. 321. Based on the CIPFA guidance and statutory requirements, the notional interest due and the estimated impairment loss of £375,309 have been reversed out of the revenue account for 2008/09. This notional interest calculation is based upon the Council receiving a return of 5½% which is clearly not the case currently whereby rates of return are nearer to 0.5%.
30. During 2008/09, the Council received the first tranche of income due from Chorley Community Housing under the VAT sharing arrangement following the transfer of housing stock. Of the £650,000 received, £15,422 had been accrued into 2007/08 to finance an environmental warranty insurance premium required in respect of stock transfer. Of the £634,578 accounted for in 2008/09, £142,685 has been applied to finance capital expenditure and £15,422 to finance the second environmental warranty insurance premium. This leaves £476,471, which is required to finance capital expenditure during 2009/10. The accounting treatment of this 'VAT shelter' income is that it is revenue income, which can be used to finance either revenue or capital expenditure.

COMMITTED ITEMS

31. Included in the outturn figure are committed items of expenditure and income. Each year the Council commits itself to incurring expenditure that may not always be incurred in the financial year. It is custom and practice to allow Directorates that have a budget underspend to carry forward this cash to pay for items where such a commitment has been made.
32. Accordingly I have received the following carry forward requests that I support.

Details	£'000
Reward & Recognition – budget underspend required to fund initiatives in 2009/10	14
Income generated by Communications team from consultancy work on introduction of blue recycling bins to be used to fund initiatives in 2009/10 including Council's Big Picnic in June and Christmas lights switch-on in December.	12
ICT web-site accessibility audit not completed prior to year-end due to consultant availability.	10
LCC Audit work commenced in 2008/09 to run into 2009/10	9
Homelessness Support consultancy commissioned in 2008/09. Work ongoing into 2009/10	7
LSP – Town Centre promotion work commenced in 2008/09	6
ICT Citrix phase 2 rollout delayed subject to resolution of issues	6
Printing of Chorley Visitor Guide – order placed but work not completed in 2008/09	5
CIPFA Benchmarking for the Corporate Services VFM review now commencing in 2009	5

Aerial Photography - delayed due to bad weather	4
Tuition Fees - requirement identified in 2008/09 but course commenced in March 2009	4
IDEA inspection scheduled for March 2009 delayed	3
LSP – Groundwork projects implementation delayed	3
Leaflets needed for Green Flag as part of Corporate Strategy	2
Income from sale of excess stone slabs to be used as additional funding for Astley Park Project	2
Tuition Fees for Charity Resource Management	2
Car Lease Allowance required to fund additional lease costs in 2009/10	1
Total	<u>94</u>

CONCESSIONARY TRAVEL

33. In the December monitoring report to Cabinet I highlighted the position on Concessionary Travel and forecast a potential budget gap of £166,000 based on cost information received for the period 1 April to the 29 November 2008. Based on actual data to the end of the financial year, the outturn figure has reduced to £1.325m, prior to any pooling adjustment. This has reduced the initial overspend to around £200,000. Once the agreed pooling arrangement is taken into account, the Council benefits by a reduction in contribution of around £88,000 therefore reducing the budget overspend to £112,000.
34. Members should note that whilst the overspend is shown to be £112,000 for concessionary travel, this is budgeted overspend. The true cost to the Council is £381,000 which represents the additional costs of the free scheme less the additional grant the Council received of £275,000. This is calculated as follows:

	£m
Forecast outturn 2008/09	1.325
Less cost of contracted services	<u>0.100</u>
Net Cost of Statutory Scheme	1.225
Less cost in 2007/08	<u>0.569</u>
Additional cost of new scheme	0.656
Less grant awarded 2008/09	<u>0.275</u>
Cost to the Council	<u>0.381</u> (prior to pooling)

35. The 2008/09 budget was increased over and above the grant received by £181,000 to mitigate against the potential increase. Anything over and above the additional grant is effectively being financed from council tax and the cost for 2008/09 is £381,000 (prior to pooling) as shown above. This represents the additional budget provision of £181,000 plus the budget overspend of £112,000 plus the pooling adjustment of £88,000.
36. The demand for Community Transport Services has also seen a significant increase over the last twelve months and as a result the outturn costs are £18,000 in excess of the 2008/09 budget provision of £65,000. The combined result, together with a small increase in administration and other related costs is a total budget overspend of £135,000 for 2008/09. This position reflects an overall reduction of £31,000 from the forecast figure reported in December.

37. In order to try and mitigate costs moving forward the operators have been informed that the Lancashire Scheme is only prepared to pay a reimbursement rate of 52.5% rather than the 65½% paid during 2008/09. The operators have asked for a judicial review of this decision and either the Secretary of State or the Courts will have to determine the fair re-imbursement rates which should leave the operators no better or worse off in respect of implementing the statutory scheme.

GENERAL FUND RESOURCES AND BALANCES

38. Set out below for Members information is a summary of the levels of reserves and balances available to the Council at the end of the financial year 2008/09. Resources and balances are set aside to be able to pay for future known expenditure and to guard against financial risk.

Analysis of Reserves

	£m	£m
Those requiring approval by Cabinet		
Working Balances	1.601	
Building Control Reserve	0.025	
Astley Hall Works of Art	0.006	
		1.632
Those approved for spend by Officers		
Neighbourhood Working	0.150	
Directorate specific reserves	0.072	
Capital Reserve (VAT Shelter income)	0.476	
Local Development Framework	0.139	
		0.837
Those for approval by Member under Delegation		
LABGI Grant/Performance Reward Grant	0.357	
Total		2.826
Transfers to earmarked reserves for committed expenditure		0.094
Reserves total if slippage approved		2.920

39. The table shows that working balances are now £1.601m. It should be noted that the £0.357m LA Business Growth Incentive Grant/Performance Reward Grant balance is committed in full, to finance expenditure in 2009/10 and 2010/11, included expenditure committed in 2008/09.

IMPLICATIONS OF REPORT

40. 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	

41. The financial implications are detailed in the body of the report.

GARY HALL
 ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)
 There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dave Bond / Michael Jackson	5488 / 5490	09/06/09	Reports/2009/Executive Cabinet/(Final) Provisional Revenue Outturn Report 2008-09

General Fund Revenue Budget Monitoring 2008/09 - Provisional Outturn

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	
	Original Cash Budget	Impact of Council Restructure	Agreed Changes (Directorates)	Agreed Changes (Other)	Amended Cash Budget	Contribution to Corp. Savings (Staffing)	Contribution to Corp. Savings (Other)	Current Cash Budget	Provisional Cash Outturn	Variance	Variance	Committed Items
	£	£	£	£	£	£	£	£	£	£	%	£
Chief Executive's Office	668,740		(31,140)	2,030	639,630	(23,000)	(5,000)	611,630	586,359.74	(25,270)	-4.1%	14,000
Corporate Governance	1,561,690		7,930	51,880	1,621,500	(30,000)		1,591,500	1,545,635.35	(45,865)	-2.9%	1,000
Business	934,880		(23,400)	124,450	1,035,930	(15,000)		1,020,930	970,630.61	(50,299)	-4.9%	12,690
Business Transformation & Improvement (Finance)	1,859,300		(214,370)	25,890	1,670,820	(40,000)	(20,000)	1,610,820	1,617,557.36	6,737	0.4%	9,450
Shared Financial Services	-		212,130	-	212,130			212,130	207,361.13	(4,769)	-2.2%	
Human Resources	445,150		(44,240)	9,070	409,980	-	(5,000)	404,980	369,574.36	(35,406)	-8.7%	
Information & Communication Technology Services	864,080		(11,110)	66,260	919,230	(10,000)	(6,000)	903,230	854,070.84	(49,159)	-5.4%	19,880
People	2,144,010		39,290	36,370	2,219,670	(133,000)		2,086,670	2,062,192.12	(24,478)	-1.2%	4,040
Policy & Performance	732,580		1,400	17,200	751,180	(45,050)	(24,000)	682,130	608,176.24	(73,954)	-10.8%	32,940
Neighbourhoods	4,809,320		63,510	110,640	4,983,470	(24,000)		4,959,470	5,057,413.36	97,943	2.0%	
Neighbourhoods - Enhanced Working	-			150,000	150,000			150,000	0.00	(150,000)	-100.0%	
												<u>94,000</u>
Budgets Excluded from Finance Unit Monitoring:												
Benefit Payments	(125,530)				(125,530)			(125,530)	63,193.10	188,723	-150.3%	
Concessionary Fares	931,830				931,830			931,830	931,830.00	-	-	
Pensions Account	249,640				249,640			249,640	255,543.53	5,904	2.4%	
Corporate Savings Targets												
Management of Establishment	-			(260,050)	(260,050)	260,050		-	0.00	-	-	
Efficiency/Other Savings	-			(60,000)	(60,000)		60,000	-	0.00	-	-	
Salary Related Savings (Pay Award)	-			(60,000)	(60,000)	60,000		-	0.00	-	-	
Total Service Expenditure	15,075,690	-	-	213,740	15,289,430	-	-	15,289,430	15,129,537.74	(159,892)	-1.0%	
Non Service Expenditure												
Contingency Fund	40,000				40,000			40,000	0.00	(40,000)	-100.0%	
Contingency - Job Evaluation	82,000			(82,000)	-			-	0.00	-	-	
Contingency - Management of Establishment	(260,050)			260,050	-			-	0.00	-	-	
Contingency - Procurement Savings	(35,000)			35,000	-			-	0.00	-	-	
Contingency - Gershon Savings	(25,000)			25,000	-			-	0.00	-	-	
Contingency - Salary Related Savings	(60,000)			60,000	-			-	0.00	-	-	
Revenue Contribution to Capital	-			78,900	78,900			78,900	142,685.52	63,786	80.8%	
Net Financing Transactions	(424,110)				(424,110)			(424,110)	(257,932.98)	166,177	-39.2%	
VAT Shelter Income	-				-			-	(634,578.00)	(634,578)	-	
Transfer to Earmarked Reserve - VAT Shelter Income	-				-			-	476,470.72	476,471	-	
Parish Precepts	575,390				575,390			575,390	575,386.40	(4)	0.0%	
Total Non Service Expenditure/Income	(106,770)	-	-	376,950	270,180	-	-	270,180	302,031.66	31,852	11.8%	
Total Expenditure	14,968,920	-	-	590,690	15,559,610	-	-	15,559,610	15,431,569.40	(128,041)	-0.8%	
Financed By												
Council Tax	(6,747,920)				(6,747,920)			(6,747,920)	(6,748,156.20)	(236)	0.0%	
Aggregate External Finance	(8,221,000)				(8,221,000)			(8,221,000)	(8,220,614.00)	386	0.0%	
Area Based Grant	-				-			-	(22,500.00)	(22,500)	-	
LA Business Growth Incentive Grant (prior year adj.)	-				-			-	(27,855.76)	(27,856)	-	
Use of Earmarked Reserves - capital financing	-			(71,400)	(71,400)			(71,400)	0.00	71,400	-100.0%	
Use of Earmarked Reserves - revenue expenditure	-			(349,360)	(349,360)			(349,360)	(356,965.50)	(7,605)	2.2%	
Contribution to or use of General Balances	-			(169,930)	(169,930)			(169,930)	(169,925.00)	5	0.0%	
Total Financing	(14,968,920)	-	-	(590,690)	(15,559,610)	-	-	(15,559,610)	(15,546,016.46)	13,594	-0.1%	
Net Expenditure	-	-	-	-	-	-	-	-	(114,447.06)	(114,447)		<u>94,000</u>

General Balances Summary Position	Budget	Forecast
	£	£
General Fund Balance at 1 April 2008	1,000,000	1,885,621
Budgeted use of General Balances		(169,925)
Forecast (Over)/Under Spend	-	114,447
Concessionary Travel (Over)/Under Spend		(135,453)
Forecast General Fund Balance at 31 March 2009	1,000,000	1,694,690

Committed Items	(94,000)
Final General Fund Balance	<u>1,600,690</u>

Committed Items	94,000.00
Outturn excluding Concessionary Travel	(20,447.06)
Concessionary Travel Overspend	135,453.48
Provisional Outturn	<u>115,006.42</u>

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Report of	Meeting	Date
Assistant Chief Executive (Business Transformation) (Introduced by the Executive Member for Resources)	Executive Cabinet	25 June 2009

POSSIBLE CHANGES TO THE ADMINISTRATION OF CONCESSIONARY TRAVEL

PURPOSE OF REPORT

1. To ask members to endorse the response to the Government on their consultation to amend the administration of the Concessionary travel scheme.
2. The consultation excludes changes to the current funding arrangements which will be a separate consultation as part of the next comprehensive spending review due in 2011. The full document can be viewed by clicking on The link is www.chorley.gov.uk/consultation.

RECOMMENDATIONS

3. That the Chorley Council response contained in Appendix A is endorsed by the Executive.

EXECUTIVE SUMMARY OF REPORT

4. The Government is consulting on the most appropriate tier of local government that both the statutory concession and discretion should be administered at. The consultation excludes the issue of funding but in some of the options it is implicit that adjustment to current arrangements will need to be made. The consultation is generic in nature and does not recognise that in some cases the administration of the scheme is already delivered through other tiers in some areas. The main advantages and disadvantages need to be noted in this context. Chorley's main concern is around funding to Chorley, but we should also be concerned about the potential impact of any change Pan Lancashire. The key question remains one of funding and for this reason a centrally funded and administered scheme is potentially the best option.

REASONS FOR RECOMMENDATIONS

(If the recommendations are accepted)

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

6. None.

CORPORATE PRIORITIES

7. 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

8. The introduction of free off-peak concessionary bus travel throughout England from 1 April 2008 gave the opportunity for greater freedom and independence to around 11 million older and disabled people in England. The concession recognises the importance of public transport for older people and the role access to transport has to play in tackling social exclusion and maintaining well-being.
9. Whilst funded by Central Government, at present this statutory minimum concession is administered by local authorities known as Travel Concession Authorities (TCA's). The majority of TCA's are currently 'lower-tier' local authorities: non-metropolitan district councils (also known as 'shire' districts), but the responsibility also rests with unitary authorities, the London boroughs and Passenger Transport Executives (PTE's).
10. TCA's are also able to offer discretionary concessions over and above the statutory minimum, reflecting each authority's own specific financial, demographic and transport circumstances. Such discretionary elements must be funded from the TCA's own resources.
11. A number of problems with the current arrangements for administering concessionary bus travel have been identified by local authorities, stakeholder groups and operators. These include: scheme variations across TCA boundaries; too many negotiations with bus operators; lack of capacity in some TCA's; difficulty of accurately funding TCA's; and the non-alignment of TCA and Transport Authority responsibilities. The Government is therefore considering what improvements can be made to the current arrangements. This consultation is part of that process.
12. In addition to addressing some of the problems of the current arrangements, the Government also wishes to ensure that the experience of the concessionary passenger is enhanced, that the system is administered as efficiently as possible and is sustainable in the long term.
13. The options for change to the statutory minimum concession include: leaving things as they are now (ie largely with district councils); moving responsibility to upper tier authorities only; or centralising administration completely. A further option would be to administer the concession at a regional level, although this would require primary legislation and would require a longer timescale to implement.
14. The Government's initial view is in favour of a shift of responsibility from district to county councils. On its own such a change could realise some efficiencies, but it could also generate significant synergies because it would harmonise concessionary travel responsibilities with wider transport authority ones for the first time. It is also the option most likely to realise the Government's aspiration to increase the roll-out of smart ticketing across England. In Lancashire to a great extent this already happens with Lancashire

County Council leading on the administration of the scheme on behalf of the district Councils.

15. There is a clear link between any changes made to administrative responsibilities for the statutory minimum concession and the ability of authorities to introduce their own discretionary travel concessions. The consultation also identifies a number of options for changing the way such discretionary concessions are administered, including: leaving things as they are now; removing the ability of district councils only being able to implement discretionary concessions jointly with the relevant upper tier authority.
16. The Government’s initial preference is to move responsibility for discretionary concessions to upper tier authorities only. This would ensure any efficiency savings generated by the preferred change to the administration of the statutory minimum concession would not be lost. This would not however preclude discretionary concessions still being implemented at the district council level.
17. The Government welcomes the views of consultees as to whether they agree with the conclusion that moving both statutory and discretionary responsibilities to upper tier authorities is the right way forward. Concessionary travel is a significant policy area that already does much to improve the quality of life of millions of people. It is therefore important that any changes implemented represent the best option for the long term delivery of the policy. Government is therefore genuinely interested in the views of local authorities, operators and other stakeholders on what these changes should be.
18. The aim of the consultation is to inform a decision in principle on how concessionary travel should be administered, thereby enabling certainty to be provided at the earliest opportunity on who will be responsible for concessionary travel in the longer term. Communities and Local Government (CLG) will consult separately on the funding implications of any proposed changes. This will be undertaken as part of the formal consultation on the next three-year local government finance settlement.
19. A summary of the consultation questions and a proposed response is attached at Appendix A.

IMPLICATIONS OF REPORT

20. 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 ASSISTANT CHIEF EXECUTIVE (POLICY AND PERFORMANCE)

21. The current consultation is concerned with the administration of the scheme and the Council’s response in Appendix A would have no adverse impact on disabled and older people in Chorley eligible for free off-peak concessionary bus travel. In addition, the preferred option to transfer discretionary concessions to upper tier authorities would ensure consistency of operation and equality of access across the County and reduce confusion amongst the public.

GARY HALL

ASSISTANT CHIEF EXECUTIVE (BUSINESS TRANSFORMATION AND IMPROVEMENT)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Gary Hall	5480	10/06/09	Concessionary Travel

Appendix A

Option	Question	Main Advantage	Main Disadvantage	Chorley Response
<p>Problems with current arrangements</p>	<p>Are there other problems, stemming from current administrative arrangements, that are not covered by this list?</p>		<ul style="list-style-type: none"> - Scheme variations across TCA boundaries - Too many negotiations - Lack of capacity in some TCA's - Difficulty of accurately funding TCA's - TCA's not aligned with transport authorities - Conflict between authorities and operators 	<p>No, the summary of the difficulties with the scheme is comprehensive.</p>
<p>The statutory minimum concession continues to be administered by current TCA's</p>	<p>Do you think that the current level of administration is the most appropriate?</p>	<ul style="list-style-type: none"> - It successfully delivered the introduction of the fee scheme - Authority has developed relationship with bus operator - Systems are in place. 	<p>Funding distribution a problem</p> <ul style="list-style-type: none"> - TCA's and transport authorities not assigned - Disagreement between authorities about contribution to the scheme 	<p>No, mainly with regard to the funding issue</p>
<p>Only upper tier authorities administer the concession</p>	<p>Do you think a system of 'higher tier' administration would be the most appropriate?</p>	<ul style="list-style-type: none"> - Efficiencies and economies of scale - Less appeals - Potential reduction in formalised improved data collection - Less negotiation with bus operators - Alignment of TCA and 	<ul style="list-style-type: none"> - Transitional impact (particularly round funding) - Still multiple negotiations - Local knowledge may be lost - Issues with eligibility 	<p>No. Even a transfer to upper tier administration for a national scheme would create financial disparity</p>



<p>The administration of the statutory minimum concession is moved to central government</p>	<p>Do you think a centrally administered statutory minimum concession would be most appropriate at this time?</p>	<p>transportation responsibilities - Retains local ownership</p> <ul style="list-style-type: none"> - Potentially removes problem with funding - Reduced burden of negotiation - Efficiency saving in administration - Possible funding efficiencies 	<ul style="list-style-type: none"> - Creates new structure of administration - Transitional impact - Possible lack of local engagement - Seen as power taken back to central government 	<p>Yes, based upon the fact that the Governments view is that there are enough funds nationally to pay for the scheme.</p>
<p>Administration moved to regional level.</p>	<p>Do you think a regional tier of administration might ultimately be most appropriate?</p>	<ul style="list-style-type: none"> - Significant reduction in TCA's 	<ul style="list-style-type: none"> - No obvious delivery agent - Lack of local consideration - Funding issues 	<p>No</p>
<p>Discretionary concessions District Councils retain ability to establish discretionary concessions</p>	<p>Should all local authorities retain the ability to establish local discretions.</p>	<ul style="list-style-type: none"> - No change in the pattern of travel concessions offered 	<ul style="list-style-type: none"> - Lack of clarity on administration and decision making for different transportation decisions - Confusion amongst the public - Complications for funding 	<p>No</p>

<p>District Councils lose the ability to establish concessions</p>	<p>Should this power transfer to upper tier authorities</p>	<ul style="list-style-type: none"> - Local choices are made - Simpler map benefiting operational concessionaries 	<ul style="list-style-type: none"> - Loss of local control - Risk of reduction in services 	<p>Yes, this could be done under well being powers</p>
<p>Discretions established jointly with upper tier councils</p>	<p>Should discretions be jointly established</p>	<ul style="list-style-type: none"> - District Councils still able to have some influence - Some efficiency savings 	<ul style="list-style-type: none"> - Joint co-operation difficult to implement - Could impact adversely on concessions 	<p>No, unlikely to be deliverable</p>

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By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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