

## **COUNCIL**

TUESDAY, 14TH APRIL 2015, 6.30 PM  
COUNCIL CHAMBER, TOWN HALL, CHORLEY

### **AGENDA**

#### **APOLOGIES**

1 **MINUTES OF MEETING TUESDAY, 3 MARCH 2015 OF COUNCIL**

(Pages 3 - 10)

2 **DECLARATIONS OF ANY INTERESTS**

Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.

If you have a pecuniary 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 **MAYORAL ANNOUNCEMENTS**

4 **PUBLIC QUESTIONS**

Members of the public who have requested the opportunity to ask question(s) on any item(s) on the agenda will have three minutes to put their question(s) to the relevant Councillor. Members of the public will be allowed to ask one short supplementary question.

5 **EXECUTIVE CABINET**

(Pages 11 - 18)

General report of meetings held on 22 January, 12 February, and 26 March 2015 (enclosed).

6 **REVENUE AND CAPITAL BUDGET MONITORING 2014/15 REPORT THREE**

(Pages 19 - 40)

Report of the Chief Executive agreed by Executive Cabinet on 26 March 2015 (enclosed).

7	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>	(Pages 41 - 44)
	General report of meetings of the Committee held on 29 January, the Performance Panel held on 12 March 2015 and task group meetings (enclosed).	
8	<b>GOVERNANCE COMMITTEE</b>	(Pages 45 - 50)
	General report of meetings held on 14 January and 11 March 2015 (enclosed).	
9	<b>QUESTIONS ASKED UNDER COUNCIL PROCEDURE RULE 8 (IF ANY)</b>	
10	<b>TO CONSIDER THE NOTICES OF MOTION (IF ANY) GIVEN IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 10</b>	
11	<b>ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE MAYOR</b>	

**GARY HALL  
CHIEF EXECUTIVE**

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**MINUTES OF SPECIAL COUNCIL**

**MEETING DATE Tuesday, 3 March 2015**

**MEMBERS PRESENT:** Councillor Roy Lees (Mayor), Councillor Marion Lowe (Deputy Mayor) and Councillors Eric Bell, Julia Berry, Alistair Bradley, Charlie Bromilow, Terry Brown, Henry Caunce, Jean Cronshaw, Matthew Crow, John Dalton, David Dickinson, Doreen Dickinson, Graham Dunn, Robert Finnamore, Christopher France, Gordon France, Margaret France, Anthony Gee, Danny Gee, Peter Goldsworthy, Mike Handley, Steve Holgate, Keith Iddon, Mark Jarnell, Kevin Joyce, Hasina Khan, Paul Leadbetter, Adrian Lowe, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Mick Muncaster, Steve Murfitt, Beverley Murray, Pauline Phipps, Dave Rogerson, Joyce Snape, Kim Snape, Ralph Snape, Richard Toon, John Walker, Paul Walmsley, Alan Whittaker and Peter Wilson

**OFFICERS:** Gary Hall (Chief Executive), Lesley-Ann Fenton (Director of Customer and Advice Services), Jamie Carson (Director of Public Protection, Streetscene and Community), Chris Moister (Head of Governance) and Carol Russell (Democratic Services Manager)

**APOLOGIES:** Councillors Mark Perks

The Mayor welcomed Councillor David Dickinson following his recent recovery from an operation. He also referred to Councillor Mark Perks recent illness and, on behalf of all Members, would send their best wishes for his speedy recovery.

**15.C.217 Minutes of meeting Tuesday, 13 January 2015 of Council**

**RESOLVED - that the minutes of the last meeting held on 13 January 2015 be approved as a correct record for signature by the Mayor.**

**15.C.218 Declarations of Any Interests**

There were no declarations of interest received.

**15.C.219 Mayoral Announcements**

The Mayor thanked those who had supported his Charity Ball in February which had raised over £5,000 towards his chosen charities. He also updated Members on other forthcoming fundraising events.

The Mayor invited Members to join him on Monday 9 March at 10.00am at Union St Offices for the hoisting of the flag to mark Commonwealth Day.

**15.C.220 Public Questions**

There were no public questions.

**15.C.221 General Fund Revenue and Capital Budget and Council Tax for 2015/16**

Councillor Peter Wilson, Executive Member for Resources, presented the Executive's budget proposals for 2015/16.

The proposed budget would enable the successful delivery of the Corporate Strategy based on the following priorities:

- Involving residents in improving their local area and equality of access for all.
- Clean safe and healthy communities
- An ambitious council that does more to meet the needs of residents and the local area; and
- A strong local economy

In summary, the budget proposals put forward by the Executive would:

- Freeze Council Tax for a third year in 2015/16.
- Address the previously forecasted budget deficit position for 2015/16 in advance of the year, delivering £0.708m worth of budget savings.
- Contains headroom of £0.095m in the budget for 2014/15 to fund recurring new budget growth investment.
- Does not contain cuts to front line services.
- Delivers Revenue and Capital New Investments totalling £5.020m.
- Brings the total committed to New Investments since 2013/14 to £9.163m.
- Is consistent with the Corporate Priorities and aims to bring income into the Council.
- Seeks to bridge the budget gap by generating additional income.
- Is consistent with the Medium Term Financial Strategy.
- Minimises the Council's borrowing commitment to fund the Capital Programme.

The following appendices were appended to the main report on the General Fund Revenue and Capital Budget and Council Tax for 2015/16, providing supporting information to the budget proposals:

**Appendix A1** Formal Council Tax Resolution 2015/16

**Appendix A2** Council's Pay Policy 2015/16

**Appendix A3** Fees and Charges Income 2015/16

**Appendix A4** Proposed Revised Market Rents wef 01/04/15

**Appendix B1** Capital Programme 2015/16 to 2017/18

**Appendix B2** Capital Programme 2015/16 to 2017/18 Financing

**Appendix B3** Developers' Contributions 2015/16 to 2017/18

**Appendix C** Budget Investment Package 2015/16

**Appendix C1** Budget Investment – Project Mandates

**Appendix D** Treasury Management Strategy and Prudential Indicators 2015/16 to 2017/18

**Appendix E** Statutory Financial Officer Report

**Appendix F** Medium Term Financial Strategy 2015/16 to 2017/18

**Appendix G** Significant Budget Movements 2014/15 to 2015/16

**Appendix H** Special Expenses /Parish Precepts (a revised Appendix H was circulated at the meeting)

**Appendix I** Budget Consultation 2015/16

**Appendix J** Assessing the Impact of 2015/16 Budget Proposals

**Appendix K** - Staffing Changes Consequent to the Budget Proposals and Corporate Plan, a confidential report, not for disclosure.

In presenting the report, Councillor Wilson referred to the Council's reasonably resilient financial position, despite cuts in resources nationally. This was due to the Council decision to purchase Market Walk Shopping Centre in November 2013 which had brought in an additional £1m in income. The Medium Term Financial Strategy detailed how the Council was planning to make efficiencies and savings and increase income in the three year up until 2017/18. Two key investments for the Council were the new Youth Zone and also the Extra Care Dementia Unit.

Councillor Paul Leadbetter then presented the Conservative Group's Alternative Budget report which included:

- eight new investment proposals totalling £311,000
- the removal of £209,000 of the Labour Group's revenue proposals
- the removal of £100,000 being set aside from the New Homes Bonus to meet the cost of a unitary status poll
- a reduction in capital investment proposals by £2.345m and this be used to reduce the cost of borrowing to the Council by £94,000 per annum.

In debating the proposals put forward under both the administration and the opposition budget proposals, Members of the Conservative Group raised concerns about the long term maintenance and redevelopment costs of Market Walk and whether there was a plan to resource such work when it was required; also whether Councils may in the future be asked to account differently for income received through the New Homes Bonus which was being used to fund a number of projects.

Members of the Labour Group challenged the opposition budget proposals for their deferral or removal of key projects.

#### **AMENDMENT**

**The Alternative Budget report was moved as an amendment by Councillor Paul Leadbetter and seconded by Councillor Kevin Joyce.**

This was put to the vote, recorded as follows:

**FOR:** Councillors E. Bell; H Caunce; J Dalton; David Dickinson; Doreen Dickinson; P Goldsworthy; K Iddon; K Joyce; P Leadbetter; G Morgan; M Muncaster; and J Walker.

**AGAINST:** J Berry; A Bradley; C Bromilow; T Brown; J Cronshaw; M Crow; G Dunn; R Fynamore; C France; G France; M France; A Gee; D Gee; M Handley; S Holgate; M Jarnell; H Khan; A Lowe; M Lowe; M Lynch; J Molyneaux; A Morwood; S Murfitt; B Murray; P Phipps; D Rogerson; J Snape; K Snape; R Snape; R Toon; P Walmsley; A Whittaker; P Wilson and R Lees.

**The vote was LOST**

#### **SUBSTANTIVE MOTION**

**Councillor Peter Wilson, Executive Member for Resources then proposed and Councillor Alistair Bradley, Executive Leader seconded the recommendations contained in the report on the General Fund Revenue and Capital Budget and Council Tax for 2015/16 at agenda item 5, and in Appendix K, the confidential report on Staffing Changes.**

This was put to the vote, recorded as follows:

**FOR:** J Berry; A Bradley; C Bromilow; T Brown; J Cronshaw; M Crow; G Dunn; R Fynamore; C France; G France; M France; A Gee; D Gee; M Handley; S Holgate; M Jarnell; H Khan; A Lowe; M Lowe; M Lynch; J Molyneaux; A Morwood; S Murfitt; B Murray; P Phipps; D Rogerson; J Snape; K Snape; R Snape; R Toon; P Walmsley; A Whittaker; P Wilson and R Lees.

**AGAINST:** Councillors E. Bell; H Caunce; J Dalton; David Dickinson; Doreen Dickinson; P Goldsworthy; K Iddon; K Joyce; P Leadbetter; G Morgan; M Muncaster; and J Walker.

**The vote was CARRIED and it was RESOLVED -**

**That the budget and proposals set out in this report be approved as follows, including:**

- 1. The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April.**
- 2. Maintain the fees and charges in Appendix A3 at current 2014/15 prices (other than those itemised in Appendix A4).**
- 3. Approve the proposed changes to Market Rents as in the report and in Appendix A4.**
- 4. Approve the four new growth budget items.**
- 5. Approve the Capital Programme to 2017/18 (Appendices B1, B2, and B3).**
- 6. Approve the Budget Investment Package Report (Appendices C and C1).**
- 7. Approve the Treasury Management Strategy and its core principles set out in Appendix D.**

8. **Note the advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained in the budget set out in the Statutory Report at Appendix E.**
9. **Approve the Council's Medium Term Financial Strategy (at Appendices F and F1).**
10. **Note the Significant Budget Movements from the 2014/15 Budget (at Appendices G and G1).**
11. **Note Special Expenses and Parish Precepts (at Appendix H).**
12. **Note the Budget Consultation 2015/16 report (at Appendix I).**
13. **Note the Assessing the Impact of Budget Proposals 2015/16 report (at Appendix J).**
14. **Approve the restructure and proposed staffing changes set out in the confidential report (at Appendix K) for consultation, and that following consultation the final decision on the staffing changes be delegated to the Executive Member for Resources, subject to there being no fundamental changes to the proposition.**
15. **The Council Tax set out in Appendix A1 be approved as follows.**
  1. It be noted that on 13 January 2015 the Chief Executive as Statutory Finance Officer calculated the Council Tax Base 2015/16:
    - (a) for the whole Council area as 34,504.22 [Item T in the formula in Section 31B of the Local Government Finance Act 1992, as amended (the "Act")]; and
    - (b) for dwellings in those parts of its area to which a Parish precept relates (as in the attached Table 2).
  2. Calculate that the Council Tax requirement for the Council's own purposes for 2015/16 (excluding Parish precepts) is £6,121,390.
  3. That the following amounts be calculated for the year 2015/16 in accordance with Sections 31 to 36 of the Act:
    - (a) £61,196,190 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(2) of the Act taking into account all precepts issued to it by Parish Councils.
    - (b) £54,541,840 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
    - (c) £6,654,350 being the amount by which the aggregate at 3(a) above exceeds the aggregate at 3(b) above, calculated by the Council in accordance with Section 31A(4) of the Act as its Council Tax requirement for the year. (Item R in the formula in Section 31B of the Act).
    - (d) £192.86 being the amount at 3(c) above (Item R), all divided by Item T (1(a) above), calculated by the Council, in accordance with Section 31B of the Act, as the basic amount of its Council Tax for the year (including Parish precepts).
    - (e) £1,189,230 being the aggregate amount of all special items (Special Expenses and Parish precepts) referred to in Section 34(1) of the Act (as in the attached Table 1).

- (f) £158.39 being the amount at 3(d) above less the result given by dividing the amount at 3(e) above by Item T (1(a) above), calculated by the Council, in accordance with Section 34(2) of the Act, as the basic amount of its Council Tax for the year for dwellings in those parts of its area to which no Parish precept relates.
4. To note that the County Council, the Police Authority and the Fire Authority have issued precepts to the Council in accordance with Section 40 of the Local Government Finance Act 1992 for each category of dwellings in the Council's area as indicated in the table below.
5. That the Council, in accordance with Sections 30 and 36 of the Local Government Finance Act 1992, hereby sets the aggregate amounts shown in the tables below as the amounts of Council Tax for 2015/16 for each part of its area and for each of the categories of dwellings.

<b>VALUATION BANDS</b>
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**CHORLEY BOROUGH COUNCIL**

A	B	C	D	E	F	G	H
105.59	123.19	140.79	<b>158.39</b>	193.59	228.79	263.99	316.78

**LANCASHIRE COUNTY COUNCIL**

A	B	C	D	E	F	G	H
753.19	878.72	1,004.25	<b>1,129.78</b>	1,380.84	1,631.90	1,882.97	2,259.56

**POLICE & CRIME COMMISSIONER FOR LANCASHIRE**

A	B	C	D	E	F	G	H
106.04	123.71	141.39	<b>159.06</b>	194.41	229.75	265.10	318.12

**LANCASHIRE COMBINED FIRE AUTHORITY**

A	B	C	D	E	F	G	H
43.24	50.45	57.65	<b>64.86</b>	79.27	93.69	108.10	129.72

**AGGREGATE OF COUNCIL TAX REQUIREMENTS**

A	B	C	D	E	F	G	H
1,008.06	1,176.07	1,344.08	<b>1,512.09</b>	1,848.11	2,184.13	2,520.16	3,024.18

6. That the Statutory Finance Officer and his officers be authorised to take any action necessary to ensure collection and recovery of the Council Tax and Non-Domestic Rates.
7. As there is no increase in the Council's basic amount of Council Tax for 2015/16 and is therefore below the allowable increase of 2.0%, it is considered not



excessive in accordance with principles approved under Section 52ZB Local Government Finance Act 1992.

## EXPLANATION OF COUNCIL TAX SETTING RESOLUTION

### RESOLUTION 1

- (a) Before we can calculate the Council Tax to be charged, we first have to calculate the Council Tax base. The Council Tax base is the amount which a Band D Council Tax of £1.00 would raise. For 2015/16 we estimate that a £1.00 Council Tax at Band D would raise £34,504.22 in the Chorley area.
- (b) This shows the “base” figure for each Parish in the area. For example, a £1.00 Band D Council Tax in Adlington would raise £1,859.00.

### RESOLUTION 2

This shows the Council's net spending for 2015/16 excluding the cost of Parish precepts.

### RESOLUTION 3

- (a) This is the grand total of money which the Council estimates it will spend on all services in 2015/16. It also includes £571,258 which Parish Councils need to run their services.
- (b) This is the grand total of money which the Council estimates it will receive from various sources in the year. This includes Central Government and business rates, car park charges, investment income, government grants in respect of benefits, etc.
- (c) This is the difference between 2(a) and 2(b) and is in effect the Council's and Parishes net spending on services.
- (d) The difference between 2(a) and 2(b) is £6,654,350 and this is the amount we need to charge Council Taxpayers. This is divided by the base (see 1(a) above) and the resulting figure of £192.86 is the average Band D Council Tax for all Borough and Parish services.
- (e) The total of all the amounts needed from Council Taxpayers by the Parish Councils in the area and for Chorley Borough Special Expenses.
- (f) This is the Band D Council Tax for Chorley Borough Council's own services, ie. excluding Parish Council spending and Special Expenses

### RESOLUTION 4

Lancashire County Council, Lancashire Fire Authority and the Police & Crime Commissioner for Lancashire are separate bodies who have worked out their own estimates of spending and income for 2015/16 and have set taxes in a similar way to Chorley Borough Council. This resolution notes their final decision.

**RESOLUTION 5**

This pulls together the Council Taxes for Chorley Borough Council, Lancashire County Council, the Police & Crime Commissioner for Lancashire and Lancashire Fire Authority. For example, the aggregate amount for Band D is £1,512.09 made up as follows:

	£
Chorley Borough Council	158.39
Lancashire County Council	1,129.78
Lancashire Police Authority	159.06
Lancashire Fire Authority	64.86

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

Band A	6/9 ths of Band D
Band B	7/9 ths of Band D
Band C	8/9 ths of Band D
Band D	9/9 ths of Band D
Band E	11/9 ths of Band D
Band F	13/9 ths of Band D
Band G	15/9 ths of Band D
Band H	18/9 ths of Band D

The aggregate charge for Band A, for example, the charge is  $£1,512.09 \times 6 \div 9 = £1,008.06$ ; for Band B it is  $£1,512.09 \times 7 \div 9 = £1,176.07$ .

**RESOLUTION 6**

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

Mayor

Date

**EXECUTIVE CABINET**

1. Any Cabinet recommendations on the reports that require Council decisions appear as separate items on the agenda.

**GENERAL REPORT OF MEETING HELD ON 22 JANUARY 2015****Approval to invite quotations for architectural services for design options for an extra care scheme**

2. The Executive Member (Resources) presented the confidential report of the Chief Executive.
3. The report sets out the procurement process and allocated budget for the purchase of architectural design services for an Extra Care Scheme in Chorley, to be located on Fleet Street.
4. We approved the procurement process and agreed for the tender to be advertised on the chest. We delegated the decision to appoint the successful bidder to the Executive Member (Resources).

**Proposed Sale of Freehold Reversionary Interest at Ackhurst Road, Common Bank**

5. The Executive Member (Resources) presented the confidential report of the Chief Executive.
6. We granted authorisation to proceed with the disposal of the freehold reversionary interest and delegated authority to the Executive Member for Resources to agree any minor amendments to the terms of the proposed sale to include, but not be limited to, the inclusion of a clawback provision in the terms of sale. We granted authorisation to the Head of Governance to complete the documentation.

**GENERAL REPORT OF MEETING HELD ON 12 FEBRUARY 2015****Report of Overview and Scrutiny Task Group - Neighbourhood Working**

7. The Chair of the Overview and Scrutiny Committee presented the report. He commended the report and requested that the Executive Cabinet accept and approve the recommendations.
8. Councillor June Molyneaux chaired the Task Group and explained that the inquiry into Neighbourhood Working had been chosen as the current arrangements have been in place since a review of the neighbourhood working model in 2012. Up until this time, neighbourhood working had been seen as a stand-alone service or at best an extension of community development.

9. In line with the agreed definition “working with our partners to improve the quality of life, health and wellbeing of all our citizens and to improve the environment of the neighbourhoods in which they live”, neighbourhood working has started to transcend all Council delivery and integrate with Council and partners services and Members have been tasked with providing the evidence that this is starting to take place.
10. We highlighted that recommendation 10, in relation to local neighbourhood forums, aims to follow the South Ribble model, rather than the Chorley model used several years ago.
11. We received and accepted for consideration the report with a view to our recommended response to the recommendations being reported to a future meeting.

### **National Non-Domestic Rate Discretionary Rate Relief Policy**

12. I presented the report of the Director of Customer and Advice Services. The report seeks approval for the National Non-Domestic Rate (Business Rates) Discretionary Rate Relief (DRR) policy.
13. The Council has a number of policies relating to the granting of discretionary rate relief. These have been introduced over a number of years and in response to changing legislation and new initiatives. This policy brings together the existing policies and also includes some new ones required as a result of recent government guidance. Primarily the rationale and use of the policy will be to develop business rather than hardship relief.
14. We discussed the delegation to the Council’s Section 151 Officer to continue approving the granting of relief and expressed a wish to set a limit up to which can be delegated.
15. We granted approval to consultation on the DRR policy by other precept authorities and wider community and to the adoption of the policy by the Executive Member for Resources, following a successful consultation outcome.
16. We granted approval for further changes of the Policy to be made by the Executive Member for Resources where changes are cost neutral. We delegated authority to the Council’s Section 151 Officer to continue approving the granting of relief, but requested that within the consultation response a suggestion that a level be set up to which the Section 151 Officer can grant relief.

### **Chorley Council Performance Monitoring Quarter Three 2014/15**

17. I presented the report of the Chief Executive. The report sets out performance against the Corporate Strategy and key performance indicators for the third quarter of 2014/15.

18. Overall performance of key projects is excellent, with the majority of projects either complete or on track. One project; Market Walk has been rated amber due to slight delays in bringing the operational and financial management of the mall in house, however work is underway to bring this project back on track.
19. Overall performance on the Corporate Strategy indicators and key service delivery measures is excellent. 71% of the Corporate Strategy indicators and 90% of the key service measures are performing above target or within the 5% tolerance.
20. The Corporate Strategy measures performing below target are the number of long term empty properties in the borough and the percentage of customers dissatisfied with the way they have been treated by the council. Action plans have been developed to outline what action will be taken to improve performance.
21. The key service delivery measure performing below target is the time taken to process all new claims and change events for Housing and Council Tax benefit. Again, an action plan is included within the report which outlined what actions are being taken to improve performance.
22. We noted the report.

### **Appointment of Contractor for Ranglett's Recreation Ground Phase 3 (Skate Park)**

23. I presented the report of the Director of Public Protection, Streetscene and Community.
24. The purpose of the report is to appoint Canvas Spaces Ltd to deliver Ranglett's Recreation Ground Skate Park (Phase 3) under a fixed price design and build contract. The procurement approach and evaluation criteria for this project have been approved by Executive Member Decision in October 2014.
25. Following the tender evaluation process the top two designs (Canvas and Freestyle) have been shortlisted. Due to the close scoring of these two highest scoring tenderers, the designers have been invited to present their designs to the 'Design Team' of local stakeholders in January at Eaves Green Community Centre and a vote taken. Provision for this vote in the event of very close scoring tenders had been made within the Invitation to Tender Document. All three members of the design team panel voted in favour of the Canvas Spaces Ltd. design.
26. We noted that local skateboarders and BMX riders expressed a wish for a facility similar to the one at Euxton.
27. We granted approval for the appointment of Canvas Spaces Ltd. to deliver Ranglett's Recreation Ground (Phase 3) Skate Park.

**Local Government Declaration on Tobacco Control**

28. The Executive Member (Community Services) presented the report of the Director of Public Protection, Streetscene and Community.
29. Since the successful introduction of 'smokefree' legislation in 2007 there has been a significant impact on the prevalence of tobacco use both regionally and nationally.
30. However the cost, both in direct health impact and economics, remains high and more needs to be achieved to ensure the promotion, distribution and use of tobacco products are discouraged. This will seen as essential in order that existing tobacco users are encouraged to stop using tobacco products and new users are discouraged from starting.
31. We granted approval to the Council being a signatory to the Local Government Declaration on Tobacco Control.

**GENERAL REPORT OF MEETING HELD ON 26 MARCH 2015****Joint Procurement Strategy 2009 to 2014 Performance Report and Proposals for a new Joint Procurement Strategy 2015 to 2018**

32. The Executive Member (Resources) presented the report of the Chief Executive.
33. The report seeks approval for the Joint Procurement Strategy (JPS) with South Ribble Council to cover the period 2015/16 to 2018. The report provides a summary of progress and achievements achieved by the previous JPS and information on the National Procurement Strategy and Sustainable Procurement Policy.
34. The Policy incorporates changes required by new legislation. Significant savings have already been made by both authorities through the use of the Strategy and targets have been set for the future.
35. We granted approval to the adoption of the Chorley and South Ribble Councils' 2015 to 2018 Joint Procurement Strategy and that the current Sustainable Procurement Policy remains in force.

**Neighbourhood Priorities**

36. I presented the report of the Director of Public Protection, Streetscene and Community.
37. The report updates on the delivery of the 24 neighbourhood priorities in 2014/15 and seeks approval for the new 24 neighbourhood priorities to be delivered in 2015/16.

38. There is a diverse range of priorities and some will require further consultation to fully understand and determine community needs. Funding for the delivery of the priorities will be through existing budgets, business as usual resources, leveraging in partner resources and approaching Parish Councils to release a proportion of their precept.
39. The attendance at the meetings is noted as positive, across the Borough, Lancashire and Parish Councillors, and the housing providers.
40. We granted approval to the 24 priorities and actions identified through the recent round of Neighbourhood Area meetings and for delivery in 2015/16 as listed in Appendix 1 of the report. We granted delegated responsibility to the Executive Member for Community Services to approve details costs for each priority as they emerge and noted the successful delivery of neighbourhood priorities in 2014/15.

### **Home Energy Conservation Act (HECA) Report 2015**

41. The Executive Member (Customer and Advice Services) presented the report of the Director of Customer and Advice Services.
42. The report explains the Council's requirements in respect of the Home Energy Conservation Act (HECA), advises on HECA-related activity carried out to date, and sets out the proposed HECA-related activity for the future. The Council has a statutory obligation to publish a HECA report.
43. The Council has a corporate strategy target for its Fuel Poverty rates to be below the North West average and to date this target has been met. An excellent example of the work the Council is undertaking is the Energy Switching Support Service, which helps to make customers' energy bills to be more affordable and, by generating cost savings, provides more disposable income for the household.
44. We granted approval to the proposals set out in Appendix 1 of the report.

### **Key Partnerships Monitoring Report**

45. The Executive Member (Resources) presented the confidential report of the Chief Executive.
46. The report is produced in accordance with the requirements of the council's key partnerships framework. It details the performance of the council's key partnerships against targets set for the current year, any emerging issues including whether the contract is on budget or subject to any overspend or underspend of budget and an assessment of the key partner's financial strength and stability.
47. We noted the report.

**Approval for Contract Procedure and Award for Waste Collection from Council Buildings and Market Walk Shopping Centre**

48. The Executive Member (Resources) presented the confidential report of the Director of Public Protection, Streetscene and Community.
49. The report seeks approval for the award procedure and evaluation criteria for the two year contract to collect waste from Council owned buildings including the Market Walk shopping centre. The report also seeks approval to award the contract described above.
50. We granted approval to the award procedure and evaluation criteria for collecting waste from Council buildings and premises and to the award of the contract for collecting waste from Council buildings and premises as set out in the report.

**Lancashire County Council: Integrated Home Improvement Services (IHIS)**

51. The Executive Member (Customer and Advice Services) presented the confidential report of the Director of Customer and Advice Services.
52. The report provides an update on the Council's negotiations with Lancashire County Council, with regards to a Collaboration Agreement between LCC and the Council which will result in the Council's Home Improvement Agency (HIA) delivering Integrated Home Improvement Services (IHIS) on behalf of LCC in Chorley with effect from 1 May 2015.
53. The report seeks approval, in the form of a waiver of contract procedure rules, for the Council to enter into a partnership arrangement with a contractor to deliver the Minor Adaptations element of IHIS, for a period of eleven months from 1 May 2015.
54. This will also require a waiver of contract procedure rules on the basis that there are circumstances which are genuinely exceptional and not of the Council's making.
55. We granted approval for the Council to use a contractor to deliver the Minor Adaptations element of IHIS for an eleven month period commencing 1 May 2015.

**Strategic Housing Structure**

56. The Executive Member (Customer and Advice Services) presented the confidential report of the Director of Customer and Advice Services.
57. The report seeks approval to make permanent temporary staffing arrangements in Strategic Housing which have been in place since May 2014.



58. We granted approval to the structure for formal consultation and that following consultation the final decision on the staffing changes be delegated to the Executive Member for Customer and Advice Services, subject to there being no fundamental changes to the proposition.

**Recommendation**

59. That the report be noted.

COUNCILLOR ALISTAIR BRADLEY  
Executive Leader

RR

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Report of	Meeting	Date
Chief Executive (Introduced by the Executive Member for Resources)	Executive Cabinet	26 March 2015

## **REVENUE AND CAPITAL BUDGET MONITORING 2014/15 REPORT 3 (END OF FEBRUARY 2015)**

### **PURPOSE OF REPORT**

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2014/15.

### **RECOMMENDATION(S)**

2. Note the full year forecast position for the 2014/15 revenue budget and capital investment programme.
3. Request Council approve the set aside of around £100,000 of additional forecast revenue income from Council Tax Summons and Liability Order charges in 2014/15 to offset any future increased liability in bad debts as a result of these charges. Details are outlined in paragraph 36.
4. Request Council approve the use of £40,000 from in-year revenue underspends to fund additional temporary staffing resources required in the Single Front Office.
5. Note the forecast position on the Council's reserves.
6. Request Council approve the following additions to the capital budget all externally funded from Section 106 receipts:
  - £35k for the improvement and equipping of the existing trim trail in Carr Brook;
  - £9.6k play and open space contribution on the Union Street, Whittle-le-Woods play area;
  - £12.4k for play and open space provision at Coronation Recreation Ground.
7. Request the addition to the capital budget of £8.5k subsidy to Adactus Housing to be funded from the Regional Housing Pot.
8. Request approval for the transfer of budgets within the capital programme to better reflect budget requirements.
9. Request approval for the transfer of budgets between the capital and revenue budgets to better reflect future delivery of schemes – for further information see paragraph 58.
10. Request Council approve the proposed re-profiling of the Capital Programme to better reflect delivery in 2014/15.

11. Note the addition to the capital programme of £3.365 million investment projects approved at Council on 3rd March 2015.

**EXECUTIVE SUMMARY OF REPORT**

12. The projected revenue outturn currently shows a forecast underspend of £146,000 against budget excluding the following special items:
  - Any underspends on committed items which are expected to be carried forward into 2015/16.
  - Investment items added to the budget in 2014/15.
  - Additional net income generated from Market Walk.
  - Any surplus/deficit relating to Business Rates Retention.

As the latest forecast indicates an underspend against the approved budget for 2014/15, no action is required at this stage in the year.

13. It has previously been agreed that £30,000 of in-year underspends would be used to fund design and appraisal of the Extra Care scheme at Fleet Street. Budget provision has now been identified from the Town Centre Masterplan investment budget which has generated savings through the use of in-house resources.
14. In the 2014/15 budget the expected net income from Market Walk is £570k. The latest projection – after taking into consideration £190k reserved to fund feasibility costs of the proposed extension and £100k transferred to fund further Town Centre Investment – is £712k. The proposed surplus of £142k will be transferred to reserves, allocated 80:20 between the change management reserve and the Market Walk income equalisation reserve. This will bring Market Walk reserves to £194k by 31<sup>st</sup> March 2015.
15. The forecast of capital expenditure in 2014/15 is £5.383m.
16. The Council expected to make overall target savings of £130k in 2014/15 from management of the establishment. As previously reported, the full savings target for 2014/15 has been achieved.
17. The Council’s Medium Term Financial Strategy proposed that working balances were to be maintained at a level no lower than £2.0m due to the financial risks facing the Council. The current forecast to the end of February shows that the General Fund balance could be around £2.295m.

<b>Confidential report</b> Please bold as appropriate	Yes	<b>No</b>
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<b>Key Decision?</b> Please bold as appropriate	<b>Yes</b>	No
<b>Reason</b> Please bold as appropriate	<b>1, a change in service provision that impacts upon the service revenue budget by £100,000 or more</b>	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

**REASONS FOR RECOMMENDATION(S)**

**(If the recommendations are accepted)**

- 18. To ensure the Council’s budgetary targets are achieved.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 19. None.

**CORPORATE PRIORITIES**

- 20. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all		A strong local economy	√
Clean, safe and healthy communities		An ambitious council that does more to meet the needs of residents and the local area	√

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

**BACKGROUND**

- 21. The Council’s current net revenue budget is £16.392m.
- 22. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first ten months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
- 23. The Council’s approved revenue budget for 2014/15 included target savings of £130,000 from management of the staffing establishment.
- 24. It was recommended in the June budget monitoring report that £100k of additional income from Market Walk be transferred to invest in the Town Centre Grants Programme and that any surplus additional income, currently forecast to be around £142k, be divided on a 80:20 basis between two reserves: the equalisation reserve to smooth any fall in forecast income from Market Walk in future years; and the change management reserve which would assist in funding future organisational change.
- 25. The latest forecast of capital expenditure in 2014/15 is £5.383m. Explanations for the changes to the previously reported position to Cabinet in November 2014 are expanded on in Section B of this report. The latest three year capital programme is shown in Appendix 5 based upon actual and committed expenditure during the first half of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

**SECTION A: CURRENT FORECAST POSITION – REVENUE**

- 26. The projected outturn shown in Appendix 1 forecasts an underspend compared to budget of around £146,000 (excluding any additional net income from Market Walk). The significant variances from the last monitoring report to Executive are shown in the table below. Further details are contained in the service unit analysis available in the members’ room.

**ANALYSIS OF MOVEMENTS****Table 1 – Significant Variations from the last monitoring report**

Note: Savings/underspends are shown as ( ).

	£'000	£'000
<b>Expenditure:</b>		
Elections (Combined Elections 2014)	(20)	
Electoral Registration (IER)	15	
Chorley Local Plan	(11)	
Property Searches Legal Settlement	20	
Leisure Services Contract	<u>20</u>	24
<b>Income:</b>		
Sale of Land at Ackhurst Road	(50)	
Cemetery Income	(19)	
Rental Income – Investment Portfolio	(10)	
Planning Income	<u>25</u>	(54)
<b>Other:</b>		
Housing & Council Tax Benefits	(29)	
Net Financing (MRP)	19	
Other minor variances	<u>8</u>	(2)
<b>Net Movement (excluding slippage items)</b>		<b>(32)</b>

27. In 2014, combined Borough and European Elections were held with the costs of the European Election being reimbursed to the Council by the Cabinet Office. With the elections being combined, certain costs were shared and as a result, a revenue budget saving of around £20,000 is anticipated for 2014/15. This is likely to be offset however, by increases in costs for Electoral Registration as a result of the implementation of Individual Electoral Registration (IER). Despite additional Government funding being made available for 2014/15, forecasts earlier in the year had predicted a potential overspend of around £6,000 but costs incurred over the last few weeks have increased this to around £21,000.
28. One issue highlighted in the previous monitoring report was the legal costs associated with the site allocation for Gypsy and Traveller and Travelling Showpeople under the Chorley Local Plan 2012-26. Following the re-opening of the examination hearing, initial estimates for legal costs were around £42,000 required to cover potential costs of the Programme Officer, Inspector and Barrister. Although there is no change to the overall estimate of costs at this stage, it is now likely that a proportion of the work will only be carried out in the new financial year. As a result, the revised forecast for current year costs has been reduced by £11,000.
29. In the September monitoring report, a reduction of £20,000 in the Council's leisure centre's contract was anticipated following recent negotiations with Active Nation, particularly as the ongoing monthly charges had already been reduced to reflect this reduction. However, the revised contract had still to be signed off and following further review it has now been determined that the reduction was valid for 2013/14 only and the original charges for 2014/15 were correct without any further reduction.

30. At the Executive Cabinet meeting of 22 January, authorisation was granted to proceed with the sale of the freehold for land at Ackhurst Road, Common Bank to H & A Prestige Bottling Limited in the sum of £550,000. This receipt includes an amount of £50,000 relating to a backdated increase in rent from September 2010. This is additional revenue income which otherwise may not have been received and this has now been included in the forecast outturn for 2014/15.
31. Income received from funeral directors for burial and interment fees has seen a significant increase over recent months compared to budget. The revised forecast based on income to the end of January, is for an additional £19,000 income compared to forecasts reported previously.
32. Additional revenue has also been generated from the Council's investment portfolio through rental income on its commercial properties. All the units on Chorley North Industrial Estate are now occupied with new leases being signed off in the last few months. This, together with additional income generated on garage rents over the last quarter, has increased the forecast income by £10,000 for 2014/15.
33. One area where income levels have fallen in recent months is for Planning Application fees. Income received for the third quarter is significantly lower when compared to previous years and this has resulted in a revised income forecast of £25,000 below budget for the current year. It should be noted however that income from planning fees can fluctuate greatly from month to month and the forecast deficit could still be reversed by the end of the year.
34. As outlined in previous monitoring reports, one budget that could have a significant impact on the Council's year-end position is the budget for housing benefit payments. Figures for the third quarter continue to show an increase in the level of costs recovered as a result of pro-active investigation work. As a result, the revised forecast is for a further additional income sum of around £29,000 against the 2014/15 budget.
35. The forecast for Net Financing has been updated to take into account changes in the Capital Programme and estimates on interest receivable from investments. Re-phasing of the Capital Programme has resulted in a reduction in MRP but this has been offset by a forecast reduction in interest receivable due to lower interest rates over recent months. The net effect of these changes is a shortfall against budget of around £19,000.
36. One area excluded from the forecast figures detailed in Appendix 1 is the additional income generated in 2014/15 from the recovery of Council Tax Summons and Liability Orders. On issue of a summons for non-payment of Council Tax, a charge of £53.50 is added to the council tax payer's account. For cases that are not paid in full or are withdrawn by the court hearing date, a liability order is granted and a further £39.00 costs are charged. These costs have remained unchanged since April 2011 but a major increase in caseloads has resulted in a significant increase in income.

Based on charges raised to the end of January, a forecast increase of around £100,000 is anticipated for 2014/15. It is difficult to determine the exact cause of the increase in caseloads but one possible explanation is the introduction of Council Tax Support and the recent technical reform changes. It should be noted that raising these charges is no guarantee that these costs will actually be recovered and an allowance will need to be made for non-payment. It is unclear at this stage as to the level of recovery as this can take place over a number of years. As a result, it is recommended that the surplus income in 2014/15 is set aside to offset any future increased liability in bad debts as a result of these charges. Members will be updated on this position in future monitoring reports.

37. As previously outlined in the report to Executive Cabinet on 28 August 2014, legislation introduced by central government and subsequently repealed in relation to property search fees has given rise to a legal claim against the Government and local authorities for restitution from property search companies. Bevan Brittan Solicitors were appointed by the Local Government Association (LGA) to act on Chorley's behalf along with 369 other English and Welsh local authorities in a claim for refunds of property search fees.

The latest briefing note from Bevan Brittan was received in December and confirmed that moves towards final settlement appear to be proceeding fairly smoothly and estimates the Council's liability to be around £90,000. Agreement on Chorley's contribution to the claimants' solicitors costs would be deferred until after settlement of the claims for refunds of search fees but early indications are that costs could be around £30,000 giving a total liability to the Council of £120,000. Should this prove to be the case, this would represent an increase of £20,000 over previous forecasts.

38. Concerns have recently been raised over telephone waiting times when contacting the Single Front Office, resulting in proposals being made to allocate additional temporary resources to address the issue. The service is currently undergoing a transitional period whereby customers are being encouraged to access online and automated channels to deal with their enquiries. To assist with this difficult phase, it is recommended that a sum of £40,000 is allocated from in-year revenue underspends to fund an increase in working hours for experienced staff for a 12 month period.
39. In January 2014, Council approved the use of funds held on the Council's balance sheet, in the Council's role as trustee of The Avondale Library Trust, to contribute £24,000 to the Home-Start Children's Play Area. There had been an initial delay in getting the play area installed but the scheme is now close to completion and the Council's contribution has now been paid over.

#### **COMMITTED ITEMS/SLIPPAGE REQUESTS**

40. Each year the Council commits itself to expenditure that may not always be incurred in the financial year. It is customary to allow directorates that have a budget underspend to carry forward these resources to pay for specific items in the following year. This is an important part of the budget management process as it allows officers to commit earmarked resources to specific projects particularly towards the end of the financial year.
41. A schedule of the anticipated budget carry forward (slippage) requests for 2014/15 is outlined in Appendix 2.

#### **MARKET WALK**

42. The budgeted net rental income from the Market Walk in 2014/15 is £570k. This is an increase of £27k from the budget reported at November Executive Cabinet. The £27k budget for the Landlord's 50% contribution to marketing and promotion has been transferred to the council's Policy and Communications team as the work has been brought in-house.
43. The latest forecasts estimate the Council will receive an additional £432k. This improved position is due to the letting of three units over the summer, a temporary let over Christmas and savings to operational costs and reduced costs of financing the acquisition.



44. Of the additional income forecast £190k is to be used to fund design, planning and feasibility costs in relation to the extension to Market Walk and £100k has been transferred to finance further investment in the Town Centre through the Town Centre Grants Programme, continuing the Council's support of new local businesses through the award of shop front and shop floor grants.

**Table 2: Market Walk Income Forecast (January 2015)**

	2014/15 Budget	2014/15 Jan-15 Forecast	2014/15 Variance
<b>Income Budget</b>			
Gross Income	(1,759,827)	(1,798,108)	(38,282)
<b>Expenditure Budget</b>			
Operational costs and financing	1,189,630	795,869	(393,761)
	(570,197)	(1,002,240)	(432,043)
<b>Commitments</b>			
Market Walk Extension - design / feasibility costs	0	190,000	190,000
Transfer to Reserve for Town Centre Investment	0	100,000	100,000
Net Income	(570,197)	(712,240)	(142,043)
<b>Transfer to reserve as per 2014/15 Budget Report</b>			
Equalisation Reserve (annual contribution)	50,000	50,000	0
Asset Management re Market Walk	50,000	50,000	0
Revised Net Income	(470,197)	(612,240)	(142,043)

45. The approved budget made provision for a £50k transfer to reserve to fund asset maintenance costs outside of the service charge agreement and a £50k transfer to an equalisation account to build up a reserve to fund any future reduction to income levels. The current forecasts indicate that the revised net income will exceed budgeted estimates by £142k in 2014/15.
46. It is proposed that the additional income of £142k is transferred to reserves, allocated on the 80:20 basis in line with previous allocations, between the Market Walk income equalisation reserve and the change management reserve.

## GENERAL FUND RESOURCES AND BALANCES

47. With regard to working balances, and as per Appendix 1, we started the year with a balance of £2.189m. The approved MTFs proposes that working balances are to be no lower than £2.0m given the budgetary challenges facing the Council. The current forecast to the end of January (after taking requests for slippage into account) shows that the General Fund closing balance will be around £2.295m as detailed in the table below.

**Table 3 – Movement in General Fund Balance**

General Balances	£m
Opening Balance 2014/15	2.189
Additional resources for Single Front Office	(0.040)
Provisional revenue budget underspend	0.146
<b>Forecast General Fund Balance 2014/15</b>	<b>2.295</b>

48. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2014/15.

## RETAINED BUSINESS RATES

49. The Business Rates Retention (BRR) scheme was introduced in April 2013. It provides a direct link between business rates growth or decline, and the amount of money the council has to spend on local people and local services. The Council is able to keep a proportion of business rates revenue, as well as growth generated on that revenue, within their local area. Conversely any decline in Business Rates revenue levels reduces the income received by the Council. An explanation of how retained rates income is calculated was presented to Council on 13 January 2015. A detailed calculation of the budgeted rates income for 2014/15 was presented as Appendix D to the report on the Council Tax Base and Local Council Tax Support Scheme 2015/16. Appendix 4 to this report presents the forecast outturn for 2014/15, and the estimate for 2015/16, both based on the NNDR1 2015/16 return submitted to the DCLG at the end of January.
50. A comparison between the 2014/15 budget and the latest forecast for retained business rates and associated Government grant is presented in Table 4 below.

**Table 4 – Business Rates Income Projection**

	<b>Budget 2014/15 £000</b>	<b>January Forecast 2014/15 £000</b>	<b>Variance £000</b>	
Net Rate Yield (after deducting reliefs, cost of collection and appeals)	26,992	27,202	210	Gross rates growth and small reduction in reliefs (mirrored by reduction in section 31 grant below)
<i>Calculation of Chorley retained income:</i>				
Retained by Chorley (before tariff/levy)	10,797	10,881	84	CBC retain initial 40% of net rate income collected before further deductions
Surplus in year transferrable in following year	0	(84)	(84)	Reduces deficit transferrable in 2015/16 from £442k to £358k
Tariff to Central Government	(7,646)	(7,646)	0	Fixed deduction to Central Government
Levy to Central Government	(620)	(626)	(6)	Reduction calculated against excess collected over base funding level
<b>Retained Business Rates net of tariff &amp; levy</b>	<b>2,531</b>	<b>2,525</b>	<b>(6)</b>	<b>Forecast outturn based on NNDR1 2015/16</b>
Section 31 Grant	753	630	(123)	S31 grant compensates councils for extended doubling of SBRR and Autumn Statement reliefs. Take-up of the latter has been less than estimated.
<b>Retained Rates and Section 31 Grant</b>	<b>3,284</b>	<b>3,155</b>	<b>(129)</b>	<b>Net reduction in rates-related income</b>

51. The latest forecast of the income yield – net of costs for reliefs, cost of collection, bad debt losses, and estimated appeals – is an increase in Chorley's share of retained rates of £84k. However, the benefit of this is not achieved until 2015/16, when it reduces the deficit transferable to the General Fund from £442k to £358k. (This deficit arose as a result of performance in 2013/14 being worse than budgeted, mainly as a result of having to create the provision for the estimated cost of backdated appeals.) Another effect of improved performance in 2014/15 is that the levy payable to Government increases, and Section 31 grant receivable reduces. Overall in 2014/15 there is an estimated reduction in rates-related resources of £129k.

52. Actual figures for 2014/15 will be confirmed to DCLG on the NNDR3 return (during May 2015). The local share of net rate yield retained by this Council will not vary, and neither will the tariff. However, the levy payable and Section 31 grant receivable could still vary from the forecast outturn. The impact of any variance could be managed by adjusting the transfer to the Business Rates Retention Reserve. Any variance from the forecast surplus for 2014/15 will have no direct effect in 2015/16, but will be taken into account in the surplus or deficit transferable to the General Fund in 2016/17.

## **SECTION B: CURRENT FORECAST POSITION – CAPITAL**

53. The Capital Budget for 2014/15 to 2016/17 as approved at Special Council in February and taking into account amendments reported to the Executive in June, August and November is as follows:
- 2014/15: £5.767m
  - 2015/16: £4.997m
  - 2016/17: £5.378m
54. Capital expenditure and commitments raised as of 31<sup>st</sup> January 2015 are £3.892m. This represents 72% delivery against the latest forecast for 2014/15.

### ***Amendments***

55. The regeneration programme is forecast to exceed the current estimated budget by £76k. This is due to the two schemes below. It is requested that the under spend of £56k on Leisure Centre improvements, which is now not required, is transferred to use here and that the remaining £17k is added to the programme.
- car park resurfacing work (£53k) – additional work was carried out to the entrance of the car park and the adjacent Home Start play area, and
  - Market Street refurbishment (£23k).
56. The Cotswold House improvement expenditure is forecasted to reach another £171k over and above that previously estimated. This is due to works being brought forward to avoid further disruption to the site in the near future. The additional work that has been carried out earlier includes: works to flooring, including removal of asbestos floor tiles; wall plastering works; redecoration of toilets and new LED lighting which is less susceptible to damage. To fund this additional expenditure it is requested that the £65k budget still available in 2014/15 within the Asset Improvement Programme is added to £100k accelerated from 2015/16 within the Asset Improvement Programme. In addition, there are also two small capital budgets that have been carried forward from previous years, each of £3k which are no longer required (Home Energy Repair Grants and Unified Intelligent Desktop) it is also requested that these are transferred to cover the work brought forward.
57. Executive Cabinet is asked to approve the following additions to the capital budget:
- 57.1. Addition to the Affordable Housing budget for a subsidy payable to Adactus Housing in order to convert a shared ownership property to rented on Chapel Lane, Coppull with a budget of £8.5k to be transferred from the Regional Housing Pot (RHP).

- 57.2. Permission is sought to allocate £35k (£15k in 2014/15 and £20k in 2015/16) of the £118k Radburn Works, Carr Brook Section 106 receipt. The allocation will finance Streetscene seasonal staff to carry out works within the agreement, namely the improvement and equipping of the existing trim trail.
- 57.3. Permission is sought to add the following schemes to the capital programme. Both are funded by specific Section 106 receipts:
- Commuted sum for the refurbishment or provision of new equipment on the Union Street, Whittle-le-Woods Play area - £9.6k
  - Provision / improvement of public open space and playing fields at Coronation Rec Ground Devonshire Rec Ground - £12.4k
58. Executive Cabinet is asked to approve the following budget transfers between the capital and revenue budget to better reflect delivery:
- 58.1. The expenditure on the new Chorley Market gazebos was to be funded through a transfer from revenue of additional market income. The expenditure will now be transferred to revenue and will be funded in the same way.
- 58.2. Revenue funds totalling £47k earmarked for playground facilities are to be transferred to the capital programme for Jubilee recreation ground (Adlington).
59. Executive Cabinet is asked to approve the following changes to the phasing of the budget between financial years:
60. The recycling receptacle budget has been accelerated by £45k to reflect an increase in demand during 2014/15. Future budgets will be monitored closely to evaluate if the current level of activity is continued and whether the budget needs to be re-assessed accordingly.
61. The asset improvement budget has been brought forward from 2015/16 and re-profiled into 2014/15 in the sum of £100k to enable improvement works at Cotswold House to be completed in the same tranche. This approach is more cost effective than a two phased approach on the same site.
62. The budget for the Chorley East Health Centre is to be re-profiled to reflect the latest timetable of delivery. The estimated cost is £7.036m and this will be split with approximately one quarter costs in 2015/16, half the cost in 2016/17 and one quarter cost in 2017/18. This is an increase in the cost budget previously reported of £386k although it should be noted that the scheme will be cost neutral to the Council as all costs will be recouped. Progress is being made in relation to the health centre development. At present the CCG is out to consultation in respect of the scheme. There is still further work to do with regard to the agreeing the structure of any deal between ourselves as financiers and the health sector. The final agreement will also be subject to change pending the outcome of funding bids that are currently being considered by NHS England. Therefore the budget contains the maximum total borrowing costs which will of course be cost neutral in revenue terms. Once further progress is made about the structure of the final financing arrangements they will be brought back to members for approval.
63. The purchase of the Leigh Arms public House as the site for the Chorley Youth Zone has taken place in 2014-15 however demolition will likely take place during 2015-16 and the element of budget relating to this will be re-phased accordingly.
64. The 115k set aside in 2014/15 as the Council's contribution to the changes to the site at Bengal Street following the lease to Recycling Lives has been re-phased to 2015/16 following delays with signing the lease.

65. A small element of the Cotswold House Improvement budget (£31k) will be re-phased into 2015/16 to cover retention payments on the work which will become payable a period after completion. This is to be funded through the asset improvement budget.
66. The work to extend Clayton Brook Village Hall will now take place after the forthcoming elections as it is used as a polling station, as such the remaining budget will be re-phased into 2015/16.
67. Works to be funded from developer contributions on both the Buckshaw Village rail station and the Puffin crossing at Collingwood will now be carried out during 2015/16.
68. The programme of works in Astley Hall and Park is ongoing with good progress made to date; an element of the budget already agreed will be carried forward for continued use in completing the scheduled programme of works. The funding carried forward into 2015/16 totals £357k for works on Astley Hall; green stage in the walled garden; events car parking; woodland paths and footsteps and footpath lighting. This work will also use the £218k investment budget already approved for next year.
69. In conjunction with the transfer of £357k from 2014/15 to 2015/16 for Astley Hall and Park development there is £100k that is requested to be reallocated from 2015/16 to 2014/15. This budget is from the three year recurring budget (£300k in total) approved as part of the Play & Open Space Strategy. It was agreed at November Executive Cabinet that the full allocation of £300k was added to the capital programme and reserved for schemes to improve play provision at parks. Of this allocation £100k was set aside for use in Astley Park. The budget was initially added in to 2015/16; however its likely use is for the destination play area which is due for completion during 2014/15.
70. If all the recommendations above are approved the revised capital programme will be as summarised below and as presented in Appendix 5. This includes the capital investment items agreed by Council on 3<sup>rd</sup> March 2015:
- 2014/15: £5.383m
  - 2015/16: £9.255m
  - 2016/17: £3.991m

### *Capital Financing*

71. The capital programme is financed using different sources of funding. The table below shows the latest proposed financing based on the forecast of expenditure in 2014/15. This in line with budget and will be reviewed at year-end to best manage the Council's own resources.

**Table 5: Capital Financing as at 31<sup>st</sup> January 2015**

<b>Fund</b>	<b>Quarter 2 2014/15 £'000</b>	<b>Quarter 3 2014/15 £'000</b>
External Contribution	2,507	2,541
Government Grant	929	842
New Homes Bonus	424	446
Revenue	498	509
Capital Receipts	159	211
Borrowing	1,250	834
<b>Capital Financing 2014/15</b>	<b>5,767</b>	<b>5,383</b>

**IMPLICATIONS OF REPORT**

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

Finance	✓	Customer Services	
Human Resources		Equality and Diversity	
Legal	✓	Integrated Impact Assessment required?	
No significant implications in this area		Policy and Communications	

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

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

**COMMENTS OF THE MONITORING OFFICER**

74. The Monitoring Officer has no comments.

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Dave Bond/Hanne Harland	5488/5028	03/03/15	Revenue and Capital Budget Monitoring 2014-15 Report 3

	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
<b>General Fund Revenue Budget Monitoring 2014/15 Forecast to end of February 2015</b>	<b>Original Cash Budget</b>	<b>Impact of Council Restructure</b>	<b>Agreed Changes (Directorates)</b>	<b>Agreed Changes (Other)</b>	<b>Amended Cash Budget</b>	<b>Contribution to Corp. Savings (Staffing)</b>	<b>Contribution to Corp. Savings (Other)</b>	<b>Current Cash Budget</b>	<b>Forecast Outturn</b>	<b>Variance</b>	<b>Variance</b>
	£	£	£	£	£	£	£	£	£	£	%
Chief Executive	5,715,980	(1,063,130)	(18,700)	448,730	5,082,880	(80,000)		5,002,880	4,875,670	(127,210)	-2.5%
Customer & Advice Services	1,048,820	985,900	69,220	110,410	2,214,350	(30,000)		2,184,350	1,955,060	(229,290)	-10.5%
Public Protection, Streetscene & Community	6,459,780	77,230	(23,520)	180,340	6,693,830	(20,000)		6,673,830	6,681,490	7,660	0.1%
<b>Directorate Total</b>	<b>13,224,580</b>	<b>-</b>	<b>27,000</b>	<b>739,480</b>	<b>13,991,060</b>	<b>(130,000)</b>	<b>-</b>	<b>13,861,060</b>	<b>13,512,220</b>	<b>(348,840)</b>	<b>-2.5%</b>
Budgets Excluded from Directorate Monitoring:											
Pensions Account	244,380				244,380			244,380	232,259	(12,121)	-5.0%
Pensions Deficit Recovery (Fixed Rate)	709,600				709,600			709,600	709,600	-	-
Benefit Payments	91,040				91,040			91,040	(41,569)	(132,609)	-145.7%
Market Walk	(542,000)		(27,000)		(569,000)			(569,000)	(569,000)	-	-
<b>Corporate Savings Targets</b>											
Management of Establishment	-			(130,000)	(130,000)	130,000		-	-	-	-
Efficiency/Other Savings	-			-	-			-	0	-	-
<b>Total Service Expenditure</b>	<b>13,727,600</b>	<b>-</b>	<b>-</b>	<b>609,480</b>	<b>14,337,080</b>	<b>-</b>	<b>-</b>	<b>14,337,080</b>	<b>13,843,510</b>	<b>(493,570)</b>	<b>-3.4%</b>
<b>Non Service Expenditure</b>											
Contingency Fund	-				-			-	0	-	-
Contingency - Management of Establishment	(130,000)			130,000	-			-	0	-	-
Efficiency/Other Savings	-				-			-	0	-	-
Revenue Contribution to Capital	424,000			709,000	1,133,000			1,133,000	1,133,000	-	-
Net Financing Transactions	357,240				357,240			357,240	376,430	19,190	
VAT Shelter Income	-				-			-	0	-	-
Transfer to Earmarked Reserve - VAT Shelter Income	-				-			-	0	-	-
Parish Precepts	564,710				564,710			564,710	564,713	3	
<b>Total Non Service Expenditure/Income</b>	<b>1,215,950</b>	<b>-</b>	<b>-</b>	<b>839,000</b>	<b>2,054,950</b>	<b>-</b>	<b>-</b>	<b>2,054,950</b>	<b>2,074,143</b>	<b>19,193</b>	
<b>Total Expenditure</b>	<b>14,943,550</b>	<b>-</b>	<b>-</b>	<b>1,448,480</b>	<b>16,392,030</b>	<b>-</b>	<b>-</b>	<b>16,392,030</b>	<b>15,917,653</b>	<b>(474,377)</b>	<b>-2.9%</b>
<b>Financed By</b>											
Council Tax	(6,462,660)				(6,462,660)			(6,462,660)	(6,462,669)	(9)	
Grant for freezing Council Tax 2014/15	(66,250)				(66,250)			(66,250)	(66,138)	112	
Revenue Support Grant	(2,998,550)				(2,998,550)			(2,998,550)	(2,998,546)	4	
Retained Business Rates	(2,531,460)				(2,531,460)			(2,531,460)	(2,524,690)	6,770	
Government S31 Grants (Small Business Rate Relief)	(752,580)				(752,580)			(752,580)	(630,750)	121,830	
Business Rates Retention Reserve	502,940				502,940			502,940	374,340	(128,600)	
New Homes Bonus	(2,629,750)				(2,629,750)			(2,629,750)	(2,629,818)	(68)	
New Burdens Grant	(16,400)				(16,400)			(16,400)	(16,402)	(2)	
Collection Fund (Surplus)/Deficit	(35,840)				(35,840)			(35,840)	(35,848)	(8)	
Use of Earmarked Reserves - capital financing	-			(509,000)	(509,000)			(509,000)	(509,000)	-	
Use of Earmarked Reserves - revenue expenditure	47,000			(923,480)	(876,480)			(876,480)	(876,480)	-	
Conts in CGUA Reclassified as Revenue	-			(16,000)	(16,000)			(16,000)	(16,000)	-	
Budgeted Contribution to General Balances	-				-			-	-	-	
<b>Total Financing</b>	<b>(14,943,550)</b>	<b>-</b>	<b>-</b>	<b>(1,448,480)</b>	<b>(16,392,030)</b>	<b>-</b>	<b>-</b>	<b>(16,392,030)</b>	<b>(16,392,001)</b>	<b>29</b>	<b>0.0%</b>
<b>Net Expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(474,348)</b>	<b>(474,348)</b>	
<b>General Balances Summary Position</b>				<b>Target</b>	<b>Forecast</b>	<b>Less potential slippage to 2015/16</b>			<b>328,560</b>		
				£	£						
<b>General Fund Balance at 1 April 2014</b>				2,000,000	2,188,920	<b>Forecast Underspend</b>			<b>(145,788)</b>		
Budgeted Contribution to General Balances					0						
<b>Funding set aside for additional resources in Single Front Office</b>					(40,000)						
<b>Provisional (Over)/Under Spend</b>					145,788						
<b>Forecast General Fund Balance at 31 March 2015</b>				<b>2,000,000</b>	<b>2,294,708</b>						

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**Slippage Requests to 2015/16**

<b>Directorate/Service</b>	<b>Details of Request</b>	<b>Amount £</b>
<b><u>Chief Executive</u></b>		
Chief Executives Office	Reward & recognition budget to fund initiatives in 2015/16	<b>23,000</b>
Human Resources	Training & Development budget required to fund the committed training and OD interventions in 2015/16.	<b>13,000</b>
Shared Financial Services	Financial Management Information System partnership working	<b>3,500</b>
<b><u>Customer &amp; Advice Services</u></b>		
Customer & ICT Services	Staffing savings and DWP grant in 14/15 to fund temporary Single Front Office staffing requirements in 2015/16	<b>81,000</b>
Customer & ICT Services	Staffing savings in 14/15 to fund ICT Consultancy requirements in 2015/16	<b>9,000</b>
Customer & ICT Services	ICT contract savings in 14/15 to fund additional tablet devices and scanners, and desktop updates.	<b>41,000</b>
Customer & ICT Services	Staffing savings in 14/15 to fund ICT Software upgrade/renewal requirements in 2015/16	<b>109,000</b>
Housing	Abritas implementation of the rent recovery module/training, and upgrades to the choice based lettings system.	<b>12,150</b>
Housing	Use of DWP Grant in 14/15 to contribute to Welfare Reform Officer Post in 2015/16	<b>5,220</b>
Housing	PCC funding re Rental Bond Scheme for ex offenders	<b>5,000</b>
<b><u>Public Protection, Streetscene &amp; Community</u></b>		
Streetscene & Leisure Contracts	S106 Buckshaw Youth & Community fund £16,000 * 4 years.	<b>2,060</b>
Streetscene & Leisure Contracts	S106 Maintenance of Public Open Space - Westbury Homes	<b>7,800</b>
Streetscene & Leisure Contracts	Redrow payment in lieu of Fitting of Gas Cowsls at Gillibrands	<b>16,830</b>
<b>Total</b>		<b>328,560</b>

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**Analysis of Reserves and Provisions 2014/15**

Reserve or Provision	Purpose	Opening Balance 01/04/14 £	Other Transfers 2014/15 £	Forecast Use in 2014/15 £	Forecast Balance 31/03/15 £	Notes
<b>Reserves</b>						
<b>General Fund Balance</b>		<b>2,188,920</b>	179,790	<b>0</b>	<b>2,368,710</b>	(1)
Change Management Reserve	Unused balance from 2012/13	6,600			6,600	
Change Management Reserve	From Market Walk net income 2013/14	260,950	113,600	(36,550)	338,000	
VAT Shelter Income	Capital/revenue financing	121,340		(29,970)	91,370	
Provision for Pension Liabilities	Payment to Lancashire Pension Fund	1,750,000			1,750,000	
Non-recurring growth	Budgeted financing of new investment	0			0	
Market Walk	Income Equalisation Reserve	65,240	78,400	0	143,640	
Market Walk	Asset Management	0	50,000	0	50,000	
S31 Grant	Empty property/small business rate relief	331,770		(115,000)	216,770	
Business Rates Retention	Surplus on levy payment	30,470	502,940	(128,600)	404,810	
<b>Non-Directorates Reserves</b>		<b>2,566,370</b>	<b>744,940</b>	<b>(310,120)</b>	<b>3,001,190</b>	
<b>Chief Executive</b>						
	Slippage from 2012/13	0			0	
	Slippage from 2013/14	24,000		(24,000)	0	
<b>Chief Executive's Office</b>		<b>24,000</b>	<b>0</b>	<b>(24,000)</b>	<b>0</b>	
	Slippage from 2012/13	0			0	
	Slippage from 2013/14	9,000		(9,000)	0	
	PRG - capital financing	48,860		(48,860)	0	
	PRG - uncommitted	29,350			29,350	
	2013/14 New Investment Projects	9,000			9,000	
<b>Policy &amp; Performance</b>		<b>96,210</b>	<b>0</b>	<b>(57,860)</b>	<b>38,350</b>	
	Town Centre Grants	92,900	100,000	(110,000)	82,900	
	Town Centre Reserve (Capital)	135,620		(135,620)	0	
	Town Centre Reserve (Revenue)	22,680		(3,435)	19,245	
	2013/14 New Investment Projects	329,590		(329,590)	0	
<b>Economic Development</b>		<b>580,790</b>	<b>100,000</b>	<b>(578,645)</b>	<b>102,145</b>	
	Legal Case Mgt System	1,520			1,520	
	Town Hall Roof Safety Boards	16,000	(16,000)		0	
	Union Street Roof Safety Boards	10,000	(10,000)		0	
	Capital financing	73,760		(73,760)	0	
	2013/14 New Investment Projects	48,030		(9,800)	38,230	
	Slippage from 2013/14	26,140		(26,140)	0	
	Buildings Fund	176,680	36,000	(77,810)	134,870	
	Elections	85,000		(27,000)	58,000	
<b>Governance</b>		<b>437,130</b>	<b>10,000</b>	<b>(214,510)</b>	<b>232,620</b>	
	Slippage from 2013/14	5,000		(5,000)	0	
<b>Shared Financial Services</b>		<b>5,000</b>	<b>0</b>	<b>(5,000)</b>	<b>0</b>	
	Slippage from 2013/14	13,640		(13,640)	0	
	HR Reserve from 2013/14 underspends	20,000		0	20,000	
	Impact of 2014/15 Pay Policy	0	10,000	0	10,000	
	Additional NEETs	44,330		(21,265)	23,065	(3)
<b>Human Resources &amp; OD</b>		<b>77,970</b>	<b>10,000</b>	<b>(34,905)</b>	<b>53,065</b>	
<b>Chief Executive</b>		<b>1,221,100</b>	<b>120,000</b>	<b>(914,920)</b>	<b>426,180</b>	
<b>Customer &amp; Advice Services</b>						
	Slippage from 2013/14	10,610		(10,610)	0	
	Government Grants (Housing)	542,820	(3,170)	(257,000)	282,650	
	Handyperson Scheme	45,870		(2,000)	43,870	
	Capital financing	7,920	3,170	(11,090)	0	
<b>Housing</b>		<b>607,220</b>	<b>0</b>	<b>(280,700)</b>	<b>326,520</b>	
	ICT Projects	211,390	45,830	(257,220)	0	
	Slippage from 2013/14	116,270	(20,830)	(68,900)	26,540	(3)
	ICT Reserve from 2013/14 underspends	25,000	(25,000)	0	0	
	Capital financing	8,450		(8,450)	0	
<b>ICT Services</b>		<b>361,110</b>	<b>0</b>	<b>(334,570)</b>	<b>26,540</b>	
<b>Customer &amp; Advice Services</b>		<b>968,330</b>	<b>0</b>	<b>(615,270)</b>	<b>353,060</b>	

**Analysis of Reserves and Provisions 2014/15**

Reserve or Provision	Purpose	Opening Balance 01/04/14 £	Other Transfers 2014/15 £	Forecast Use in 2014/15 £	Forecast Balance 31/03/15 £	Notes
<b>Reserves</b>						
<b>Public Protection, Streetscene &amp; Community</b>						
	Environmental clean-ups/grot spots.	56,500		(56,500)		0
	Neighbourhood Working (pump priming)	71,270		(71,270)		0
	2013/14 New Investment Projects	72,990		(72,990)		0
	Slippage from 2013/14	7,600		(7,600)		0
	<b>Health, Environment &amp; Neighbourhoods</b>	<b>208,360</b>	<b>0</b>	<b>(208,360)</b>		<b>0</b>
	Play area improvements - 2013/14 Investment	100,000		(100,000)		0
	2013/14 New Investment Projects	6,340		(6,340)		0
	Slippage from 2013/14	45,010		(45,010)		0
	Astley Hall Works of Art	5,840			5,840	(2)
	Allotment Development	10,830		(10,830)		0
	Maintenance of Grounds	62,200	10,000		72,200	(2)
	<b>Streetscene &amp; Leisure Contracts</b>	<b>230,220</b>	<b>10,000</b>	<b>(162,180)</b>	<b>78,040</b>	
	Planning Appeal Costs	47,830		(47,830)		0
	Government Grants (Personal Searches)	34,350		(34,350)		0 (2)
	Local Development Framework	0				0
	<b>Planning</b>	<b>82,180</b>	<b>0</b>	<b>(82,180)</b>	<b>0</b>	
	<b>Public Protection, Streetscene &amp; Community</b>	<b>520,760</b>	<b>10,000</b>	<b>(452,720)</b>	<b>78,040</b>	
	<b>Directorate Reserves</b>	<b>2,710,190</b>	<b>130,000</b>	<b>(1,982,910)</b>	<b>857,280</b>	
	<b>Earmarked Reserves</b>	<b>5,276,560</b>	<b>874,940</b>	<b>(2,293,030)</b>	<b>3,858,470</b>	
	<b>Total Reserves</b>	<b>7,465,480</b>	<b>1,054,730</b>	<b>(2,293,030)</b>	<b>6,227,180</b>	
<b>Provisions</b>						
Insurance Provision	Potential MMI clawback	20,778		(20,778)		0
Other Provisions	Asda re: land at Bolton Street	10,000		(10,000)		0
	<b>Total Provisions</b>	<b>30,778</b>	<b>0</b>	<b>(30,778)</b>	<b>0</b>	

**Notes**

(1) Based on forecast as at 31 January 2015.

(2) Use of these reserves outlined in revenue budget monitoring reports during 2014/15.

(3) Committed for use in 2015/16.

**Calculation of Budgeted Retained Business Rates**  
**using NNDR1 2014/15 and NNDR1 2015/16**

	Estimate 2014/15 £000	Forecast 2014/15 £000	Variance 2014/15 £000	Estimate 2015/16 £000
Gross Rates (including estimated growth)	32,702	32,911	209	34,062
Net cost of Transitional Protection	(53)	55	108	0
Mandatory reliefs (including Small Business Rate Relief)	(3,783)	(3,756)	27	(3,687)
Unoccupied Property relief	(463)	(643)	(180)	(390)
Discretionary reliefs (including Localism Act 2011 reliefs)	(12)	(8)	4	(13)
Autumn Statement reliefs funded through Section 31 Grant	(578)	(356)	222	(557)
<b>Net Rates Payable</b>	<b>27,813</b>	<b>28,203</b>	<b>390</b>	<b>29,415</b>
Estimated bad debts	(417)	(423)	(6)	(441)
Estimated repayments in respect of current year rates (appeals)	(325)	(390)	(65)	(459)
<b>Collectable Rates</b>	<b>27,071</b>	<b>27,390</b>	<b>319</b>	<b>28,515</b>
Transitional Protection payment	53	(55)	(108)	0
Allowance for cost of collection	(132)	(133)	(1)	(134)
<b>Non-Domestic Rating Income</b>	<b>26,992</b>	<b>27,202</b>	<b>210</b>	<b>28,381</b>
Less:				
- Central government share (50%)	(13,496)	(13,601)	(105)	(14,191)
- Lancashire County Council share (9%)	(2,429)	(2,448)	(19)	(2,554)
- Lancashire Combined Fire Authority share (1%)	(270)	(272)	(2)	(284)
<b>Chorley Council Share (40%)</b>	<b>10,797</b>	<b>10,881</b>	<b>84</b>	<b>11,352</b>
Chorley Council share receivable in year	10,797	10,797	0	11,352
<b>Surplus/(deficit) arising in current year</b>	<b>0</b>	<b>84</b>	<b>84</b>	<b>0</b>
Surplus/(deficit) from previous year's outturn	0	(442)	(442)	0
<b>Surplus/(deficit) transferable in following year</b>	<b>0</b>	<b>(358)</b>	<b>(358)</b>	<b>0</b>

	<b>Estimate 2014/15 £000</b>	<b>Forecast 2014/15 £000</b>	<b>Variance 2014/15 £000</b>	<b>Estimate 2015/16 £000</b>
Chorley Council share receivable in year	10,797	10,797	0	11,352
Less Tariff	(7,646)	(7,646)	0	(7,792)
Less Levy	(620)	(626)	(6)	(801)
Add Section 31 Grants for cost of SBRR and Autumn Statement reliefs	753	630	(123)	770
<b>Net income before surplus/(deficit)</b>	<b>3,284</b>	<b>3,155</b>	<b>(129)</b>	<b>3,529</b>
Surplus/(deficit) from previous year	(66)	(66)	0	(358)
<b>Estimated Rates-related Resources</b>	<b>3,218</b>	<b>3,089</b>	<b>(129)</b>	<b>3,171</b>

	2014/15 Actuals	2014/15 Commitments	2014/15 Q2 Forecast	2014/15 Current Forecast	2014/15 Variance	2015/16 Q2 Forecast	2015/16 Current Forecast	2015/16 Variance	2016/17 Q2 Forecast	2016/17 Current Forecast	2016/17 Variance	2014/15 to 2016/17 Q2 Forecast	2014/15 to 2016/17 Current Forecast	2014/15 to 2016/17 Variance
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
<b>Regeneration Programme</b>														
Market Street Redevelopment			1,000	1,000	0	0	0	0	0	0	0	1,000	1,000	0
Other Regeneration Projects		1	0	0	0	0	0	0	0	0	0	0	0	0
Car Park Resurfacing	402	25	358	411	53	0	0	0	0	0	0	358	411	53
Market Street Refurbishment (98-102)	55		32	55	23	0	0	0	0	0	0	32	55	23
Asset Improvement Programme	48		128	115	(13)	200	196	(4)	200	200	0	528	511	(17)
White Hart Refurbishment	4	10	0											
Town Hall Disabled Toilet	44		0											
Bengal Street Grant			40	0	(40)	0	40	40	0	0	0	40	40	0
Chorley Youth Zone	182		300	182	(118)	0	118	118	0	0	0	300	300	0
Chorley East Health Centre			0	0	0	1,663	1,759	97	4,988	3,518	(1,470)	6,650	5,277	(1,373)
HR Management System			0	0	0	0	0	0	0	0	0	0	0	0
Chorley Market Gazebos	8		10	0	(10)	0	0	0	0	0	0	10	0	(10)
Electoral Registration			0	12	12	0	0	0	0	0	0	0	12	12
<b>Total Chief Executives</b>	<b>743</b>	<b>36</b>	<b>1,868</b>	<b>1,775</b>	<b>(93)</b>	<b>1,863</b>	<b>2,113</b>	<b>250</b>	<b>5,188</b>	<b>3,718</b>	<b>(1,470)</b>	<b>8,918</b>	<b>7,594</b>	<b>(1,324)</b>
<b>Affordable Housing Projects</b>														
St George's Street		136	272	272	0	0	0	0	0	0	0	272	272	0
Halliwell Street	77		77	77	0	0	0	0	0	0	0	77	77	0
Beaconsfield Terrace	28		27	27	0	0	0	0	0	0	0	27	27	0
Chapel Lane		9	0	9	9	0	0	0	0	0	0	0	9	9
Housing Renewal - Acquisition of 2 Thirlmere Road	97		83	100	17	0	0	0	0	0	0	83	100	17
Disabled Facilities Grant	326		405	405	0	420	420	0	425	0	0	825	825	0
Cotswold House Improvements	575	549	538	678	140	0	31	31	0	0	0	538	709	171
Bengal Street Depot Accommodation			75	0	(75)	0	75	75	0	0	0	75	75	0
Home Energy Repair Grants			3	0	(3)	0	0	0	0	0	0	3	0	(3)
Climate Change Pot			7	7	0	0	0	0	0	0	0	7	7	0
IT projects			22	22	0	0	0	0	0	0	0	22	22	0
Unified Intelligent Desktop			3	0	(3)	0	0	0	0	0	0	3	0	(3)
<b>Total Customer and Advice Services</b>	<b>1,101</b>		<b>1,512</b>	<b>1,596</b>	<b>85</b>	<b>420</b>	<b>526</b>	<b>106</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>1,932</b>	<b>2,122</b>	<b>191</b>
<b>Astley Hall &amp; Park Development Programme</b>														
Astley Hall & Park Development (carried forward)	159		438	159	(279)	0	279	279	0	0	0	438	438	(0)
Play Areas - Astley Park - 2013/14 Investment (Year 1)	17	83	0	100	100	100	0	(100)	0	0	0	100	100	0
Astley Hall & Park Development - New Investment	79	179	324	246	(78)	218	296	78	0	0	0	542	542	0
Adlington Play Facilities (s106)	149	56	163	215	52	0	0	0	0	0	0	163	215	52
Big Wood Reservoir			12	12	0	0	0	0	0	0	0	12	12	0
Clayton Brook Village Hall Extension	3	0	144	3	(141)	0	127	127	0	0	0	144	130	(14)
Eaves Green Play Development (s106)	43	42	180	180	0	0	0	0	0	0	0	180	180	0
Leisure Centres Improvements	12	5	59	17	(42)	275	275	0	75	75	0	409	367	(42)
Play Areas - 2013/14 Investment (Years 2 and 3)			0	0	0	200	200	0	0	0	0	200	200	0
Play Area and Playing Pitch S106			188	188	0	0	0	0	0	0	0	188	188	0
Play & Recreation Fund (s106) [BUTTERMERE]			34	34	0	0	0	0	0	0	0	34	34	0
Rangletts Recreation Ground (s106)	34	259	635	635	0	0	0	0	0	0	0	635	635	0
Recycling receptacles (bin replacement)	160	35	150	195	45	75	75	0	115	115	0	340	385	45
Buckshaw Village Cycle Network (s106)			11	11	0	0	0	0	0	0	0	11	11	0
Buckshaw Village Rail Station (s106)			0	0	0	726	726	0	0	0	0	726	726	0
Eaves Green Link Road - contbn to LCC - (s106)			0	0	0	0	0	0	0	0	0	0	0	0
Highway Improvements Pilling Lane Area (s106)			0	0	0	0	0	0	0	0	0	0	0	0
Puffin Crossing Collingwood Letchworth (s106)			48	0	(48)	0	48	48	0	0	0	48	48	0
Yarrow Valley Country Park Reservoir Work	2		2	2	0	0	0	0	0	0	0	2	2	0
Croston Flood Prevention Scheme			0	0	0	1,100	1,100	0	0	0	0	1,100	1,100	0
Delivery of CCTV provision			0	0	0	0	84	84	0	83	83	0	167	167
Carr Brook Trim Trail (s106)			0	15	15	0	20	20	0	0	0	0	35	35
Union Street Play Area (s106)			0	0	0	0	10	10	0	0	0	0	10	10
Coronation Recreation Ground (s106)			0	0	0	0	12	12	0	0	0	0	12	12
<b>Total Public Protection, Streetscene and Community</b>	<b>659</b>	<b>659</b>	<b>2,388</b>	<b>2,012</b>	<b>(375)</b>	<b>2,694</b>	<b>3,251</b>	<b>557</b>	<b>190</b>	<b>273</b>	<b>83</b>	<b>5,272</b>	<b>5,536</b>	<b>265</b>
<b>Total Capital Programme excluding new investment</b>	<b>2,504</b>	<b>1,388</b>	<b>5,767</b>	<b>5,383</b>	<b>(384)</b>	<b>4,977</b>	<b>5,890</b>	<b>913</b>	<b>5,378</b>	<b>3,991</b>	<b>(1,387)</b>	<b>16,121</b>	<b>15,264</b>	<b>(857)</b>
<b>Total New Capital Investment</b>														
Buckshaw Community Centre							600						600	0
Recycling Lives - Depot split							120						120	0
Yarrow Valley Car Park							225						225	0
Deliver Improvement to Market Street							1,000						1,000	0
Contribution to Youth Zone							1,000						1,000	0
Recreational Strategy							170						170	0
Land Assembly							250						250	0
<b>Total New Capital Investment</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,365</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,365</b>	<b>0</b>
<b>Total Capital Programme</b>	<b>2,504</b>	<b>1,388</b>	<b>5,767</b>	<b>5,383</b>	<b>(384)</b>	<b>4,977</b>	<b>9,255</b>	<b>913</b>	<b>5,378</b>	<b>3,991</b>	<b>(1,387)</b>	<b>16,121</b>	<b>18,629</b>	<b>(857)</b>

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**REPORT OF OVERVIEW AND SCRUTINY**

1. This report summarises the business considered at the meetings of the Overview and Scrutiny Committee on 29 January 2015, the Overview and Scrutiny Performance Panel on 12 March and the work to date on the Task Groups relating to Neighbourhood Working and Public Transport Issues in Chorley.

**OVERVIEW AND SCRUTINY COMMITTEE – 29 JANUARY 2015****Executive Cabinet Minutes – 20 November 2014**

2. At the Committee's request we were provided with an update on the business case and design for the provision of an Extra Care Scheme on Fleet Street, Chorley, The facility would provide care that is more than just accommodation for people over the age of 55, enabling care and support to be provided as part of an independent living environment.
3. The Lancashire Extra Care Strategy had stated that Lancashire County Council would seek to support an Extra Care Scheme in each district and would provide capital funding of up to 30% of the total cost. In addition they would provide revenue funding to commission care packages for eligible residents.
4. We were informed that the Council are currently undertaking the development of a number of design options that would inform the financial modelling and ultimately the final design and business case for the scheme should the Council decide to go ahead.

**Notice of Executive Decisions**

5. Members noted the current notice of both key and other decisions that the Executive were expected to take over the forthcoming 28 days and we requested further information to be brought to our next meeting on the Big Grant Funding scheme.

**Budget Scrutiny – Draft and Summary Budget Position over the Medium Term**

6. Councillor Peter Wilson, the Executive Member for Resources attended the meeting to give an overview of the draft budget proposals for 2015/16 that included a forecast for the following two years to 2017/18 and presented relevant proposals in respect of potential investment in the Council's Corporate Strategy priorities in 2015/16 that would increase draft budget resilience in the longer term, along with information about the budget consultation.
7. This was the third consecutive year that Council Tax will not be increased which was commendable considering the large scale reductions that the Council had experienced in their Central Government grant, placing unprecedented levels of pressure on the budget. However, the projected budget position consistently shows a significant budget gap in future years 2016/17 and 2017/18. This shortfall, together with heightened uncertainty and risk in the form of year on year variable new funding regimes, meant that budget austerity measures will continue to impact on the Council's budget.
8. Proposed new investments for 2015/16 were set out within the report that included a Chorley Flower Show and additional events at Astley Hall and Park and capital schemes that included a community centre at Buckshaw Village, a Youth Zone, improvements to Market Street, Chorley

and delivery of an enhance CCTV provision which would mean improvements to the existing service and was in response to recommendations made by Members of this Committee.

9. The Scrutiny Report had recommended a significant upgrading of the current CCTV provision that would mean a capital budget commitment of £250,000 to fund the capital works over the next three years. This had been approved in principal by the Executive Cabinet last year and subsequently approved by Council.
10. A planned early budget preparation process had enabled the Council to apply its New Home Bonus (NHB) funds to invest in the corporate strategy priorities in 2015/16, however the decision on whether to use the fund to bridge the funding deficit in the future is something the Executive Cabinet would have to consider bearing in mind that future years rewards would be dependent on the level of housing development.
11. Consultation on the proposed budget had focused on obtaining feedback in key areas in order to help prioritise activity. It had also highlighted the impact of a reduction in the Councils funds and asked for resident's views on the proposed budget, the results of which were analysed and published for consideration as part of the budget finalisation.
12. The Committee asked a variety of questions that included the reasoning behind the provision of an additional community centre at Buckshaw Village, improvement works to the Yarrow Valley Car Park and allocated funding to some of our partners. Members also queried the additional capital funding that was allocated to the Bengal Street site, the Council's funding contribution to the provision of PCSO's and the implementation of a Chorley and Wellbeing and Resilience service.

### **Overview and Scrutiny Task Group: Disabled Facilities Grant Funding – Final Report by Lancashire County Council**

13. We received the final report of the Disabled Facilities Grant Funding review that had been undertaken by Lancashire County Council at the request of this Committee last year. The review had included an assessment of the funding allocation process, consistency of approach across the county; different ways of working; and Member involvement and enhancing the district's role.
14. A number of recommendations had been identified that included the development of a single consistent approach to the delivery of the grants across the County, a commitment from the Chief Executives of the 12 District Councils and County Council to work in partnership with the Clinical Commissioning Groups to redesign the system to deliver an integrated service across Lancashire. Areas of best practice had also been identified and would be shared across different aspects of the system. It was noted that Chorley was one of the districts that already had exemplary working practices in place and applications were dealt with efficiently.

### **OVERVIEW AND SCRUTINY PERFORMANCE PANEL – 12 MARCH 2015**

#### **Scrutiny Focus – The Chorley Public Service Reform Board**

15. The Executive Leader, Councillor Alistair Bradley attended a meeting of the Panel to present a report on the performance of the Chorley Public Service Reform Board. The Board has moved

from a traditional 'local strategic partnership' approach and structure, to one that has real focus and objective on improving services for the residents of Chorley by bringing together leaders from across public services that consider how they can make changes within their organisations to improve quality and access of services.

16. Chaired by Councillor Alistair Bradley, members of the board include, Chorley Council, Lancashire County Council, Lancashire Fire and Rescue Services, Lancashire Constabulary, Lancashire Teaching Hospital, Chorley and South Ribble CCG, Lancashire Care NHS Trust, VCFS Network, Live Well Champion, Age UK Lancashire, Department for Work and Pensions, Runshaw College and a business representative from Porter Lancastrian.
17. The Board has been successful in securing funding from five main partners including the Council and other funding streams to enable them to appoint a programme officer and access to funding opportunities to pump prime transformation work. The jointly funded officer who is based at Chorley Council is currently funded for one year from the 1 October 2014 and is tasked with delivery of the work plan. The work plan for 2014/15 exists as a series of three enabling workstreams (data sharing, assets and commissioning) and it is thought that the board can deliver some agreements and improvements in these areas that will lay the foundations for future integration and joint working.
18. The development of a Chorley Wellbeing and Resilience system was currently underway that will bring together services that can promote and support wellbeing. The Board has successfully bid for a £1.23m Transformation Challenge Award along with Lancashire County Council and Rossendale Council which was due to begin in April 2015.
19. Performance of the priorities is monitored by quarterly highlight reports that are prepared for each of the workstreams. These contain information on progress made, as well as identifying any issues or risks. A performance dashboard will also be implemented in April, which will give additional information that the Board could use to monitor a range of key indicators for Chorley that would also be presented alongside the highlight reports. It will focus on the three themes of Start Well, Live Well and Age Well. It was envisaged that now that some of the workstreams are starting to produce tangible outputs, they could be monitored through this process to ensure that they are producing measurable outcomes in the future.
20. The Panel were keen to ensure that the outcomes from the Board are communicated to Elected Members to ensure that they were kept abreast of any changes. It was acknowledged that the Council is looking to new ways of collaboratively working with its partners and that a new regime will help to achieve this. However, in order to facilitate this, it is extremely important that Members were kept fully informed so that we too can adapt to the new roles and champion different ways of working.

### **Business Plan Monitoring Statement**

21. We received a report of the Chief Executive that provided an update on the performance of the Organisational Plan that included the 20 key projects set out in the Council's Corporate Strategy. It was reported that overall good progress was being made with 84% of projects rated green or complete.

22. We were also provided with an update on all the corporate strategy and local performance indicators which could be reported at this time. Performance was good with 70% of the 40 indicators which can be measured achieving or exceeding their target and a further 17.5% performing within the 5% threshold. The seven indicators that are outside the target but within the 5% threshold included the overall employment rate, average days per employee (FTE) per year lost through sickness absence, percentage of minutes circulated with 10 days and percentage of occupancy at the Council's community centres.
23. The Organisational Improvement Plan for 2014/15 contained a series of projects and objectives that set out the main improvement actions to be undertaken during the year by the organisation. This included the key projects as set out in the 2013/14 Corporate Strategy. The Plan also set out a number of business improvement, budget growth and neighbourhood priority projects that had been agreed in April 2014 and were due to run until the end of the financial year and in some cases for larger projects into 2015/16 and beyond.
24. A breakdown of organisational plan projects by Corporate Priority was provided for the Panel. Where projects had been rated amber or red and explanation about the issue(s) and action(s) that are being taken to address them was provided. Delivery of 22 of the 24 neighbourhood priorities will be complete by 31 March 2015. The project to provide additional off-street parking in Croston is undeliverable due to lack of sites available and completion of the project to deliver improvement works at the Eaves Green centre is dependent on third party owners of land and property. The 2015/16 organisational plan is currently being developed, services should have by now held business planning sessions to discuss project delivery over the 2014/15 year and also identify any new projects beyond business as usual for 2015/16.

#### **OVERVIEW AND SCRUTINY TASK GROUP – NEIGHBOURHOOD WORKING**

25. Councillor June Molyneaux, Chair of the Task Group presented us with the Final Report of the Neighbourhood Working Review. Overall feedback from parish councils, community groups and organisations involved in neighbourhood working was generally positive with regards to the current approach by the Council and recommendations were mainly around improving communication mechanisms and building on existing relations to encourage greater involvement at all levels.

#### **OVERVIEW AND SCRUTINY TASK GROUP – PUBLIC TRANSPORT ISSUES**

26. The Group has now met on several occasions and considered a wide range of issues that has included exploring community and rural transport schemes and the new criteria for subsidised bus services. The group recently met with representatives from Transport for Greater Manchester who came to talk about the work being undertaken on transport through the Combined Authority.

#### **Recommendation**

27. To note the report.

COUNCILLOR JOHN WALKER  
CHAIR OF OVERVIEW AND SCRUTINY COMMITTEE

**REPORT OF GOVERNANCE COMMITTEE**

1. This report summarises the business transacted at the Governance Committee meetings held on 14 January and 11 March 2015.

**GOVERNANCE COMMITTEE – 14 JANUARY 2015****Annual Audit Letter 2013/14**

2. We received a report from our external auditor that provided a summary of the work carried out by them at Chorley Council for the year ending 31 March 2014. The letter communicated key messages for the Council and external stakeholders, including members of the public. The report includes the audit conclusions which were provided in relation to 2013/14. The work on certification of grant claims was now completed and the detailed findings were reported to us in the Grant Certification report.

**Certification Letter 2013/14**

3. A letter of certification from the Council's External Auditor, Grant Thornton was received by the Committee. As part of the work they undertake for the authority they are required to certify certain claims and returns submitted by the Council.
4. One claim for housing benefits had been certified for the financial year 2013/14 relating to expenditure of £26.2 million. There were no issues arising from the certification work that needed to be highlighted for further attention and they were satisfied that the Council had the appropriate arrangements in place to complete accurate and timely claims/returns for audit certification.
5. The indicative fee for 2013/14 was based upon the final 2012/13 certification fees, reflecting the amount of work required by the auditor to certify the claims and returns in that year. Fees for schemes that no longer required certification such as the national non domestic rates have been removed and the fees for the certification of housing benefits subsidy claims have been reduced by 12 percent to reflect the removal of council tax benefit from the scheme.

**Governance Committee Update**

6. We received a report that showed the progress made by our External Auditors in delivering their responsibilities. The report also provided a summary of emerging national issues and developments that may be relevant to the Council and included a number of challenge questions in relation to these issues that we as a Committee may wish to consider.
7. The 2014/15 Audit Plan was still on track to be issued by the end of March and would be presented at the Committee's next meeting. Interim fieldwork visits included, a review of the authority's control environment, early substantive testing and a proposed Value for Money conclusion.

**Treasury Strategy and Prudential Indicators 2014-15 – Mid Term Review**

8. The Committee received a report of the Chief Executive that reported on the Council's performance and compliance with Prudential Indicators in the 2014/15 financial year to the end of November. The report took into account changes to the revenue and capital budgets reported to Executive Cabinet through the year and the Prudential Indicators had been updated to reflect rephrasing of the capital expenditure and changes to financing.

9. The Capital Financing Requirement (CFR) had been recalculated to reflect rephrasing of capital expenditure to be financed by borrowing from 2013/14, and from 2014/15 to later years and we were informed that net borrowing to gross borrowing and other long term liabilities less surplus cash in vested were expected to be much lower than the CFR in 2014/15.
10. The average interest earned was 0.64%, to the end of November. However cash balances had been used as a source of internal borrowing to minimise external borrowing at higher rates of interest, thereby achieving revenue budget savings.
11. The report also reviewed a number of issues arising in the UK banking sector. Whilst no immediate change to investment counterparties was required, regulatory changes may have an impact on the ratings given to UK banks and the authority's list of counterparties would be reviewed and presented for approval as part of the Council's Investment Strategy for 2015/16.
12. The Committee sought clarification on how much debt the Council actually had and the Chief Executive explained that the amount was reflective of how much the authority needed to borrow at a particular time. Assurance was given that the Council refinanced appropriately when interest rates lowered.

#### **Members Code of Conduct: Members discharging the role of a Councillor**

13. The Monitoring Officer submitted a report that sought guidance from the Committee about the point at which Members are deemed to be discharging their role as a Councillor. Although there have been relatively few complaints made against the conduct of our members, one of the issues that frequently causes discussion between the Monitoring Officer and the Independent Person is "when a Councillor is acting as a Councillor?".
14. Given that the new regime was intended to be light touch, the Council's Monitoring Officer had been following guidance by the Standards Board for England following the documented Ken Livingstone case. However, the Independent Person had indicated a view that this approach was too restrictive; a view supported by members of the Governance Committee who have expressed a view that members of Chorley Council should routinely demonstrate higher standards of behaviour than that required of by the local standards regime.
15. Any change in approach would have to be brought to the attention of all members and although this would not require a constitutional change, the guidance note would be amended to reflect any changes for approval of full Council. The report prompted a detailed discussion by the Committee and we agreed to pursue the matter further with all Councillors through group meetings to obtain views to be reported back to the next meeting of the Committee for further discussion.

#### **Internal Audit Interim Report as at 28 November 2014**

16. We received a report of the Head of Shared Assurance Services advising us of the work that had been undertaken in respect of the Internal Audit Plans for Chorley Council and Shared Financial Services for the period August to November 2014 and an appraisal of the Internal Audit Services' performance to date.
17. Only one area had been rated as Red, the review of Plant and Equipment had identified a lack of internal control which exposed the Council to significant risk of misappropriation and financial loss. The internal audit team continues to work with Streetscene to ensure that all agreed

management plans were implemented in full and we were informed that this rating would stay in place

18. The report also provided the Committee with a 'snapshot' of the overall progress made in relation to the 2014/15 Internal Audit Plans, indicating which audits had been completed and their control rating, those that are in progress or yet to start and we noted that both Audit Plans were on course to be achieved.

## **GOVERNANCE COMMITTEE – 11 MARCH 2015**

### **Governance Committee Update – year ended 31 March 2015**

19. The External auditors reported on progress made in delivering their responsibilities to the Council. They summarised the relevant emerging national issues and developments that included a number of challenge questions for Members to consider.
20. The interim audit was still on track and the auditing of the authorities final accounts for 2014/15 would commence at the start of the summer for presentation to the Committee at the end of September along with the Value for Money conclusion, work on which had just commenced.
21. In December 2014, the External Auditors had published a national report – Rising to the challenge, the Evolution of Local Government. Its overall message was encouraging as local authorities have navigated the first round of austerity measures well and most Chief executives were confident of their medium term financial strategy. Some authorities were exhibiting strong leadership as was evident here at Chorley. There did however remain much to be achieved if the sector was to become sustainable in the long term and a number of suggested actions were contained within the report for our consideration.
22. The CIPFA Code has adopted a new suite of standards of accounting for subsidiaries, associates and joint arrangements. These changes affect local authority's accounts for those services delivered through other entities or joint working with partners. The partnership arrangements with our housing providers and potentially the delivery of the Friday Street Health Centre would fall into these new arrangements.
23. We were informed that the DCLG had just agreed proposals to bring forward the audit deadline for 2017/18 to the end of July 2018. Although a few years away, both local authorities and their auditors will need to make real changes in how they work to ensure that they are match-fit to achieve this deadline. In preparation for this change, Chorley Council's accountants have attended Grant Thornton workshops on Final Accounts and have visited Oldham Council who had been chosen to trial these new arrangements.

### **Chorley Council Audit Plan 2014/15**

24. The Committee received the External Audit Plan for the Council as at 31 March 2015 that had been submitted by Grant Thornton, the authority's external audit providers. A risk based audit if the Council had been undertaken that focused on those areas where there was the potential risk of material misstatement in the accounts and no specific risks had been identified for Chorley.

25. The finding of their interim audit work were summarised and no material weaknesses had been identified. The Council had put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources in its Value for Money (VfM) conclusion.
26. The Committee discussed the work that the Council were currently undertaking to explore different ways of delivering services to its residents. A recent Commission consisting of a panel of experts had been held at the Council looking at the future of public services in the borough and to investigate whether or not to pursue unitary status for the borough instead of the current two-tier system. The Chief Executive explained that the dialogue between our partners had prompted the Council to discuss alternatives to that of the unitary model. The only certainty was that the current arrangements had to change and it could be that this may just be a staging post to something bigger but that any change would be specific to Chorley.

### **Internal Audit Plan 2015/16**

27. We received a report of the head of Shared Assurance Services reminding Members of the respective roles of managers and Internal Audit to maintain a sound system of governance and internal control within the Council and sought the Committee's approval of the 2015/16 Internal Audit Plan.
28. The Plan contained the programme of reviews that had been highlighted for the next financial year and had been constructed following a risk assessment that covered a range of risk factors such as items in the Corporate Risk Register, significant changes in staffing or procedures and the length of time since an area had been last audited. There had also been extensive consultation with each service and with Strategy Group that gave an overview of audit requirements.

### **Annual Governance Statement 2014 – Update Report**

29. The Committee received a report of the Head of Governance that updated Members of the progress made in implementing the Council's Annual Governance Statement which provided improvements to the Council's Governance arrangements.
30. In June 2014, we had approved the Statement that included a number of pieces of work, which if implemented would enhance the Council's Governance arrangements and the report contained a position statement against each project.
31. Most actions were rated Green, however there were two action points currently rated as Red and an explanation was provided against each one. The first related to clear document retention guidelines. This action had been postponed pending the updating of the Council's Microsoft software packages, in particular, MyShare which is the Council's document management system, these updates would now take place in 2015/16 but it was considered that guidance available on the Loop was currently fit for purpose.
32. The second action point rated as Red was to review the consistency and compliance with the Council's Equality Scheme that had slipped due to capacity issues. Work was continuing to support services in undertaking impact assessments and ensuring that they are in place for new policies, changes in service and decisions such as the Council's budget. However, although we were satisfied that the Council had good equality standards across the authority, the Council



needed to guard itself against complacency and we asked for this work to be completed in a timely fashion for a date to be agreed with the Chair of Governance Committee.

**Recommendation**

33. That the report be noted.

COUNCILLOR PAUL LEADBETTER  
CHAIR OF GOVERNANCE COMMITTEE

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