

## **COUNCIL**

TUESDAY, 12TH APRIL 2016, 6.30 PM  
COUNCIL CHAMBER, TOWN HALL, CHORLEY

### **AGENDA**

#### **APOLOGIES**

##### **1 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.

##### **2 MINUTES OF MEETING TUESDAY, 1 MARCH 2016 OF COUNCIL**

(Pages 3 - 12)

##### **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 13 - 20)

To consider the attached general report of Executive Cabinet meetings held on 21 January, 18 February and 17 March 2016.

##### **6 OVERVIEW AND SCRUTINY COMMITTEE AND TASK AND FINISH GROUPS**

To consider a general report of Overview and Scrutiny Committee meetings held on 28 January and 31 March 2016 including Performance Panel and Task Group updates (to follow).

7	<b>GOVERNANCE COMMITTEE</b>	(Pages 21 - 22)
	To consider the attached general report of Governance Committee held on 9 March 2016.	
8	<b>CONTRACT PROCEDURE RULES AND THE 2015 PUBLIC CONTRACTS REGULATIONS</b>	(Pages 23 - 54)
	To consider the attached report of the Chief Executive.	
9	<b>LANCASHIRE COMBINED AUTHORITY</b>	(Pages 55 - 76)
	To consider the attached report of the Chief Executive.	
10	<b>LAND AND INFRASTRUCTURE PAYMENT POLICY: COMMUNITY INFRASTRUCTURE LEVY</b>	(Pages 77 - 82)
	To consider the attached report of the Chief Executive.	
11	<b>LICENSING AND PUBLIC SAFETY COMMITTEE: PUBLIC QUESTIONS</b>	(Pages 83 - 86)
	To consider the attached report of the Chief Executive.	
12	<b>QUESTIONS ASKED UNDER COUNCIL PROCEDURE RULE 8 (IF ANY)</b>	
13	<b>TO CONSIDER THE NOTICES OF MOTION (IF ANY) GIVEN IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 10</b>	
14	<b>ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE MAYOR</b>	

GARY HALL  
CHIEF EXECUTIVE

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To view the procedure for public questions/ speaking click here <https://democracy.chorley.gov.uk/documents/s60977/Appendix%203%20Standing%20Orders%20Jan%2016.pdf> and scroll to page 49



**MINUTES OF COUNCIL**

**MEETING DATE** Tuesday, 1 March 2016

**MEMBERS PRESENT:** Councillor Marion Lowe (Mayor), Councillor Doreen Dickinson (Deputy Mayor) and Councillors Aaron Beaver, Eric Bell, Julia Berry, Alistair Bradley, Charlie Bromilow, Terry Brown, Paul Clark, Jean Cronshaw, Alan Cullens, John Dalton, David Dickinson, Graham Dunn, Robert Finnamore, Christopher France, Gordon France, Margaret France, Anthony Gee, Danny Gee, Tom Gray, Keith Iddon, Mark Jarnell, Hasina Khan, Paul Leadbetter, Margaret Lees, Roy Lees, Adrian Lowe, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Mick Muncaster, Steve Murfitt, Beverley Murray, Mark Perks, Debra Platt, 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), Chris Moister (Head of Governance and Property Services) and Carol Russell (Democratic Services Manager)

**APOLOGIES:** Councillor Henry Counce

**16.C.312 Minutes of meeting Tuesday, 19 January 2016 of Council**

**RESOLVED – That the minutes of the last meeting of the Council held on 19 January 2016 be approved as a correct record for signature by the Mayor.**

**16.C.313 Declarations of Any Interests**

There were no declarations of interest received.

**16.C.314 Mayoral Announcements**

The Mayor gave an update on her fundraising activities, thanking all those who had attended her Charity Ball and Burns Night Supper and seeking support for her remaining two events, a Quiz Night on 5 March and a Murder Mystery Night on 31 March.

**16.C.315 Public Questions**

There were no public questions for consideration.

**16.C.316 General Fund Revenue and Capital Budget and Council Tax 2016/17**

Councillor Peter Wilson, Executive Member for Resources presented the Executive's General Fund Revenue and Capital Budget and Council Tax proposals for 2016/17.

Councillor Wilson thanked the finance team for their assistance in putting together the budget which would enable the delivery of the priorities contained in the Corporate Strategy. Significant budget efficiencies had been achieved and this would enable the delivery of a balanced budget in 2016/17; would enable Council tax to be frozen for a further year; and allow investment of £1.4m in projects to meet corporate priorities.

In summary, the report put forward by the Executive:

- Freezes Council Tax for a fourth year in 2016/17
- Addresses the previously forecasted budget deficit position for 2016/17 in advance of the year, delivering £1.167m worth of budget efficiencies.
- Does not contain cuts to front line services.
- Delivers Revenue and Capital New Investments totalling £3.167m.
- Brings the total committed to New Investments since 2013/14 to £12.330m.
- Is consistent with the Corporate Priorities and aims to bring income into the Council.
- Seeks to bridge the forecasted budget gap by generating additional income, in particular through expanding the business rates tax base and invest-to-earn projects.
- Is consistent with the Medium Term Financial Strategy.
- Minimises the revenue impact of the Council's borrowing commitment to fund the Capital Programme.
- Enhances the financial resilience of the Council's budget by increasing the level of working balances from £3.0m to £4.0m by the end of 2018/19.

The following appendices were included in the main report on the General Fund Revenue and Capital Budget and Council Tax for 2016/17, providing supporting information to the budget proposals:

Appendix A1	Explanation of Council Tax Resolution 2016/17
Appendix A2	Pay Policy 2016/17
Appendix A3	Fees and Charges Income 2016/17
Appendix B1	Capital Programme 2016/17 to 2018/19
Appendix B2	Capital Programme 2016/17 to 2018/19 Financing
Appendix B3	Developers' Contributions
Appendix C	Budget Investment Package 2016/17
Appendix C1	Budget Investment Project Mandates
Appendix D	Treasury Management Strategy 2016/17 to 2018/19
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2016/17 to 2018/19
Appendix F1	Analysis of Budget Variations
Appendix G	Variance Analysis - Budget Movements 2015/16 to 2016/17
Appendix H	Special Expenses and Parish Precepts 2016/17
Appendix I	Budget Consultation 2016/17
Appendix J	Assessing the Impact of 2016/17 Budget Proposals

In presenting the report, Councillor Wilson referred to the major financial challenges facing local government, in particular the phasing out of Revenue Support Grant to local authorities from 2020 and changes to the New Homes Bonus. He referred to the need to be bold; the Council was investing heavily in front line services, and also in revenue sources which could increase income in order to help make the Council self-sufficient for the future. There was still a need to continue with efficiency savings but the outcomes from the budget consultation were very positive.

Executive Leader Councillor Alistair Bradley seconded the proposals, stating that despite the cuts, the Council would still be striving to get the best for its residents. Chorley was bucking the trend in Lancashire with the highest employment figures and was seeking to be at the forefront of the Northern Powerhouse. Money was being set aside to help deal with some of the cuts imposed by Lancashire County Council.

Before moving to the vote, the Mayor asked the Conservative Group to present their Alternative Budget.

#### **16.C.317 Alternative Budget 2016/17**

Councillor Greg Morgan, Shadow Executive Member for Resources presented the Conservative Group's Alternative Budget. The focus of the proposals was:

- Agreement that Council tax should be retained at its current level;
- 16 new investment proposals were put forward, totalling £580,000;

- Proposals to deliver significant efficiency savings and income generation over the next three years which could lead to savings of £1.65m;
- Proposals to address the financial risk and uncertainty for the future by setting aside over £5.3 million over the next three years into general balances.

In presenting the report, Councillor Morgan referred to his Group's proposal to set aside funding for PCSOs for the next 3 years.

In debating the proposals put forward by the opposition, Members raised issues around the longer term funding of PCSOs; challenged the ability to increase productivity to save £1.5m; and the viability of a consultancy and further shared services.

### **AMENDMENT**

**The adoption of the Alternative Budget as set out in the report, was moved as an amendment by Councillor Greg Morgan, Shadow Executive Member for Resources and seconded by Councillor Paul Leadbetter, Leader of the Conservative Group.**

This was put to the vote, recorded as follows:

**FOR:** E Bell, A Cullens, J Dalton, David Dickinson, Doreen Dickinson, K Iddon, P Leadbetter, G Morgan, M Muncaster, M Perks, D Platt, J Walker.

**AGAINST:** A Beaver, J Berry, A Bradley, C Bromilow, T Brown, P Clark, J Cronshaw, G Dunn, R Finnamore, C France, G France, M France, A Gee, D Gee, T Gray, M Jarnell, H Khan, M Lees, R Lees, A Lowe, M Lowe, M Lynch, J Molyneaux, A Morwood, S Murfitt, B Murray, J Snape, K Snape, R Snape, R Toon, P Walmsley, A Whittaker, P Wilson.

**The vote was LOST**

**SUBSTANTIVE MOTION (the Executive's budget proposals) moved by Councillor Peter Wilson, seconded by Councillor Alistair Bradley.**

**FOR:** A Beaver, J Berry, A Bradley, C Bromilow, T Brown, P Clark, J Cronshaw, G Dunn, R Finnamore, C France, G France, M France, A Gee, D Gee, T Gray, M Jarnell, H Khan, M Lees, R Lees, A Lowe, M Lowe, M Lynch, J Molyneaux, A Morwood, S Murfitt, B Murray, J Snape, K Snape, R Snape, R Toon, P Walmsley, A Whittaker, P Wilson.

**AGAINST:** E Bell, A Cullens, J Dalton, David Dickinson, Doreen Dickinson, K Iddon, P Leadbetter, G Morgan, M Muncaster, M Perks, D Platt, J Walker.

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

1. **The budget and proposals set out in this report be approved, including:**
  - **Council Tax set out in the resolution (at Appendix A1) and below.**

- **The Council's Pay Policy (at Appendix A2) and publication on the Council's website from April 2016.**
  - **Maintain the fees and charges (at Appendix A3) at current 2015/16 prices.**
2. **The Capital Programme to 2018/19 be approved (Appendices B1, B2, & B3).**
  3. **The Budget Investment Package Report be approved (Appendices C & C1).**
  4. **The Treasury Management Strategy and its core principles be approved (Appendices D, D(1) & D(2)).**
  5. **The advice of the Statutory Finance Officer in relation to the robustness of the budget and the risks contained within it as set out in the Statutory Report be noted (Appendix E).**
  6. **The Council's Medium Term Financial Strategy be approved (Appendices F & F1).**
  7. **Significant Budget Movements from the 2015/16 Budget be noted (Appendix G).**
  8. **The Special Expenses and Parish Precepts be noted (Appendix H).**
  9. **The Budget Consultation 2016/17 Report be noted (Appendix I).**
  10. **The report Assessing the Impact of Budget Proposals 2016/17 be noted (at Appendix J).**
  11. **The Council Tax set out in Appendix A1 be approved as follows:**
    - It be noted that on 13 January 2016 the Chief Executive as Statutory Finance Officer calculated the Council Tax Base 2016/17:
      - (a) for the whole Council area as 35,181.72 [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 2016/17 (excluding Parish precepts) is £6,241,590.
    - 3. That the following amounts be calculated for the year 2016/17 in accordance with Sections 31 to 36 of the Act:

- (a) £62,102,070 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) £55,327,320 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.
  - (c) £6,774,750 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) £192.56 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) £1,202,316 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 2016/17 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
783.24	913.78	1,044.32	<b>1,174.86</b>	1,435.94	1,697.02	1,958.10	2,349.72

**POLICE & CRIME COMMISSIONER FOR LANCASHIRE**

A	B	C	D	E	F	G	H
108.15	126.17	144.20	<b>162.22</b>	198.27	234.32	270.37	324.44

**LANCASHIRE COMBINED FIRE AUTHORITY**

A	B	C	D	E	F	G	H
43.67	50.94	58.22	<b>65.50</b>	80.06	94.61	109.17	131.00



**AGGREGATE OF COUNCIL TAX REQUIREMENTS**

A	B	C	D	E	F	G	H
1,040.65	1,214.08	1,387.53	<b>1,560.97</b>	1,907.86	2,254.74	2,601.63	3,121.94

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 2016/17 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 2016/17 we estimate that a £1.00 Council Tax at Band D would raise £35,181.72 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 £1,881.28.

#### RESOLUTION 2

This shows the Council's net spending for 2016/17 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 2016/17. It also includes £571,456 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 £6,774,750 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 £192.56 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 2016/17 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 £1,560.97 made up as follows:

	£
Chorley Borough Council	158.39
Lancashire County Council	1,174.86
Lancashire Police Authority	162.22
Lancashire Fire Authority	65.50

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

Band A	$\frac{6}{9}$ ths of Band D
Band B	$\frac{7}{9}$ ths of Band D
Band C	$\frac{8}{9}$ ths of Band D
Band D	$\frac{9}{9}$ ths of Band D
Band E	$\frac{11}{9}$ ths of Band D
Band F	$\frac{13}{9}$ ths of Band D
Band G	$\frac{15}{9}$ ths of Band D
Band H	$\frac{18}{9}$ ths of Band D

The aggregate charge for Band A, for example, the charge is  $\text{£}1,560.97 \times 6 \div 9 = \text{£}1,040.65$ ; for Band B it is  $\text{£}1,560.97 \times 7 \div 9 = \text{£}1,214.08$ .

## 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***

### 16.C.318 Notice of Motion submitted under Procedure Rule 10

Councillor Alistair Bradley submitted the following motion on School Surface Water and Highways Drainage Charges, for debate under Council Procedure Rule 10 (supported with data contained within the agenda papers).

*“Chorley Council notes:*

1. *That United Utilities is the body responsible for charging for drainage and surface water in Chorley and across the North West region from Cheshire to Cumbria.*
2. *United Utilities charging system for E15 Surface Water and Highways Drainage uses an area based calculation for School Water and Sewage charges.*

3. *The E15 water and sewage charges made to schools cover all water and sewerage from schools but excludes repairs or maintenance costs.*
4. *Sefton Metropolitan Council produced a breakdown of charges comparing Regions and Local Education Authorities (LEAs) using Department of Education (DfE) information. The same data source also contains figures for Lancashire and Chorley. The combined results are in the tables attached.*
5. *The North West is one of 10 Regions in England but pays over 29% of Schools Water and Sewage charges.*
6. *The South East region is the most similar to the North West both in terms of number of schools and number of pupils. The North West pays 2.4 times as much as the South East.*
7. *The LEAs most similar to Lancashire in numbers of schools are Kent, Hampshire and Essex. Lancashire pays between 1.7 and 2.8 times as much per school as the others.*
8. *The most similar LEAs to Lancashire in numbers of pupils are Kent, Birmingham and Hampshire. The Lancashire E15 Schools Water and Sewage charges per pupil is £34.63. This is twice the figure for Kent and 2.9 times the cost per pupil in Hampshire.*

*Chorley Council believes:*

1. *That data from Pupil Premium spending shows that increasing the spend per pupil has clear and measurable effects on children's development and future life chances*
2. *By removing money from the schools in Chorley to the extent of approximately £5,000 p.a. compared to comparable LEAs is proving a disadvantage to all children in the Borough and damaging to their futures.*

*Chorley Council resolves that:*

*The Chief Executive writes to the Chair of United Utilities, the Water Regulator (OFWAT), the Secretary of State for Education, and the two Members of Parliament covering the Borough to express our complete dismay at the disadvantages being placed on the children in Chorley because public funds aimed at their education are being diverted to United Utilities' balance sheet."*

In debating this motion, proposed by Councillor Alistair Bradley and seconded by Councillor Chris France, there was unanimous support and it was **RESOLVED that the motion be agreed.**

Chair

Date

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**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 21 JANUARY 2016****Transformation Strategy**

2. I presented the report of the Chief Executive that set out the Transformation Strategy that was developed following the Council's consideration of the future governance models overview report and supporting evidence in November. The Strategy sets out the challenges that will face public services in the coming years, key areas to be considered in delivering the change required and key actions to be implemented over the next year.
3. We granted approval of the overview action plan to be developed alongside the implementation of a new management structure for the organisation that would be overseen by an all-party working group. Key themes identified within the strategy aimed to set out the key elements that would need to be addressed throughout its implementation

**Draft Budget and summary budget position over the medium term**

4. The Executive Member (Resources) presented the report of the Chief Executive. Our proposal to freeze Council Tax in 2016/17 will mean that this would be the fourth consecutive year that the administration has achieved a balanced budget position without increasing Council Tax.
5. The recent Local Government Finance settlement included provisional core grant allocations for the forthcoming four years, from 2016/17 to 2019/20. The announcement continued the programme of Central Government core grant reductions across all four years adding to the previous cuts. The Revenue Support Grant will also reduce to zero over this time.
6. It was noted that due to the successful implementation of the MTFs, budget efficiency savings totalling £0.14m had been applied to the budget to achieve the balanced budget position for 2016/17, achieved mainly by the Council entering into a Business Rates Retention Pooling agreement within Lancashire, effective from 1 April 2016.
7. In addition contributing to the New Investment Packages for 2016/17, totalling £2.845m for both Revenue and Capital projects, the New Homes Bonus also provided an opportunity for the Council to invest in three other additional areas to protect public services within the borough and increase financial resilience given the revolutionary funding changes.

8. A budget of £0.500m will be available for the next two years to assist in the transactional period public services currently provides for and funded by Lancashire County Council and a £0.500m provision per annum to increase General Balances to mitigate against the financial risk of a core grant income shift to 100% local taxation sources. £0.603m will still be available to invest in projects that will provide income streams for the Council.
9. Funding has been achieved by not building all the New Homes Bonus income received since 2013/14 into the base budget. An approach taken to enable the council flexibility and resilience in order to address the volatile and variable nature of future core funding which continues to be under review by Central Government. The latest round of projects would bring the total new investment on the Councils corporate priorities to £12.008m since 2013/14.
10. We noted the proposed budget items for 2016/17, the forecasted budget position for 2017/18 and granted approval of the Budget consultation process. Consultation on the proposed budget focused on obtaining feedback on the key investment areas to help prioritise activity. It also highlighted the impact of reduction in Council funds and asked residents to give the Council their views on the budget. Responses were invited from residents, partners. Parish groups and other stakeholders using a variety of methods including a short survey. The results would be analysed and published for consideration as part of the budget finalisation.

### **Stray Dogs, Kennelling Arrangements and Charges**

11. I presented the report of the Director of Public Protection, Streetscene and Community to advise Members of the current and proposed arrangements for dealing with stray dogs and sought approval of a revision in service provision and charges.
12. I explained that the Council has a longstanding stray pick up dog service that includes the use of an external kennel contractor to retain dogs for the statutory seven day period whilst the owner is traced or comes forward to claim their dog. The current kennel contract ends in March 2016, providing us with an opportunity to review our arrangements.
13. We granted approval for the Council's stray dog pick up service be provided through an external contractor should out of hours neighbourhood officer cover be unavailable and that this service element is included in the forthcoming procurement of a kennel provider.
14. We also granted approval to implement a discretionary waiver in exceptional circumstances on a case by case basis, determined by the Director following written representation to the Council by the dog owner and granted approval for an increase in the kennel release charge from £32.50 to £80 for owners who wish to recover their

dogs from the Council. Daily kennelling costs will be met by the dog owner on release and recovery of the dog at the daily kennelling fee agreed between the Council and the kennel provider.

### **Proposed acquisition of former Stagecoach Depot, Eaves Lane, Chorley**

15. The Executive Member (Resources), Councillor Peter Wilson presented the confidential report of the Chief Executive was presented by the Executive Member for Resources and we granted approval for the purchase of the Stagecoach Depot, Eaves Lane, Chorley and authority for the Head of Governance and Property Services to complete the acquisition.
16. The acquisition of the building will provide the Council with a facility that can be used as it currently stands as a Council depot which will assist the Council in its future town centre strategy requirements.

### **Council Tax Local Discounts and Exemption Scheme 2016/17**

17. The Executive Member (Resources), Councillor Peter Wilson presented the confidential report of the Director of Customer and Advice Services and we granted approval for changes to the Local Discount and Exemption Scheme for Council Tax in 2016. The change to the Council Tax empty premium is one of several measures that will help to support an effective Empty Property Policy for the Council.

## **GENERAL REPORT OF MEETING HELD ON 18 FEBRUARY 2016**

### **Final Report of the Overview and Scrutiny Task Group – Single Front Office**

18. We accepted the report presented by the Chair of Overview and Scrutiny Committee, Councillor John Walker. We noted that the review had identified a set of recommendations that Members felt would enhance and support current arrangements and future initiatives as the concept of the Single Front Office is embedded into the Council's delivery of its services. The Executive Cabinet will consider the report in detail and respond at a future meeting.

### **Chorley Skills Framework and Action Plan**

29. I presented a report of the Chief Executive that set out the Chorley Skills Framework and Action Plan, developed following its identification as a key priority within the refreshed 2014 Economic Development Strategy.
30. I explained that the Choose Chorley for Business Focus Group was established as a means of the Council engaging with top businesses in Chorley to help realise their growth ambitions. A key action was to commission a skills gap analysis for Chorley as securing a skilled workforce was identified as a significant barrier to business growth

in Chorley. The Chorley Skills Framework and Action Plan would help to drive the skills agenda forward so we granted its approval.

### **Public Service Reform Partnership Update**

31. I presented the report of the Chief Executive to provide an update on the Chorley Public Service Reform Partnership. The Partnership brings together partner organisations from all sectors to deliver the Strategy which had been formally approved in June 2015, following a review of partnership working and in response to the recommendations from the Commission on the Future of Public Services in Chorley.
32. The report set out the key elements of the strategy and work programme and included activity and progress made to date. We noted the update on funding that had been secured through the Transformation Challenge Award that will be used to accelerate delivery towards improved health and wellbeing outcomes and service efficiencies.

### **Chorley Council Performance Monitoring Quarter Three 2015/16**

33. The Executive Member (Resources), Councillor Peter Wilson presented a report of the Chief Executive that set out performance against the delivery of the Corporate Strategy and key performance indicators during the third quarter of 2015/16, 1 October to 31 December 2015.
34. We noted that overall performance of 2014/15 key projects was good, with 89% of the projects on track or complete. Only two projects have been rated as amber, 'Develop and agree plans for the delivery of Friday Street Health Centre', for issues relating to funding and 'Delivery of an improved CCTV provision', for unforeseen delays. However, we noted that the Council had now secured a contract for the improved CCTV system.

### **Revenue and Capital Monitoring 2015/16: Report 3 (End of December 2015)**

35. The Executive Member (Resources), Councillor Peter Wilson presented a report of the Chief Executive that set out the provisional and capital outturn figures for the Council as compared against the budgets and efficiency saving targets set for the financial year 2015/16. The projected revenue outturn currently shows a forecast underspend of £401k against budget in 2015/16, after the deduction of the use of in-year savings previously approved at Executive Cabinet.
36. Performance of Market Walk remained strong with the latest projections showing a forecast outturn of £1.123m, the surplus being driven by lower than budgeted financing costs, and the Council's savings target of £150k in 2015/16 from managing the establishment had been achieved.
37. The Council's Medium Term Financial Strategy proposed that working balances would reach £3.0m over its three year lifespan to 2017/18 due to the financial risks faced by



the Council. A budgeted contribution to the General Balances of £350k was contained within the new investment package for 2015/16 and forecast indicated that the General Fund will be £2.741m by the end of the financial year.

38. We noted the full forecast position for the 2015/16 revenue budget and capital investment programme and forecast position on the Council's reserve.
39. We granted approval for the virement of £30,000 from the budget position for Business Start-up loans to finance the forecast take-up of Business Investment for Growth (BIG) grants and proposed additions, deletions and re-phrasing of the Capital Programme to better reflect delivery in 2015/16.

### **Community action Plans – Update**

40. The Executive Member (Community), Councillor Beverley Murray presented the report of the Director of Public Protection, Streetscene and Community updating Members on progress made on the four community action plans and sought approval for the budget allocated to each of the projects identified in the Plans.
41. The Council had previously agreed to commence and develop a community action plan programme to augment the existing neighbourhood working service and had agreed the four pilot areas of Chorley East Ward, Astley Village, Clayton Brook and a themed Rural Areas.
42. We noted the detail of the rationale used and progress made for each community action plan area and the individual approach to delivery so that the different methods undertaken could also be reviewed as part of the pilot process.
43. We noted the progress made in the development of the Community action Plans and granted approval of the budget allocation against each project.

### **Selectmove – Piloting proposed amendments to the Allocations Policy**

44. The Executive Member (Customer and Advice Services), Councillor Graham Dunn presented the report of the Director of Customer and Advice Services informing members of a number of proposed changes to the operation of the Select Move Allocation Policy that had been received from the main Registered Providers (RPs) within the Select Move Partnership operating in the Chorley area.
45. The report also sought formal approval of the Council's consultation response relating to the policy amendments that were being piloted. We noted that the Select Move steering group had conducted a mini review of the Select Move Common allocation Policy in order to achieve a number of aims set out in the report that were around improving performance on Lettings, Inward Migration and High demand properties.

46. The policy changes would not affect the Council's ability to deliver its statutory obligations regarding the prevention of homelessness and providing that the Council were satisfied that the success factors had been met would seek formal approval of the changes to be made permanent by Executive Cabinet in six-month's time.
47. We granted approval of the Council's consultation response relating to proposed amendments to the Select Move Allocation Scheme.

### **Neighbourhood Preferred Projects 2016/17**

48. I presented the report of the Chief Executive that updated on the delivery of the 24 preferred projects in 2015/16 and sought approval for the new 24 preferred projects to be delivered in 2016/17. We noted the details of all the proposed projects and granted their approval along with delegated authority for the Executive Member (Community) to approve finalised details and costs for each priority as they emerged from within the overall budget allocation for all eight areas of the borough.
49. We recognised that there was a diverse range of preferred projects and that some would require further consultation to fully understand and determine community needs. Funding of their delivery would be through existing budgets, business as usual resources, leveraging in partner resources and approaching Parish Councils to release a proportion of their precept.

### **Energy Efficiency Update**

50. The Executive Member (Customer and Advice Services) presented the report of the Director of Customer and Advice Services updating in the Council's involvement with various activities relating to energy Efficiency and continued efforts to combat fuel poverty.
51. We noted that the Council has a long standing commitment to combating Fuel Poverty, reflected in the Corporate Strategy. The Council's various Energy Efficiency initiatives therefor aim to deliver Affordable Warmth for customers and reduce the incidence of Fuel Poverty in the borough.
52. It was explained that CHiL has yet to deliver for Chorley residents, thought mainly to be because of issues relating to its promotion and complex processes. Measures had now been taken to address this and the scheme was now being advertised on the Council's website.
53. The Council are exploring the possibility of working in partnership with GB on a variety of energy initiatives with the main aim of achieving financial savings for Chorley residents. GB Energy is a Lancashire company that offers a wide range of energy related services including competitive rates of Energy supply and the facilitation of

Energy Company Obligation (ECO) funded measures for customers experiencing Fuel Poverty.

### **Bus Services**

54. I presented the report of the Chief executive to inform the Cabinet and seek approval of a commitment made by myself in respect of funding allocated to mitigate the impact of Lancashire County Council (LCC) budget reductions to support bus services in the borough.
55. In the Council's recent budget £500k had been set aside to support such initiatives and was intended as short term financing to allow time to find other sustainable solutions. Decisions already taken by the County Council meant that from 3 April a number of bus services will be cut or reduced.
56. I explained the reasons for looking to continue the 24a and 109a bus services and we granted approval of the financing agreement based upon a 70/30% split of costs agreed by both Councils.

### **Land at Southport Road**

57. The Executive Member (Resources), Councillor Peter Wilson, presented the confidential report of the Chief Executive and approval was granted for the sale of council owned land at Southport Road, Chorley. We noted the marketing exercise that had been undertaken and were content that the recommendation demonstrated that best value had been obtained for this site.

### **Senior Management Review**

58. I presented the confidential report of the Chief Executive which responded to feedback received following recent consultation on the proposed restructure of senior management in the organisation and outlined any amendments made in light of comments received.
59. We granted approval of all the recommendations in the report that included the implementation of the new management structure for the Council that was presented to Full Council on 19 January.

### **Cotswold Supported Housing**

60. The Executive Member (Customer and Advice Services), Councillor Graham Dunn presented the confidential report of the Director of Customer and Advice Services outlining the proposed next steps for the refurbishment of Cotswold supported Housing following the outcome of the bid to the Homes and Communities Agency for Homeless Change Grant Funding. The report also sought delegated authority for the award of the contract.

61. It was noted that the quality of the accommodation will be the same for all 25 flats and the facilities available for life skills, education and training on site will be much improved. We granted approval of the recommendations in the report and delegated authority to the Executive Member (Resources) to award the contract of works to the successful bidder.

**Recommendation**

62. To note the report

COUNCILLOR ALISTAIR BRADLEY  
EXECUTIVE LEADER

DS

**REPORT OF GOVERNANCE COMMITTEE**

1. This report summarises the business transacted at the Governance Committee meeting held on 9 March 2016.

**GOVERNANCE COMMITTEE – 9 MARCH 2016****Governance Committee Update for year ending 31 March 2016**

2. We noted a report that showed the progress made by our External Auditors in delivering their responsibilities. The report also provided the Committee with a summary of emerging national issues and developments that may be relevant to the Authority and included a number of challenge questions for the Committee to consider.
3. The 2015/16 Accounts Audit Plan was on track to be completed and would be presented to the next Governance Committee in June. Work had already commenced with the Council's accounting Team to prepare for the early closedown at the end of May and the Statutory Finance Officer was confident that this would be achieved.
4. Following a recent consultation exercise by the National Audit Office on value for money arrangements, new guidance had now been published. The auditors are now required to reach their statutory conclusion based on an overall evaluation criteria following consideration of the following sub-criteria:
  - Informed decision making
  - Sustainable resource deployment
  - Working with partners and other third parties
5. Member's attention was drawn to a report that had been produced by Grant Thornton Plc in relation to financial health checks and governance reviews. Most Councils project significant funding gaps over the next three to five years, with Councils in the North and Midlands reporting the largest funding gaps and was the main reason why Chorley was looking to change its delivery model in a bid to sustain service delivery in the future.

**Certification work for Chorley Council for year ended 31 March 2016**

6. The External auditors are required to certify certain claims and returns by the Council and the Committee was informed that they had certified one claim for the financial year 2014/15 relating to expenditure of £26.5m. The qualification letter to the Department of Works and Pensions (DWP), in relation to the extrapolated impact of the errors identified, had resulted in an overpayment of benefits, indicating a total impact of £4,350, which represented 0.02% of the total return.
7. The Statutory Finance Officer expressed his disappointment and it was explained that this was the first year the Council had required a qualified claim. He assured Members that the matter had been fully investigated and that appropriate additional balances and checks had been implemented to make sure that this did not happen again. On a more positive note, the actual time taken to process claims had reduced to 8 days

**Internal Audit Plan 2016/17**

8. 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.
9. It was explained that the team had taken a slightly different approach this year by consulting with all managers across the authority to ensure that all relevant process were included with the Plan and a risk rating has been applied to each of the reviews to be undertaken.
10. A full list of all the reviews to be undertaken were included in the report and we were pleased to see that a full system review of Section 106 monies and Community Infrastructure Levy would be undertaken following the issues that had been identified this year. Members discussed the reasons why there would be reviews taking place in relation to the stores at Bengal Street and compliance with the Indoor Leisure Contract. We noted the report and approved the Internal Audit Plan for 2016/17.

**RIPA Application Update**

11. The Monitoring Officer reported that no RIPA applications had been made for the year. He also explained that all investigating and authorising officers had undertaken training in February to keep abreast with current legislation.

**Governance Committee Skills and Knowledge Self-Assessment**

12. Members were informed that all forms had now been completed and submitted to the Internal Audit team. Once evaluated, the results would help shape training needs and better delivery of reports to Members. The Committee discussed how simpler report writing could help Members to challenge more effectively on treasury management.

**Recommendation**

13. To note the report.

COUNCILLOR PAUL LEADBETTER  
CHAIR OF GOVERNANCE COMMITTEE

DS



Report of	Meeting	Date
Chief Executive	Council	12 <sup>th</sup> April 2016

## **CONTRACTS PROCEDURE RULES (CPR'S) & THE 2015 PUBLIC CONTRACTS REGULATIONS**

### **PURPOSE OF REPORT**

1. To update the Council's Contracts Procedure Rules to take account of the new 2015 Public Contracts Regulations, the revised EU Thresholds effective from 1<sup>st</sup> January 2016, and also to introduce some practical updates to the rules.

### **RECOMMENDATION(S)**

2. That Council approves the revised draft Contracts Procedure Rules attached to this report at Appendix 1 for adoption. These were approved by Governance Committee on 13 January 2016.

### **EXECUTIVE SUMMARY OF REPORT**

3. New Public Contracts Regulations came in to force on 26th February 2015. These replace the previous 2006 Regulations and transpose into UK law the 2014 EU Public Contracts Directive.
4. In addition to implementing the EU Directive, the UK Government have also taken the opportunity to incorporate additional areas for below EU threshold procurements. These additional areas have arisen out of the Lord Young report and are aimed at improving access to procurement opportunities for small businesses.
5. EU Procurement thresholds are adjusted every two years and new thresholds will come in to force with effect from 1<sup>st</sup> January 2016.
6. This report identifies the updates required to the Council's Contracts Procedure Rules (CPR's) in order to comply with the 2015 Regulations, update the thresholds, and also suggest some additional practical updates in order to ensure the rules remain effective and fit for purpose, without being overly bureaucratic.
7. A copy of the current rules, adapted with tracked changes, in order to clearly show the proposed updates, is attached for consideration at Appendix 1.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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### **CORPORATE PRIORITIES**

8. 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	

**BACKGROUND**

- 9. The 2015 Public Contracts Regulations came in to force on 26th February 2015. They replace the previous 2006 Regulations and transpose into UK law the 2014 EU Public Contracts Directive.
- 10. The Public Contracts Regulations set out the value thresholds for Supplies, Services and Works contracts, above which the Public Contracts Regulations apply. These thresholds are adjusted every two years based on the average daily value of the Euro. The European Commission has increased the threshold as measured in Euros from 1.1.16. However, due to the increasing strength of sterling against the Euro, the overall impact is that sterling thresholds have actually decreased. The new thresholds which apply to local government from 1.1.16 are set out below in bold. The previous thresholds are shown underneath in brackets for information.

Supplies	Services	Works
<b>£164,176</b> (£172,514)	<b>£164,176</b> (£172,514)	<b>£4,104,394</b> (£4,322,012)

The threshold for Schedule 3 light touch services (social and other specific services), which are a new feature of the 2015 regulations, has been set at £589,148 from 1.1.16.

- 11. The Regulations and the Directive set out the legal framework for public procurement. Contracts Procedure Rules (CPR's) are the Council's own internal procurement rules which Officers must follow, and whilst on a practical level, systems and procedures have already been put in place to ensure full compliance with the new regulations, it is necessary to formally review and update CPR's to take account of any changes required.
- 12. In addition to implementing the new EU Directive, the UK Government has also taken the opportunity to incorporate a number of reforms for below EU threshold procurements. These reforms have arisen out of the Lord Young's recommendations in his report on "Growing your Business" (May 2013). The reforms are set out in Part 4 of the new Public Contracts Regulations and are aimed at improving access to procurement opportunities for small businesses.

The key reforms are:

- 13. Use of Pre-Qualification Questionnaires (Regulations 111 and 107)

In below-threshold procurements (regulation 111)

A contracting authority may not include a pre-qualification stage in any procurement where the value is below the EU threshold for goods and services for local authorities (£164,176 from 1.1.16). In practical terms, this means that a two stage restricted procedure using a Pre-Qualification Questionnaire (PQQ) as part of a Stage 1 pre-qualification/ shortlisting stage, is not permitted. However contracting authorities may ask questions in the tender documentation relating to a potential supplier provided that the questions are relevant to the subject matter of the procurement and proportionate.



In above-threshold contracts (regulation 107)

For procurements above these threshold values, a pre-qualification stage is permitted but Crown Commercial Service (CCS) statutory guidance on the new requirements relating to the use of PQQ's and the Qualitative selection of suppliers must be followed. The guidance includes a standardised set of core questions to be used in the supplier selection stage of the relevant procedure.

This reform is incorporated into the revised draft CPR's at Paragraph 13 (previous paragraph 17) which has been updated accordingly.

14. A requirement for contracting authorities to insert provisions in all public contracts to ensure prompt payment through the supply chain (Regulation 113)

This reform has been incorporated into the Council's procurement procedures by the updating of the Council's various Model sets of Contract Conditions in conjunction with Legal Services. An amendment to CPR's is therefore not required for this particular reform.

15. Publishing contract opportunity advertisements and contract award information on the new Contracts Finder portal (regulations 106 and 110).

Contracting authorities must ensure that when they advertise a new procurement opportunity above certain thresholds (£25,000 for local authorities), that the advert is placed on the national Contracts Finder portal. <https://www.gov.uk/contracts-finder>

This website must be used in addition to any local or regional portals currently being used. Authorities must also subsequently ensure that contract award information is placed on Contracts Finder once the contract is awarded.

The above only applies to contracts which are openly "advertised" (i.e. public advert for any company to respond to), and does not therefore apply to quotations which are "invited" (i.e. by invitation only) in accordance with local Contracts Procedure Rule thresholds.

This reform is incorporated into the revised draft CPR's at Paragraphs 10, 11 and 24 which have been updated accordingly.

16. Statistical Returns (Previously CPR 38)

Annual submission of above threshold statistical returns was a requirement of the 2006 Public Contracts Regulations (now superseded by the 2015 Regulations) and this paragraph has therefore been deleted.

17. Other Changes as a result of the updated Directive

The new Directive introduces a host of reforms including additional new procedures, reduced timescales, removal of Part B Services and the introduction of a new light touch regime to name just a few. The existing CPR's provide an overview of the 2006 Regulation Procedures. However, it is considered more sensible to remove this overview, which cannot cover all of the requirements of the Regulations, and to require Officers who may be involved in an above threshold procurement to consult the Shared Procurement Team and Legal Services department prior to commencing any procurement which is subject to the Regulations.

This has been incorporated into the revised draft CPR's by removing the previous Paragraphs 13,14, 15 and 16 and updating Paragraphs 12, 19 23 and 26 accordingly.

18. Practical Updates

In addition to suggesting updates required to comply with the 2015 Regulations, this report also suggests the additional practical updates detailed below, in order to ensure the rules remain effective, clear, and fit for purpose, without being overly long and bureaucratic.

19. Contracts Procedure Rule 3

The current CPR 3 provides detailed requirements on officers' responsibilities in the event of any conflicts of interest and/or offers of gifts or hospitality. These areas are specifically covered by the Officers Code of Conduct. CPR 3 has therefore been updated to remove the detailed paragraphs and to refer to the Code of Conduct which must be complied with. This will ensure that there are no inconsistencies between the two documents.

20. Contracts Procedure Rule 8.2

Whilst working with Officers across the shared procurement service a recurring issue has been identified with the application and interpretation of the aggregation rule for relatively low value procurements.

CPR's say:

8.2 Where the duration of a contract is for an indefinite period, or where its term cannot be defined, the contract value should be taken to be the estimated value of the contract over a period of four years.

The above is the mechanism for calculating contract values for the purposes of the Public Contracts Regulations and is sensible for higher value procurements but is not practical or proportionate for low value contracts. For example a £3000 per year rolling service agreement has a contract value of £12,000 under the above rule. The intermediate value threshold in CPR's is £10,000, above which a formal procurement exercise through the Chest with a minimum of 3 quotes must be carried out.

In many cases, particularly for maintenance/ service / license agreements it is necessary or beneficial to use a specific provider for technical, warranty or quality reasons, and the cost of carrying out a procurement exercise in such low value instances is likely to outweigh any potential benefits and may result in increased costs.

*It is recommended that the above rule 8.2 be extended to say:*

*This rule shall not apply to contracts with an indefinite period where the annual value is below £10,000. Such contracts shall be subject to an annual review by the Authorised Officer.*

21. Contracts Procedure Rule 8.3

CPR's say:

8.3 Circumstances may arise where a number of low value contracts for similar works/goods or services are given to one Contractor within a 12 month period. In this case, 12 months expenditure should be aggregated to determine which procedure should be followed. When the value of those contracts is aggregated the effect may be to move the total purchase from one value band to another. This may mean that a different procurement method has to be followed to comply with these rules, or it may be necessary to seek a waiver of these rules in such circumstances.

The above rule is also based on the mechanism for calculating Contract values under the Public Contracts Regulations but can also be impractical and disproportionate for relatively low value contracts.

Circumstances can occur where more than £10k is spent with a particular supplier on similar goods or services over 12 months but where it would be inappropriate, impractical and not cost effective to aggregate this volume in to an annual procurement exercise.

It may not be known at the beginning of the year exactly what the requirements will be. Consequently an aggregated procurement exercise at the start of the year may not be feasible or practical. In these circumstances it would be very difficult to specify a contract and a general framework/ blanket discount arrangement covering a wide variety of goods in the same general category for a specified contract period could lead to additional cost, and effect operational flexibility/ freedom to spot buy. Additionally the resources/ effort involved would not be cost effective.

It is important that the procurement service is recognised as adding value in a supporting role, focusing on appropriate areas which can deliver maximum benefits. It would therefore be helpful to build some practical flexibility in to CPR's whilst maintaining appropriate control in order to ensure that any such flexibility is not inappropriately mis-used.

*It is therefore recommended that the above rule 8.3 be clarified and extended as below:*

*8.3 Circumstances may arise where a number of low value contracts of the same type, for regular, routine similar goods or services are given to one Contractor within a 12 month period. In this case, 12 months expenditure should be aggregated to determine which procedure should be followed. When the value of those contracts is aggregated the effect may be to move the total purchase from one value band to another. This may mean that a different procurement method has to be followed to comply with these rules, or it may be necessary to seek a waiver of these rules in such circumstances.*

*8.3.1 The requirement to aggregate under the circumstances described at 8.3 will not apply where The Authorised Officer identifies that the spend activity is:*

- (a) unknown or unplanned and therefore cannot be specified at the commencement of the 12 months period or*
- (b) of a similar general category but is so varied that it would be impractical or difficult to specify, the aggregate annual value is less than £20,000, and a blanket discount arrangement, schedule of rates or other such general framework agreement would be impractical and lead to additional cost.*

*8.3.2 In any event, the Authorised Officer shall ensure that best value is achieved, make best use of the Council's purchasing power by aggregating where appropriate, undertake periodic review of the procurement decision, and keep appropriate records including the reason for any decision not to aggregate, throughout.*

## 22. Contracts Procedure Rule 5 - High Value Pre-Procurement Approvals

CPR's say

5. Who has authority to carry out procurement on behalf of the Council?

5.1 Any procurement carried out on behalf of the Council may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's Constitution. Officers with delegated authority may only authorise other officers who have the appropriate skills and knowledge appropriate to the task. Officers shall be informed by his/her Director/Service Head, in writing, of the extent of any delegated

authority and any applicable financial thresholds for each procurement. These officers shall be known as Authorised Officers.

5.2 For all High Value Procurements, prior approval of the proposed contract award procedure including the evaluation criteria to be applied shall be sought from the relevant Executive Cabinet Portfolio Member.

It has come to light whilst working collaboratively with other Councils that, in many instances, other authorities do not require formal approvals at pre-procurement stage, where budget provision is already approved and in place. Member approval is, in these instances, at contract award decision stage, with the procurement process in accordance with the provisions of CPR's e.g. formal Tenders, or use of a framework, with Authorised Officers using their professional and technical knowledge to determine the evaluation criteria and weightings. Further pre-procurement approval is seen to be an overly bureaucratic, duplicated step, which can cause delays.

This report proposes increasing the threshold above which Executive Cabinet Portfolio Member pre –procurement approval is required from the current High Value threshold (above £75,000) to above EU threshold (£164,176 from 1.1.16), thus streamlining the process but ensuring member involvement is retained in above threshold contracts at pre-procurement stage. The report also suggests refreshed wording as detailed below (5.2 to 5.5), to ensure that budget provision is confirmed and to differentiate between Capital and Revenue expenditure.

#### 5.2 *Revenue Expenditure*

*Subject to the provisions of paragraph 5.4, Directors and their Authorised Officers may seek Tenders and Quotations in accordance with these Contracts Procedure Rules for any item of revenue expenditure for which budget provision has been made, and may accept such Tenders/ Quotations in accordance with these Contracts Procedure Rules, up to a total contract value of £75,000.*

#### 5.3 *Capital Expenditure.*

*Subject to the provisions of paragraph 5.4, Directors and their Authorised Officers may seek Tenders and Quotations in accordance with these Contracts Procedure Rules, the particulars of which are shown as approved in the Council's capital programme for the current financial year and which have also been approved/comply with any additional requirements of the Council's Financial Regulations. Directors and their Authorised Officers may accept Tenders / Quotations in accordance with these Contracts Procedure Rules and the Council's Financial Regulations up to a total contract value of £75,000.*

#### 5.4 *For all High Value Procurements above the EU threshold, prior approval of the proposed contract award procedure including the evaluation criteria and weightings to be applied, shall be sought from the relevant Executive Cabinet Portfolio Member as a delegated decision*

To support the above proposed process, an additional requirement has been added at Paragraph 7 (Pre-procurement procedure) for Authorised Officers to satisfy themselves that they have the necessary authority to deal with the procurement and that there is budget provision for the procurement in accordance with the provisions of Rule 5.

#### 23. Contract Procedure Rule 32 (Joint Procurement)

The above paragraph has been updated to be consistent and refer to the same approval requirements included above at CPR 5, unless the joint procurement requires a commitment at the outset, prior to any bids being invited. In this event, Cabinet approval

must be sought prior to committing to the joint procurement where the Council's estimated contract value exceeds £75,000. CPR 32 has also been updated to recognise that joint procurement is also commonly referred to as collaborative procurement.

24. Contract Procedure Rule 37 – Disposing of Surplus Goods

The above paragraph has been simplified with outdated and conflicting text removed to ensure an appropriate competitive process is adopted unless it has been agreed by the Head of Service that the goods in question are to be disposed of to a charitable/not-for-profit organisation, or disposal arrangements have been agreed within the original contract for purchase.

25. A copy of the current Contracts Procedure Rules, adapted with tracked changes, in order to clearly show the proposed updates, including any other additional minor tidying/ removal of duplication is attached for consideration at Appendix 1.

**IMPLICATIONS OF REPORT**

26. 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**

27. This review has been carried out to ensure that relevant, compliant, optimum processes and controls are in place and maintained in order to achieve overall best value in the procurement process.

**COMMENTS OF THE MONITORING OFFICER**

28. The Council must comply with the best value duty contained in the Local Government Act 1999. Adherence to Contracts Procedure Rules (CPR) ensures that the Council meets this duty through open competition for council contracts.

29. The Council must also comply with EU procurement law and the Public Contracts Regulations 2015 which give effect to it. Updating CPR's should ensure that the Council remains compliant in this respect.

30. CPR's are contained in the Council's Constitution so amendments must be authorised by full Council.

GARY HALL  
CHIEF EXECUTIVE

<b>Background Papers</b>			
<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
2015 Public Contracts Regulations			<a href="http://www.legislation.gov.uk/uksi/2015/102/contents/made">http://www.legislation.gov.uk/uksi/2015/102/contents/made</a>

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Janet Hinds	5622	8.2.16	JH/Proc/Reports

## **CHORLEY BOROUGH COUNCIL CONTRACT PROCEDURE RULES**

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## Contract Procedure Rules

### 1. Introduction

- 1.1 These Rules form part of the Council's Constitution and are the Council's Contract Procedure Rules for purchasing goods, works and services for the Council. They do not apply to internal purchases or internal service provision, only where you need to buy something from outside the council.
- 1.2 The Rules apply to any contract that results in a payment being made by the Council as well as to some types of contracts where a service is being provided for the Council which results in some income being generated for the Council.
- 1.3 The Rules also apply to the disposal of surplus goods (see paragraph 37) and to Concession Contracts (paragraph 38).
- 1.4 The Rules also apply when an external body, authority, company, consultant or other person has been engaged to carry out procurement or disposal on behalf of the Council.
- 1.5 Quotations for grant funded contracts for goods, services or works, where they are procured by the Council, should be invited in accordance with these rules, except to the extent that any specific requirements for the receipt of the grant specify different requirements, in which case the specific procedures should be followed, and the procurement completed in accordance with the relevant grant procedural requirements.
- 1.6 The Rules have four main purposes:
  - to comply with the obligations that govern the spending of public money derived from the European Union (EU) procurement regime and applied in the UK through the Public Contracts Regulations (2015);
  - to obtain Best Value in the way we spend money, so that we may in turn offer better and more cost effective services to the public;
  - to avoid corruption and ensure high ethical standards;
  - to protect people who follow the Rules.
- 1.7 The Rules must be read in conjunction with the Council's Financial Procedure Rules, Key Partnerships Framework, Procurement Guidance and any other internal controls laid down by the Council for example the Council's Anti-Fraud and Corruption Policy and whistle blowing policy.

### 2 Compliance

- 2.1 Every contract entered into by the Council shall be entered into pursuant to or in connection with the Council's functions and must comply with:
  - (a) all relevant statutory provisions;
  - (b) the relevant European procurement rules (i.e. the EC Treaty, the general principles of EC law and the EC public procurement directives implemented by the UK Regulations);



- (c) the Council's Constitution including these Contract Procedure Rules, the Authority's Financial Regulations and Financial Procedure Rules and the Council's Scheme of Delegation
- (d) the Council's vision, priorities, enabling strategies and policies (e.g. Corporate Strategy, Procurement Strategy and Sustainable Procurement Policy)

2.2 At all times during the contract award procedure, the Council, through its Members and officers, shall consider and implement the principles of non-discrimination, equal treatment and transparency.

2.3 The highest standards of probity are required of all officers and Members involved in the procurement, award and management of Council contracts. Members shall comply with the Code of Conduct for Councillors, and officers shall comply with the Code of Conduct for Officers.

2.4 Effective audit trails must be maintained at all stages throughout the procurement procedure, particularly when approval or agreement is required and at evaluation/decision making stages.

### **3. Conflicts of Interest, Gifts & Hospitality**

3.1 Every officer entitled to buy supplies, services or works shall comply with the requirements of the Officer Code of Conduct in respect of conflicts of interest, gifts and hospitality. <http://theloop/LoopDocuments/Code%20of%20Conduct%20Nov%202014.doc>

### **4. Procurement Plan**

4.1 Prior to the start of each financial year, each Head of Service must prepare a procurement plan setting out their department's contracts to be procured (over £10,000) during that financial year, and where possible for forthcoming years. A copy of the plan must be supplied to the Principal Procurement Officer who shall use this information to formulate an Annual Procurement Plan for the Council.

4.2 Additionally any procurement planned which is over £100,000 in value should be communicated to Democratic Services for inclusion in the Notice of key Decisions.

### **5. Who has authority to carry out procurement on behalf of the Council?**

5.1 Any procurement carried out on behalf of the Council may only be undertaken by officers with the appropriate delegated authority to carry out such tasks as set out in the Council's Constitution. Officers with delegated authority may only delegate to other officers who have the appropriate skills and knowledge appropriate to the task. Officers shall be informed by his/her Director/Service Head, in writing, of the extent of any delegated authority and any applicable financial thresholds for each procurement. These officers shall be known as Authorised Officers.

### **5.2 Revenue Expenditure**

Subject to the provisions of paragraph 5.4, Directors and their Authorised Officers may seek Tenders and Quotations in accordance with these Contracts Procedure Rules for any item of

revenue expenditure for which budget provision has been made, and may accept such Tenders/ Quotations in accordance with these Contracts Procedure Rules, up to a total contract value of £75,000.

### 5.3 **Capital Expenditure.**

Subject to the provisions of paragraph 5.4, Directors and their Authorised Officers may seek Tenders and Quotations in accordance with these Contracts Procedure Rules, the particulars of which are shown as approved in the Council's capital programme for the current financial year and which have also been approved/comply with any additional requirements of the Council's Financial Regulations. Directors and their Authorised Officers may accept Tenders / Quotations in accordance with these Contracts Procedure Rules and the Council's Financial Regulations up to a total contract value of £75,000.

5.4 For all High Value Procurements above the EU threshold, prior approval of the proposed contract award procedure including the evaluation criteria and weightings to be applied, shall be sought from the relevant Executive Cabinet Portfolio Member as a delegated decision

5.5 Any contract awards above £75,000 or those which involve any potential transfer of the Council's employees to a Supplier shall be referred to the Executive Cabinet or relevant Executive Cabinet Portfolio Member for a decision, unless Cabinet have previously delegated that decision to the Director of the spending directorate.

5.6 Any contract awards which constitute a Key Decision (i.e. a contract of £100,000 or more) must be published in the Notice of Key Decisions prior to any decision being taken as described in the Council's Constitution.

## 6. **Exempt Contracts**

6.1 The Rules do not apply to the following types of Contract:

- (a) individual contracts for the provision of temporary staff (The arrangements with staffing agencies, however, should be subject to a competitive procurement process in accordance with these Contracts Procedure Rules);
- (b) contracts of employment which make an individual a direct employee of the council
- (c) contracts relating solely to disposal or acquisition of an interest in land (including buildings)

If you are in any doubt about whether the Rules apply, you **must** always check with the Principal Procurement Officer.

## 7. **Pre-Procurement Procedure**

7.1 Before commencing a procurement, it is essential that the Authorised Officer leading the procurement has identified the business need and fully assessed any options for meeting those needs. Consideration shall be given to the Council's Procurement Strategy, Sustainable Procurement Policy and procurement guidance, as appropriate.

7.2 Before undertaking a procurement the Authorised Officer shall:

- (a) consider all other means of satisfying the need (including recycling and reuse where appropriate);
- (b) prepare an estimate of expenditure in accordance with Rule 8;
- (c) satisfy themselves that they have the necessary authority to deal with the procurement and that there is budget provision for the procurement in accordance with the provisions of Rule 5.
- (d) undertake a risk assessment
- (e) complete an Integrated Impact Assessment where any change in service provision is proposed
- (f) establish a business case for the procurement and consider whether the procurement should follow the Council's Project Management Framework/ Toolkit. Procurements which may benefit from use of the toolkit are usually higher value and are:
  - unique, new or complex leading to significant system, process or service changes,
  - impact on numerous services
  - have a significant reputational impact on the Council

If you are unsure as to whether the Project Management Framework should apply, you should consult the Policy and Performance Advisor for a decision.

The level of resource and detail deployed in carrying out the requirements of 7.1 and 7.2 shall be appropriate to the nature and the value of the Procurement.

## 8. **Calculating the Contract Value**

- 8.1 Prior to commencing any procurement you must estimate the total monetary value of the contract (exclusive of VAT) over its full duration, including any extension options (not the annual value). The estimated total value of the contract will determine which procedure you must then adopt.
- 8.2 Where the duration of a contract is for an indefinite period, or where its term cannot be defined, the contract value should be taken to be the estimated value of the contract over a period of four years. This rule shall not apply to contracts with an indefinite period where the annual value is below £10,000. Such contracts shall be subject to an annual review by the Authorised Officer.
- 8.3 Circumstances may arise where a number of low value contracts of the same type for regular, routine, similar goods or services are given to one Contractor within a 12 month period. In this case, 12 months expenditure should be aggregated to determine which procedure should be followed. When the value of those contracts is aggregated the effect may be to move the total purchase from one value band to another. This may mean that a different procurement method has to be followed to comply with these rules, or it may be necessary to seek a waiver of these rules in such circumstances.

- 8.3.1 The requirement to aggregate under the circumstances described at 8.3 will not apply where The Authorised Officer identifies that the spend activity is:
- (a) unknown or unplanned and therefore cannot be specified at the commencement of the 12 months period or
  - (b) of a similar general category but is so varied that it would be impractical or difficult to specify, the aggregate annual value is less than £20,000, and a blanket discount arrangement, schedule of rates or other such general framework agreement would be impractical and lead to additional cost.
- 8.3.2 In any event, the Authorised Officer shall ensure that best value is achieved, make best use of the Council's purchasing power by aggregating where appropriate, undertake periodic review of the procurement decision, and keep appropriate records including the reason for any decision not to aggregate, throughout.
- 8.4 Authorised Officers should make the best use of the Council's purchasing power by aggregating purchases wherever possible
- 8.5 Contracts must comply with the Public Procurement Regulations and must not be artificially split to avoid these Rules or the Regulations
- 8.6 If, following calculation of the estimated value, the low value route (below) £10,000 is used, and, after evaluating in accordance with the evaluation criteria, the preferred offer is valued at over £10,000, the matter shall be submitted for approval via the electronic request for waiver form located on the loop which will seek approval from the relevant Director, Head of Governance and Chief Executive. Provided that the preferred offer is within 10% of the pre-quoted estimate, and the aforementioned are of the opinion that a robust exercise with an appropriate level of competition has been carried out, with a genuine pre-tender estimate, they may collectively approve the contract award.
- 8.7 If, following calculation of the estimated value, the intermediate route (below £75,000) is selected, and, after evaluating in accordance with the evaluation criteria, the preferred offer is valued at over £75,000, then the matter shall be submitted for approval via the electronic request for waiver form located on the loop which will seek approval from the relevant Director, Head of Governance and Chief Executive. Full details including how the estimated value was calculated, the amount of the estimated value, the value of all quotations received and the evaluation model applied leading to selection of the preferred offer must be included on the request. Provided that the preferred offer is within 10% of the pre-tender estimate and the aforementioned are of the opinion that a robust exercise has been carried out with a genuine pre-tender estimate, they may collectively recommend that the process be continued under the High Value route and that full details of the process followed be included in the subsequent report requesting approval for the award decision to be submitted to Cabinet or Executive Cabinet portfolio member.
- 9. Low Value Procurement: Below £10,000**
- 9.1 Where the estimated value or amount of the proposed contract is less than £10,000, The Authorised Officer shall ensure that best value is achieved and that the arrangements made secure the best available terms for the Council. Good practice would be to obtain written or electronic quotations (including at least one local supplier); however, evidenced verbal

quotations are acceptable. The Authorised Officer should ensure that the number and type of quotations received are appropriate and proportionate to the contract risk and value,

- 9.2 The purchase order must be made on an official purchase order and shall specify the services, supplies or works to be provided and set out the price and terms of payments.
- 9.3 Two Authorised Officers must be involved in the ordering and receiving process.
- 9.4 Every purchase order (whether issued as a result of higher, intermediate or lower value procurements) must contain the current approved standard form of terms and conditions of contract between the Council and the supplier. A quotation and a purchase order will create a legally binding contract.

#### **10. Intermediate Value Procurement: £10,000 to £75,000 (Quotations)**

- 10.1 For procurements valued over £10,000 but at or below £75,000 at least 3 Request for Quotations shall be invited through the Council's e-procurement portal "The Chest", before a formal purchase order is issued specifying the supplies, services or works to be provided.
- 10.2 Where an Intermediate Value Quotation is above £25,000 in value, and is openly advertised, the 2015 Public Procurement Regulations require that the opportunity is also advertised on the Government one stop shop "Contracts Finder". Additionally, for these procurements, a Contract Award Notice must also be published on Contracts Finder. In both instances, the notices must include the specific details listed in the Regulations, and in both instances, these notices can be accommodated through the Chest.
- 10.3 At least one local supplier should be included in the suppliers to be invited to quote where possible.
- 10.4. Invitations to quote shall:
  - (a) specify or refer to a specification of the goods, materials, services or work required and
  - (b) state the date and time by which quotation must be received and
  - (c) include the instructions for submission and state that no quotation will be considered unless it is received in accordance with those instructions.
  - (d) have the evaluation criteria set out in the invitation to Quote. All quotations shall be evaluated in accordance with the evaluation criteria set out in the quotation documents. All contracts, except where lowest price was predetermined to be the appropriate contract award criterion, shall be awarded on the basis of the offer which represents the Most Economically Advantageous offer to the Council.
- 10.5 Where the risk in a specific procurement is perceived to be high, then that procurement shall be treated as a High Value Procurement.
- 10.6 Any procurement that may involve a transfer of Council staff shall be treated as a High Value Procurement.

**11. High Value Procurements: Above £75,000 (Tenders)**

- 11.1 All Procurements with a cumulative value of over £75,000 shall be classed as High Value Procurements.
- 11.2 Additionally any contract where Council employees may be transferred to other bodies, or where risk in the procurement is perceived to be high shall be treated as a High Value Procurement.
- 11.3 All high value procurements must be advertised on the Council's e-procurement portal "The Chest"
- 11.4 In addition to advertising on the Chest, all High Value procurements shall be advertised on the Government one stop shop "Contracts Finder" in accordance with the 2015 Public Procurement Regulations. Additionally, for these procurements, a Contract Award Notice must also be published on Contracts Finder. In both instances, the notices must include the specific details listed in the Regulations, and in both instances, these notices can be accommodated through the Chest.
- 11.5 Nothing in these Rules prevents you from adopting any aspect of the High Value Procurement procedures in the procurement of intermediate or lower value supplies, works or services.

**12. Contracts Subject to the Regulations: Above the EU Threshold**

- 12.1 Where the estimated value of a contract exceeds the current EU threshold then the contract shall be tendered in accordance with the Regulations. Under the Regulations, the contract may be tendered under the Open, Restricted, or, in exceptional circumstances exhaustively set out in the Regulations, the Competitive Procedure with Negotiation, Competitive Dialogue or Innovation Partnership Procedure. For each contract tendered in accordance with the Regulations, a contract notice shall be published in the prescribed form in the Supplement to the Official Journal to the European Union (OJEU) to invite tenders or expressions of interest.

Advertisements published in addition to the OJEU notice must not appear in any form before a contract notice is published by the EU Publications Office and must not contain any information additional to that contained in the contract notice.

- 12.2 With effect from 1 January 2016 the main current EU thresholds are as follows:

- (a) Services contracts £164,176;
- (b) Schedule 3 (Social & Other Specific Services Contracts) £589,148
- (b) Supplies contracts £164,176; and
- (c) Works contracts £4,104,394.

The EU thresholds set out above are revised by the OJEU every two years.

- 12.3 The EU Directives and UK Regulations are long and complex, and set out minimum timescales for receipt of expressions of interest and tenders. Officers **must** consult the Shared

Procurement Team and Legal Services department prior to commencing any procurement which is subject to the Regulations.

**13. Suitability Assessment & Pre-qualification** *(Not to be used when procuring from a framework agreement as suppliers on framework agreements are already pre-qualified)*

- 13.1 The Council shall only enter into a contract with a Supplier if it is satisfied as to the Suppliers –
- (a) eligibility;
  - (b) economic and financial standing.
  - (c) technical and /or professional ability.

The level and detail of assessment shall be proportionate to the risk and value of the contract. Shared Financial Services shall be consulted for all procurements above £100,000 for the completion of an appropriate financial assessment, prior to contract award.

- 13.2 A pre-qualification stage is not permitted in any procurement below the EU threshold for Goods and Services. (currently £164,176 for calendar years 2016/17). -This threshold is updated every two years.) However, suitability assessment questions relating to a potential provider may be asked provided that the questions are relevant and proportionate to the subject matter of the procurement.
- 13.3 A pre-qualification stage may be used in above EU threshold contracts. However, in all instances, statutory guidance published by Crown Commercial Service must be followed. This includes use of a core set of standardised questions. For further information and advice, Authorised Officers should contact the Shared Procurement Team.
- 13.4 Where appropriate, bidders may self-certify during the tender/ quotation process, with relevant and proportionate checks only being carried out on the shortlisted bidder.
- 13.5 Any procurement subject to the Regulations shall be in full compliance with those Regulations and the statutory Crown Commercial Guidance. The Regulations stipulate what must and /or may be taken account of, in assessing eligibility, economic and financial standing and technical and /or professional ability.

**14 The Invitation to Tender**

- 14.1 The ITT shall include details of the Authority's requirements for the particular contract including:
- (a) a description of the services, supplies or works being procured;
  - (b) the procurement timetable including the tender return date and time, which shall allow a reasonable period for the applicants to prepare their tenders;
  - (c) instructions for completing and returning the tender documentation
  - (d) notification that tenders received after the closing date and time will not be considered
  - (e) a specification and instructions on whether any variants are permissible;
  - (f) the Council's terms and conditions of contract
  - (g) the evaluation criteria including any weightings as considered appropriate;
  - (h) pricing mechanism and instructions for completion;

- (i) whether the Council is of the view that TUPE may apply;
- (j) form and content of method statements to be provided
- (k) rules for tender submission;
- (l) any further information which will inform or assist tenderers in preparing tenders.

## **15. Submission, Receiving and Opening of E- Tenders/Quotations through the Chest**

- 15.1 Every response to an invitation to tender/quote for a transaction valued over £10,000 must be submitted through the Chest by no later than the time and date specified for submission of tenders/quotations in the invitation to tender/quotation document.
- 15.2 The Principal Procurement Officer or Authorised deputy shall verify (remove the e-seal) and release all tenders and quotes to the Authorised Officer once the deadline for their receipt has passed. This verification role may be given to a suitably trained Authorised Officer for intermediate value quotes.
- 15.3 The Chest will automatically record the date and time of receipt of each submission and will list late submissions separately. No quotations or tenders which have been received on to the Chest after the deadline for receipt has passed may be considered.
- 15.4 The Principal Procurement Officer or other Authorised Officer shall complete a Record of Tenders/Quotations Received form summarising the quotations received
- 15.5 The Authorised Officer must notify the Principal Procurement Officer of the eventual outcome of the procurement exercise for entry into the Contracts Register by completing and submitting the final sections of the Record of Tenders/Quotations Received Form
- 15.6 The closing date for the receipt of tenders/quotations may be extended in writing, in appropriate circumstances, at the discretion of the Head of Governance.
- 15.7 Tenders and Quotations shall not be opened until the deadline has passed for their receipt.

## **16. Traditional Hard Copy Tenders and Quotes (Exceptional Circumstances Only)**

- 16.1 The Council's preferred method of tendering is by electronic means through the Chest. However, in very exceptional circumstances (e.g. contracts where there are items required, which cannot be submitted electronically), tenders and quotes may be submitted in hard copy format with the prior approval of the Head of Governance and the Principal Procurement Officer
- 16.2 Tenders and Quotations received in accordance with Paragraph 16.1 shall be addressed to the Principal Procurement Officer, Shared Financial Services, Town Hall Market Street, Chorley, PR7 1DP in a sealed envelope endorsed with the word "Tender" or "Quotation" as appropriate, followed by the subject matter to which it relates. No marks shall be included upon the envelope that identifies the bidder prior to the opening of the envelope. The Principal Procurement Officer shall record the date and time of receipt of such Tenders and Quotations and shall keep them in a secure place where they shall remain unopened until the time and date specified for their opening.
- 16.3 Tenders and Quotations received in accordance with this paragraph 16 shall be opened by the



Principal Procurement Officer or authorised Deputy and at least one other Authorised Officer. An immediate record shall be made of the Tenders/Quotations received including tenderer name, value, and the date and time of opening on the Record of Tenders/Quotes Received Form.

## 17. Evaluation

- 17.1 Tenders subject to the EU Regulations shall be evaluated in accordance with the relevant regulations and the evaluation criteria set out in the OJEU notice and invitation to tender. All other tenders and quotations shall be evaluated in accordance with the evaluation criteria notified to tenderers in the contract notice and/or invitation to tender or quote.
- 17.2 All contracts, except where lowest price was predetermined to be the appropriate contract award criterion, shall be awarded on the basis of the offer which represents the Most Economically Advantageous Tender to the Council (MEAT).
- 17.3 MEAT evaluation involves scoring tenders objectively by a panel of officers and/or independent experts using criteria which should:
- be pre-determined and listed in the invitation to tender/ quotation documentation in descending order of importance;
  - be weighted according to their respective importance (mandatory for High Value Tenders/ optional for intermediate and low value procurement)
  - be strictly observed at all times throughout the tender process;
  - reflect the principles of Best Value;
  - include price;
  - adopt whole-life costing where appropriate, particularly in the case of capital equipment where the full cost of maintenance, decommissioning and disposal should be taken into account. Additionally the use of energy efficient products or the use of sustainable materials with a longer life span may impact on the whole life cost.
  - be capable of objective assessment;
  - include, where applicable, the quality of the tenderers' proposals to accept a transfer of staff under the Transfer of Undertakings (Protection of Employment) Regulations 2006 (TUPE); and
  - avoid discrimination or perceived discrimination on the basis of nationality, or other cause contrary to any of the Council's policies.

Where this evaluation methodology is used, any resulting contract must be awarded to the tenderer which submits the most economically advantageous tender, i.e. the tender that achieves the highest score in the objective assessment.

- 17.4 The evaluation criteria must be strictly observed at all times through the contract award procedure by any officer involved in the tender evaluation process. The Authorised Officer must keep comprehensive records of the evaluation exercise including the scores and comments and justification for those scores and shall sign the final selection record.

- 17.5 For each contract above £75,000, the Authorised Officer shall form an Evaluation Team with responsibility for evaluating tenders. The Authorised Officer shall keep comprehensive written records of the evaluation exercise including the scores and comments and justification for those scores, and the lead officers of the evaluation team shall sign the final selection record.

## **18. Tender/Quotation Clarification**

- 18.1 Bidders may request clarification on aspects of the Tender/Quotation documentation prior to submission by submitting a clarification question through the Chest. The Authorised Officer must ensure equal treatment of all bidders, and where relevant should anonymise the question and publish that together with the response to all potential bidders through the Chest. Care should be taken not to reveal the identity of the Tenderer or any information which may be deemed to be commercially confidential to them during the clarification process.
- 18.2 During the evaluation process, Authorised Officers may clarify aspects of a submitted Tender or a Quotation which are unclear, lacking in detail, ambiguous or appear to show a misunderstanding of the requirements. The areas requiring clarification should be set out in writing by the procurer and a written response requested from the bidder. All such communications should be issued or recorded through the Chest to ensure a full e-audit trail of the procurement.
- 18.3 For more complex, service procurements where officers want to obtain a fuller understanding of bidders proposals and method statements it may be appropriate to hold a clarification meeting. In such circumstances a formal written record of the meeting shall be completed and agreed by all parties. Minor points of clarification and obvious errors (e.g. mathematical error) should be dealt with in accordance with Clause 18.2 above and should not require a meeting.

When conducting clarification, as throughout the procurement process, the Procuring Officer must bear in mind the rules and principles of the EU Regulations i.e. transparency, equal treatment and non-discrimination.

## **19. Errors in Tenders/Quotations**

- 19.1 Errors in Tenders/Quotations must be dealt with by asking the Tenderer to confirm the Tender as submitted or withdraw their bid. However, where a Tenderer has made a visible and genuine arithmetical error they may be given an opportunity to correct that error. Other than where specifically provided for in the Regulations (e.g when using the Competitive Dialogue procedure) no other adjustment, revision or qualification is permitted.
- 19.2 Tenders/Quotations must state how errors in Tenders/Quotations must be dealt with.
- 19.3 Careful consideration must be given to the effect of any procedure adopted when dealing with errors in Tenders and the reflection which any such procedure may have on the integrity on the Officers and Members of the Council. It is essential that whatever procedure is adopted is transparent and fair and equitable to all Tenderers.

## **20. Post Tender Negotiation**

- 20.1 Where a procurement is conducted pursuant to the Regulations through either the Open or Restricted procedures no post tender negotiations are permitted. However, the Council may seek clarification from Suppliers where appropriate.

20.2 At all times during the procurement (whether subject to the Regulations or not), the Council shall consider and implement the principles of non-discrimination, equal treatment and transparency.

## **21. Bonds, Guarantees and Insurance**

21.1 For high value procurements, the Authorised officer shall consider and include in the procurement documentation whether a performance bond and/or a parent company guarantee (if applicable) shall be required from the preferred Supplier.

21.2 The Authorised Officer shall consider the appropriate type (employee liability, public liability, professional indemnity, etc.) and level of insurance requirements for each contract.

## **22. Awarding Contracts**

22.1 The Council shall only award a contract where at the time of contract award this represents the Most Economically Advantageous offer or is the lowest price depending on contract award criterion included in the OJEU notice or Invitation to Tender/Quote.

22.2 A contract must only be awarded and signed by a person authorised to do so, who must ensure that the appropriate budget holder has the funds in place to sustain the contract prior to award.

22.3 Directors/ Heads of Service should ensure that proper records of all procurement activity are retained in electronic or hard copy format as appropriate.

22.4 For all transactions valued at £75,000 and above the decision to award a contract shall be made by the Executive Cabinet or relevant Executive Cabinet Portfolio Member unless Cabinet have previously delegated that decision to the Director of the spending directorate.

22.5 Any procurement over £100,000 in value constitutes a Key Decision and must therefore be included in the relevant Notice of Key Decision as described in the Council's Constitution, before the contract award decision is taken.

22.6 The highest standards of probity are required of all officers and members involved in the procurement, award and management of Council contracts. It is essential to maintain effective audit trails at all stages throughout the procurement procedure particularly where approval or agreement is required.

## **23. Standstill Period**

23.1 For all contracts tendered under the Regulations, a ten calendar day (where electronic communication is used or 15 calendar days where non-electronic communication is used) 'standstill period' must be observed between the decision to award and contract conclusion. Although the Standstill period is counted in calendar days, it must end on a working day. Authorised Officers should consult the Shared Procurement team for advice of the specific detail which must be included in Standstill Letters under the Regulations. The Standstill Period is an express requirement in the Regulations and must be followed.

**24. Contract Award Notice**

All contracts awarded under the Regulations must be announced by means of a Contract Award Notice in OJEU transmitted no later than 30 calendar days after the date of the award. Additionally a Contract Award Notice must be published on Contracts Finder for all advertised procurements above £25,000.

**25. Letters of Intent**

25.1 Letters of intent shall only be used in exceptional circumstances and, by prior written agreement with the Head of Governance, as follows:

- (a) Where a Supplier is required to provide services, supplies or works prior to formal written acceptance by the Council; or
- (b) Where the Council's form of tender does not include a statement that until such time as a formal contract is executed, the Council's written acceptance of a tender shall bind the parties into a contractual relationship

**26. Contract Terms and Conditions**

26.1 Contracts shall be entered into on the Council's terms and conditions, or an appropriate industry standard form of contract or other form of contract approved by Legal Services. This may be a supplier's contract suitably amended to protect the Council's interests. However where the contract has been tendered the contract shall be in accordance with the tendered Conditions. The Contract Conditions shall be included with each purchase order and invitation to tender or negotiate.

26.2 Where contracts are subject to the Regulations, the rules relating to technical specifications shall be followed and any reference to a technical standard, make or type shall be prefaced with the words "or equivalent".

**27. Execution of Contracts**

27.1 Any contracts valued at above £75,000 shall be passed to Legal Services for sealing execution and secure storage, unless otherwise agreed with the Head of Governance. All other contracts may be signed by an officer with appropriate delegated authority.

27.2 All other contracts may be signed by an officer with the appropriate authority

27.3 Electronic signatures may be used in accordance with the Electronic Signature Regulations 2002 provided the sufficiency of security arrangements has been approved by the Head of Governance.

**28. Records of Tenders and Contracts/ Contracts Register**

28.1 Each Director/Head of Service shall maintain his/her own register of all contracts entered into

by his/her department.

- 28.2 The Principal Procurement Officer shall maintain a register of all Higher Value and Intermediate value contracts entered into by the Council.
- 28.3 Authorised Officers shall notify the Principal Procurement Officer of all intermediate and high value contract awards using the appropriate forms, for entry into the Contracts/Transparency Register by completing and submitting the final sections of the Record of Tenders and Quotations Received Form.
- 28.4 Additionally the Authorised Officer must notify the Principal Procurement Officer of all contracts awarded, above £5000, as soon as possible after the Contract Award, for inclusion in the Contract/Transparency Register.

## **29. Approved / Standing List of Contractors**

- 29.1 The Council may maintain Approved Standing lists of Suppliers that meet its suitability requirements. Quotations and tenders for contracts that are not subject to the Regulations may be invited from Suppliers included on an approved list. Where the Authority intends to use an approved list for services, supplies or works contracts, the Approved List should be reviewed and advertised on a regular basis.
- 29.2 Each Approved Standing List shall:
- (a) be compiled and maintained by the relevant Authorised Officer;
  - (b) contain the names of all persons who wish to be included in it and who after appropriate enquiries have been made by the Authorised Officer concerned, are approved by the Council or Cabinet as provided for in the scheme of delegation; and
  - (c) indicate whether a person whose name is included in it is approved for contracts for all, or only some, of the specified values or amounts or categories.
- 29.3 At least four weeks before each Standing List is first compiled, a notice inviting applications for inclusion in it shall be published on the Chest and where relevant, Contracts Finder.
- 29.4 Each Standing List shall be amended as required from time to time to include new applications for inclusion and to delete any person no longer thought fit to be included. Each Standing List shall be formally reviewed in the manner set out below by the appropriate Director/ Head of Service at intervals not exceeding three years. At least four weeks before each review, each person whose name appears in the Standing List shall be asked whether s/he wishes his/her name to remain there. Notices inviting applications for inclusion in the list shall be published in the manner provided by Contract Procedure Rule 29.3 above.
- 29.5 Where an invitation to tender for a contract is limited to those named on the Standing List maintained under this Contract Procedure Rule, an invitation to tender for that contract shall be sent to at least four of the persons on the list. These people will be approved for a contract for that value or amount or of that category, or, if there are fewer than four such persons, to all such persons. If there are more than four people, the Authorised Officer, will select the people who will receive invitations, and the manner in which they are sent. This will be either generally or in relation to a particular contract or to a category of contracts provided that the manner of selection shall include a system of rotation from persons appearing on the Standing List.

**30. Nominated and Named Sub-contractors**

If a sub-contractor, supplier or sub-consultant is to be nominated or named to a main contractor, quotations or tenders must be invited in accordance with these Contracts Procedure Rules and the terms of the invitation shall be compatible with the main contract.

**31. Framework Agreements**

- 31.1 Framework agreements are agreements with suppliers for the provision of supplies, works or services on agreed terms for a specific period. Unlike normal contracts which require certainty (on price, quantity and other details), Framework Agreements usually state only non-binding estimated quantities against which orders are placed as and when required during the contract period (sometimes this procedure is known as “call-off”). As soon as the quantity/price etc are fixed and an order placed, a contract is formed. Frameworks offer benefits of bulk-buying, improved service and reduced administration costs over the period of the arrangement.
- 31.2 A framework agreement may have the option or requirement for you to hold a “further - competition” with all of the suppliers included on the framework who are capable of meeting your requirement. Quotations invited under a further competition shall be received and opened in accordance with these Contract Procedure Rules, unless received and opened by the public sector framework provider (e.g. Yorkshire Purchasing Organisation) on the Council’s behalf, who may receive and open such bids in accordance with their contract procedural rules.
- 31.3 All Framework agreements procured by the Council must be tendered in accordance with these Contract Procedure Rules.
- 31.4 Where the Council has entered into a Framework Agreement through procurement or is able to place orders from existing Framework Agreements procured by central government agencies, public sector consortia, other local authorities or other third parties, then the Council may benefit from using those contracts without entering into a full, separate procurement.
- 31.5 Where a public sector framework is used in accordance with the above provisions, without entering into a full, separate procurement process, all other relevant aspects of these procurement rules will still apply, including any approval which may be required for the procurement award procedure (in this case to use the identified framework), approval for the evaluation criteria and weightings (in the event of a further competition under the framework), and approval for the contact award prior to contract acceptance.
- 31.6 Authorised Officers shall investigate whether call-off contracts or frameworks are relevant to their procurement activity as better value for the Council may be obtained by using an existing Council or other framework.
- 31.7 Legal/Procurement Advice should be sought in advance before awarding a contract to a supplier using a framework agreement not procured directly by the Council.
- 31.8 Any appropriate Council Framework Agreements in place shall be used regardless of value, provided the standing order requirements in relation to delegated authority are met. An effective audit trail shall be maintained.

**32. Joint / Collaborative Procurement**

- 32.1 Authority to engage in joint/ collaborative procurement activity shall be in accordance with the requirements of paragraph 5. However, in the event that the joint/ collaborative procurement activity requires a commitment at the outset, prior to bids being invited, Cabinet approval must be obtained prior to committing to the joint/ collaborative procurement where the estimated value of the Council's proportion of the procurement exceeds £75,000.
- 32.2 The Authorised Officer shall ensure that the joint/collaborative procurement activity complies fully with the EU Procurement Regulations
- 32.3 In any joint or collaborative procurement process the parties involved in the procurement should appoint a "lead body" to carry out the procurement. The procurement should then be conducted in accordance with the lead body's Rules. If this approach requires any waivers of the lead body's Rules, it shall be that body's responsibility to seek approval for, and obtain, such waiver(s).

### **33. Procurement by Consultants**

Any consultants used by the Council shall be appointed in accordance with these Contracts Procedure Rules. Where the Council uses consultants to act on its behalf in relation to any procurement, then the Authorised Officer shall ensure that the consultants carry out any procurement in accordance with these Contracts Procedure Rules. No consultant shall make any decision on whether to award a contract or who a contract should be awarded to. The Authorised Officer shall ensure that the consultant's performance is monitored.

### **34. Contract Extension/ Variation**

- 34.1 Any contract which has been procured in accordance with these rules may be extended in accordance with its terms (subject to financial resources) by the Director/ Head of Service or delegated officer provided an extension was included for within the contract terms and conditions.
- 34.2 Other existing Contracts which have been procured in accordance with these Rules may be extended by the Director/ Head of Service or Authorised Officer, provided that the total period of this and any previous extension will not together exceed 1 years. A formal Waiver of the Rules must be obtained if the proposed extension will add more than £10,000, or more than 20% (whichever is the higher) to the original total Contract value. The Authorised Officer must keep documented reasoning for the extension.
- 34.3 Any extension exceeding £75,000 in value shall require the approval of the Executive Cabinet or relevant Executive Cabinet Portfolio Member.
- 34.4 If the original contract was subject to the EU procurement regulations, the contract can only be extended within the parameters identified in the original EU contract notice. If the contract was not subject to the EU procurement regulations, any extension must not take the total value of the contract above the relevant EU thresholds.

- 34.5 If the contract was awarded as a framework agreement, the total framework period, including any extensions, cannot exceed four years, except in exceptional circumstances relating to the subject of the framework agreement. For example, a longer duration could be justified in order to ensure effective competition if four years would not be sufficient to provide return on investment.
- 34.6 When negotiating a contract extension the authorised officer must make every effort to negotiate improved contract terms with regard to the cost and quality and shall always be satisfied that the extension will achieve Best Value for Money and is reasonable in all the relevant circumstances.
- 34.7 All extensions to any Council contracts must be in writing and reported to the Principal Procurement Officer in order that the Contracts Register can be updated accordingly.
- 34.8 Once a Contract has expired it cannot then be extended

### **35 Variations**

- 35.1 Variations to Contract shall be dealt with in accordance with these Contracts Procedure Rules and the Council's Financial Regulations .
- 35.2 All Contract variations must be carried out within the scope of the original Contract. Contract variations that materially effect or change the scope of the original Contract are not allowed.
- 35.3 All Contract variations must be in writing and signed by both the Council and the Contractor except where different provisions are made within the Contract documentation. The value of each variation must be assessed by the Authorised Officer and all necessary approvals sought prior to the variation taking place including registrations on the Council's Notice of key Decisions if applicable.
- 35.4 Contracts procured under the EU Regulations **must not** be extended or varied without first consulting Legal Services and the Principal Procurement Officer.
- 35.5 The Authorised Officer shall always be satisfied that the variation will achieve Best Value for Money and is reasonable in all the relevant circumstances.

### **36. Termination of Contract**

- 36.1 For any contract exceeding £75,000 in value, termination shall be approved by the Executive Cabinet or Executive Cabinet Portfolio Member. In emergency situations, the relevant Director may authorise termination of Higher Value Contracts. In this case, full details including the reason for the contract termination shall be reported back to Council at a later date.
- 36.2 Contracts of a lesser value than £75,000 may be terminated early by agreement prior to the expiry date or in accordance with the termination provisions set out in the contract. Legal advice should be sought as appropriate.

### **37. Disposing of surplus goods**



- 37.1 Heads of Service are responsible for the disposal of their own surplus goods and shall make adequate and safe arrangements to do so.
- 37.2 An appropriate competitive process shall be applied to the disposal of surplus goods unless it has been agreed by the Head of Service that the goods in question are to be disposed of to a charitable/not-for-profit organisation or disposal arrangements have been agreed within the original contract for purchase.

### **38 Concession Contracts**

The rules apply to Concession Contracts (please refer to the Definitions at the back of this document). A simple example would be a concession to pitch an ice cream van and sell ice cream on council land.

### **39 Waivers of Contract Procedure Rules**

- 39.1 Waivers of any of these contract Procedure Rules shall only be given in exceptional circumstances and in all cases must be justified because:

- the nature of the market for the works to be carried out or the goods or services to be provided has been investigated and is demonstrated to be such that a departure from the requirements of the Rules is justifiable; or
- the contract is for works, supplies or services that are required in circumstances of extreme urgency that could not reasonably have been foreseen; or
- there are other circumstances which are genuinely exceptional and not of the Council's own making.

- 39.2 Authorised Officers shall submit waiver requests which meet the requirements of this paragraph 39 via the electronic waiver request procedure located on the Loop. On submission of the request, approval will be automatically sought from the relevant Director, the Head of Governance and the Chief Executive, all of whom must approve the request for it to be fully approved.

- 39.3 Waivers may not be made retrospectively.

### **40. Non- Compliance**

If it comes to the notice of an Authorised Officer that there has been non-compliance with these Contract Procedure Rules in respect of any contract for which s/he is responsible as the Authorised Officer of the procuring department, s/he shall without delay notify the Monitoring Officer (Head of Governance & Property Services) who shall take such action as s/he deems necessary.

### **41. Review and Amendment of Contract Procedure Rules**

The Monitoring Officer is responsible for keeping the Rules under review (with a formal review and if necessary revision every three years) and monitoring compliance.



**DEFINITIONS****“Annual Procurement Plan”**

A plan identifying major projects so that appropriate resources can be identified. It also provides a basis for PINs and other information provided to suppliers to give advance notice of bidding opportunities;

**“Authorised Officer”**

An Authorised Officer of the Council with appropriate delegated authority to act on the Council's behalf in accordance with the Constitution

**Best Value for Money”**

The optimum combination of whole life costs and benefits to meet the customer's requirement. Such term equates to the EU procurement requirement “most economically advantageous offer”;

**“Council”**

“Council” means Chorley Borough Council

**“Concession Contract”**

A concession contract is used where the Council wishes to engage a party to provide a service, consideration for which is in the form of the party (“the concessionaire”) being given a right to charge the public for the services being provided. A simple example would be a concession to pitch an ice cream van and sell ice cream on council land, If unsure as to whether a proposed contract would come within the scope of this definition please consult with the Head of Governance.

**“Contract Award Procedure”**

One of four procedures as set out in Contract Procedure Rules 13 (Open Procedure), 14 (Restricted Procedure), 15 (Negotiated Procedure or 16 (Competitive Dialogue Procedure)

**“Contracts Finder”**

Contracts Finder is the Government's one stop shop for suppliers to find new procurement opportunities totally free of charge, specifically referred to in the 2015 Public Procurement Regulations

**“Contracts Register”**

A register held and maintained by the Principal Procurement Officer containing details of contracts entered into by the Authority

**“Framework Agreement”**

An agreement which allows the Council to call off from a supplier to provide supplies, services or works in accordance with the terms of the agreement. The Framework Agreement itself usually constitutes a non binding offer with no obligations on the Authority to call off from the Supplier. If the Council calls off from the Supplier a binding contract comes into being. A Framework Agreement can be a binding agreement where it is executed as a deed

**“Grant Funded Contract”**

A contract which is procured by the council and is funded or part funded by grant money

**“Head of Governance”**

Head of Governance or authorised deputy

“

**“ITT”**

Invitation to tender;

**“Key Decision”**

Any executive decision (as opposed to a regulatory decision) which is likely to result in the Council incurring significant expenditure or the making of savings where there is:

- )A change in service provision that impacts upon the service revenue budget by £100,000 or more, or
- A contract worth £100,000 or more, or
- A new or unprogrammed capital scheme of £100,000 or more, or

(b) Any executive decision which will have a significant impact in environmental, physical, social or economic terms on communities living or working in two or more electoral wards. This includes any plans or strategies which are not within the meaning of the Council’s Policy Framework set out in Article 4 of the Council’s Constitution.

**“Local Supplier”**

Any supplier within the Chorley Borough or any neighbouring borough

**“Most Economically Advantageous Offer”**

From the Council’s perspective the most economically advantageous offer from a Supplier assessed by reference to relevant evaluation criteria linked to the subject matter of the contract in question for example, quality, price, technical merit, aesthetic and functional characteristics, running costs, cost effectiveness, after sales service and technical assistance, delivery date and delivery period or period of completion;

**“OJEU”**

Official Journal of the European Union;

**“PIN”**

Prior Information Notice for publication in OJEU;

**“Purchasing Consortium”**

A group of public sector bodies which aggregate their requirements and by doing so exact greater leverage from the market. With the agreement of suppliers, if permissible, the consortium may offer its contracts to other local authorities or public bodies.

**“Regulations”**

The UK regulations implementing the EC public procurement directives;

**“RFQ”**

Request for quotations;

**“Standing or Approved list of Contractors”**

A method of procurement where a list of suppliers is drawn up in response to an advertisement. The potential contractors are vetted using the responses to the Pre-Qualification Questionnaire (PQQ) and the list is then used to select specific suppliers for individual contracts. Care needs to be taken to

ensure that the list is carefully managed so that it does not become out dated and that it fully represents the range of innovative solutions that may be available in the market.

**“Supplier”**

Any person or body of persons providing, or seeking to provide, supplies, services or works to the Council.

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Report of	Meeting	Date
Executive Leader	Council	12 April 2016

**LANCASHIRE COMBINED AUTHORITY**

**PURPOSE OF REPORT**

1. The purpose of this report is to update Members on the progress on the Lancashire Combined Authority proposals, outline the response to the public consultation exercise and seek agreement for the Council to become a constituent member of a Combined Authority for Lancashire.

**RECOMMENDATION(S)**

2. The contents of this report be noted
3. The appended response to the public consultation on the Combined Authority proposals be noted
4. The council agree to become a constituent member of a Lancashire Combined Authority and submit proposals to do so to the Secretary of State
5. In the interim period, the council agree to form a shadow Lancashire Combined Authority
6. Any future proposals for a devolution deal with the Government be brought back to council for agreement

**EXECUTIVE SUMMARY OF REPORT**

7. A proposal for the development of a combined authority for Lancashire was considered at the November 2015 council meeting. This report seeks approval for Chorley’s membership, and sets out the key benefits of a combined authority.

<b>Confidential report</b> Please bold as appropriate	Yes	No
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**CORPORATE PRIORITIES**

8. 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	✓

**BACKGROUND**

9. Members will be aware that in October 2014 Council Leaders indicated their wish to develop closer collaborative working across Lancashire on economic related matters and to explore the options in this regard.
10. In order to determine whether the existing arrangements are effective or would benefit from change the Leaders asked that a Governance Review be undertaken. The Council considered the Governance Review and draft Scheme of Governance at its meeting on 24 November 2015.

**LANCASHIRE COMBINED AUTHORITY**

11. As part of the Governance Review Leaders developed ambitions for Lancashire. These are:
  - Prosperous Lancashire – a Lancashire that is recognised as a destination of choice, to invest in, do business in, live or visit;
  - Connected Lancashire – digital and transport connectivity to promote inclusive growth;
  - Skilled Lancashire – a skilled workforce to meet the demands of employers and future business growth;
  - Better Homes for Lancashire – better living standards for residents with good quality homes and a wide housing offer;
  - Public services working together for Lancashire – integrated public services at the heart of local communities giving everyone the opportunity for a healthier life.
12. Leaders have recognised that some of the ambitions set out above can be delivered through the existing excellent partnership arrangements in place across the County geography. However, in order to attract and maintain economic growth and achieve a prosperous Lancashire for all, we need to demonstrate that Lancashire means business and provide reassurance that we have strong, robust governance arrangements in place and a commitment to work together.
13. The Lancashire Combined Authority will provide a legally constituted body operating across Lancashire to take strategic decisions on transport, economic development and regeneration and strengthen the relationship with the LEP and local authorities.
14. Lancashire has one of the largest local economies in the North of England generating over £25bn GVA, with over 45,000 businesses supporting 700,000 jobs. A Lancashire Combined Authority will ensure Lancashire is able to reach its full economic potential. The Government have been clear that it wants to deal with local government on economy, planning, housing and skills through a Combined Authority arrangement. The broad benefits of a Lancashire Combined Authority will be:
  - A single voice for Lancashire in the debate about the future of the North. Neighbouring areas already have powerful voices through their Combined Authorities and are shaping the 'Northern Powerhouse'. Lancashire needs a strong voice to influence the debate.
  - A focus for driving economic growth. When new funding arrangements for Local Government are fully implemented, councils will be reliant on business rates to fund services. A Combined Authority and the potential additional investment, offers the strongest way to impact on our business rate.
  - An opportunity for councils to influence and shape the work of the LEP and the funding streams which the Government distributes through the LEP. The Scheme of Governance sets out that the Combined Authority would include local authorities and the LEP within its governance structure.



- An opportunity to influence and contribute to a ‘Lancashire Plan’ on economy, skills, development and shape how Lancashire’s priorities and investments are decided.
- An opportunity to influence what the strategic transport priorities are locally, across Lancashire and at a regional level and provide a strong voice for Lancashire in shaping the priorities for the Transport for the North.
- An opportunity to share capacity, expertise and experience in a co-ordinated way
- An opportunity to work collectively on the challenge of delivering sustainable public services in the future.

15. The Lancashire Combined Authority will operate within a Scheme of Governance. In summary these arrangements are:

Membership	Local authorities in Lancashire, represented by Leader.
Voting arrangements	One vote per each local authority (excl transport).
Decision making	Unanimous agreement on strategic plans, investment strategy, annual budget, borrowing limits, adoption of freedoms and flexibilities, any changes to CA arrangements. All other decision 2/3 majority. There is no provision for Executive arrangements.
Decision making – transport	Transport planning and investment would be subject to unanimous agreement by three transport authorities.
Overview and Scrutiny	Scrutiny Committee with representation from authorities would be established.
Finance	No member allowances payable Councils to meet core costs (kept to a minimum)

**PUBLIC CONSULTATION**

16. The Lancashire councils along with the Lancashire LEP have recently undertaken a public consultation exercise. A summary of the response to the consultation is appended to this report for information. To ensure an independent, robust and coordinated approach the councils in Lancashire commissioned Infusion Research to undertake the consultation.
17. The consultation was held from 11 January to 19 February 2016. Promotion of the consultation reached an estimated 444,000 people and over 15,000 people visited the consultation website over the six week period. Almost 2,000 responses were received.
18. Of those respondents 70% strongly or tend to agree with the proposal to establish a Combined Authority for Lancashire. Of those who disagreed with the proposal, the main concern appears to be around where any resources would be focused and any adverse impact on local services.

**DEVOLUTION**

19. In developing the Combined Authority, Lancashire Leaders have been considering devolution proposals which could enable greater control, power and influence over a range of programmes and funding delivered in Lancashire. These include devolved funding for

strategic transport and development; influence and/or control over employment and skills programmes and delivery; housing; growth funding and aligning investment activity.

- 20. Whilst there is a close link between Combined Authorities and devolution deals with the government, it is important to note that they are separate issues and subject to negotiation. A devolution deal would need the agreement of the constituent members of the Combined Authority.

**NEXT STEPS**

- 21. This report seeks the agreement of the council to become a constituent member of the Lancashire Combined Authority and signals to the Government that the authorities are committed to working together for a better Lancashire. A similar report is going to other councils throughout March and April. Subject to council decisions, a proposal to form a Lancashire Combined Authority will be submitted to the Government for consideration and negotiation.
- 22. In the interim period, it is recommended that the local authorities operate as a shadow Combined Authority using the guiding principles set out in the Scheme of Governance from July 2016.

**FINANCIAL IMPLICATIONS**

- 23. Officer resources have been made available by some authorities in supporting the Combined Authority development on an ‘in kind’ basis and it is envisaged that this will continue. At this stage there are no financial implications.
- 24. As per the Scheme of Governance for the Combined Authority, approval of the annual budget including decisions on any levies, precepts or other demands for financial contribution from constituent authorities is subject to unanimous agreement by the constituent members.

**LEGAL IMPLICATIONS**

- 25. The powers to establish a Combined Authority are contained within the Local Democracy, Economic Development and Construction Act 2009 (“the Act”) and The Cities and Local Government Devolution Act 2016.
- 26. A constitution for the Combined Authority will also be developed. The Council’s own constitution will also be reviewed and any necessary amendments will be made.
- 27. A Parliamentary Order is needed to establish a Combined Authority.

**IMPLICATIONS OF REPORT**

- 28. 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**

29. The resources that have been currently made available from Chorley to support the development of the combined authority can continue to be met through existing resources. If further resources are required in the future, either in terms of significant officer time or other contributions, reports will be presented as appropriate for decision as part of Chorley Council's decision making processes.

**COMMENTS OF THE MONITORING OFFICER**

30. Comments are contained within the body of the report.

CHRIS SINNOTT  
PROJECT DIRECTOR

<b>Background Papers</b>			
<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
Integrated Impact Assessment	23 March 2016	Combined authority membership IIA	<a href="https://democracy.chorley.gov.uk/documents/s63659/Integrated%20Impact%20Assessment.pdf">https://democracy.chorley.gov.uk/documents/s63659/Integrated%20Impact%20Assessment.pdf</a>

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Lancashire Chief Executive Group / Chris Sinnott	5337	9 March 2016	Combined Authority April 16 council report

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**Lancashire Combined Authority  
Consultation Report  
February 2016**

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## **1 Executive Summary**

### **1.1 Consultation response**

- 1,944 responses were received to the consultation on a proposed Combined Authority in Lancashire between 11 January and 19 February 2016
- 1,317 residents and 518 local authority employees took part in the consultation, as well as 35 businesses and organisations
- Promotion of the consultation reached an estimated 444,000 people and over 15,000 people visited the consultation website over a 6 week period

### **1.2 Agreement with proposal**

- 74% of respondents strongly or tend to agree that a partnership approach is important in Lancashire
- 70% strongly or tend to agree with the proposal to establish a Combined Authority in Lancashire
- Local authority employees (79%) and businesses or organisations (82%) had a higher level of agreement with the proposal than residents (65%)
- Of those who disagree with the proposal, the main concerns appear to be around where any resources would be focused across the county and the adverse impact the proposal might have on local services

### **1.3 Key objectives**

- The level of agreement with the identified objectives for the proposed Combined Authority is highest for a Prosperous and Connected Lancashire (81% strongly or tend to agree), followed by a Skilled Lancashire and Public Services Working Together (both 80%) and then Better Homes for Lancashire (74%)
- A range of other objectives for the proposed Combined Authority were suggested by respondents, including a 'Greener Lancashire', an 'Equal Lancashire' and a 'Listening Lancashire'

### **1.4 Other comments and feedback**

- Final comments were varied with the most important issues seeming to be achieving a balance between local identity and a strong strategic voice for Lancashire, as well getting the right structure and administration to achieve efficiencies without impacting on local service delivery

## **2 Background and Methodology**

### **2.1 Background**

A Combined Authority is a formal legal arrangement which supports and enables collaboration and co-ordination between two or more local government areas on transport, regeneration and economic growth as well as skills, housing and employment. It is intended to support increased democratic accountability and transparency complementary to that provided by the Local Enterprise Partnerships (LEPs) to a major area of local government policy making. Each of the councils that are members of a Combined Authority remain separate authorities; the Combined Authority is a mechanism to work more effectively and formally in partnership.

A Governance Review was requested by Leaders across Lancashire in order to determine whether the existing arrangements are effective or would benefit from change. As part of the Review an options appraisal was undertaken and consideration was given to arrangements including – enhanced status quo, Joint Committee, Economic Prosperity Board, Integrated Transport Authority and Combined Authority.

The Review concluded that a Combined Authority offers the strongest governance model to attract freedoms and flexibilities from the Government and will enable a cohesive approach across Lancashire to a range of issues including developing better and broader skills provision, including entry level skills; more co-ordinated infrastructure planning with improved use of resources; more co-ordinated approach to housing provision; more co-ordinated approach to business growth.

Councils across Lancashire agreed to undertake a public consultation on the proposal to establish a Combined Authority and seek views on the Governance Review and Draft Scheme of Governance.

After consideration of the outcome of public consultation, authorities wishing to form a Combined Authority would then submit a proposal to the Secretary of State for consideration.

### **2.2 Methodology**

To ensure an independent, robust and coordinated approach to the public consultation, councils in Lancashire commissioned Infusion Research. This is a not-for-profit local government research service which has operated across the county for over ten years.



The primary method was a consultation website, hosted on the Infusion website. This set out information on the proposal, including supporting documents such as the Governance Review and Draft Scheme of Governance, and provided respondents the opportunity to have their say through an online survey. Moreover, to ensure access to a paper-based survey for those who may not use the internet, copies were made available at libraries across Lancashire.

The consultation went live on Monday 11 January and closed on Friday 19 February 2016, giving respondents six weeks to have their say on the proposal. As an open consultation, the primary purpose was to seek views from any resident, employee, organisation or business wishing to express an opinion. Whilst the findings are not representative of the population as a whole, they indicate the level of interest and general views of the most engaged.

During this time a proactive, coordinated approach was taken to communicating and promoting the consultation. This included:

- Signposting to the central consultation website from each local authority website
- Regular social media posts from Lancashire councils as well as online promotion from Marketing Lancashire and several references to the consultation on local radio
- 50 online and written news articles about the consultation
- Email alerts to a range of local resident panels and databases
- Direct invitations to a comprehensive list of local and regional stakeholders and businesses at the beginning of the consultation, with a reminder sent part way through

This level of promotion resulted in a combined reach of 444,406 people through social media and new articles, and a total of 15,539 views of the consultation website during the consultation period. A total of 1,944 responses were received to the consultation, comprising of 1,897 online survey submissions, 41 paper survey returns and 8 direct written responses (two of which duplicated an online submission).

Within this report any percentages reported are based on the number of responses to each individual question (referred to herein as the 'base' total). Any open-ended comment questions have not been quantifiably categorised at this stage but a summary of some of the common responses is provided for each question to give a feel for the comments received. These summaries should not be interpreted as being representative of the views of all respondents to the consultation.

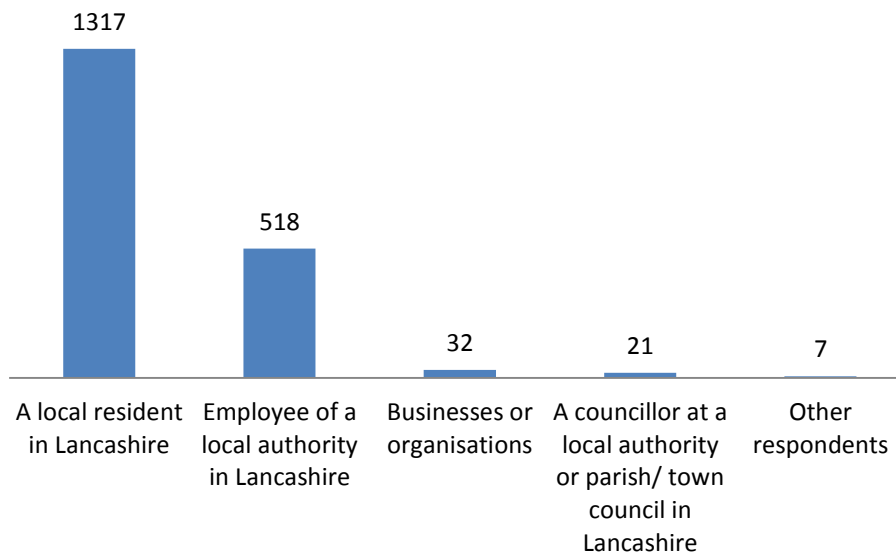
Apply some caution to the percentages expressed for business/ organisation and councillor categories where the 'base' totals are low.

### 3 Who Responded?

Of the people who indicated their response type in the consultation, 69% were local residents in Lancashire and a further 27% were local authority employees in the county.

48 respondents did not indicate in what capacity they were completing the consultation survey. In addition to the survey returns, 8 written responses were received (two of which duplicated an online submission).

**Figure 3.1: Are you responding as...? (Q1, base – 1888)**



#### 3.1 Local residents

Of those residents who provided their home postcode, nearly half live in a PR postcode area which covers Chorley, Leyland and Preston.

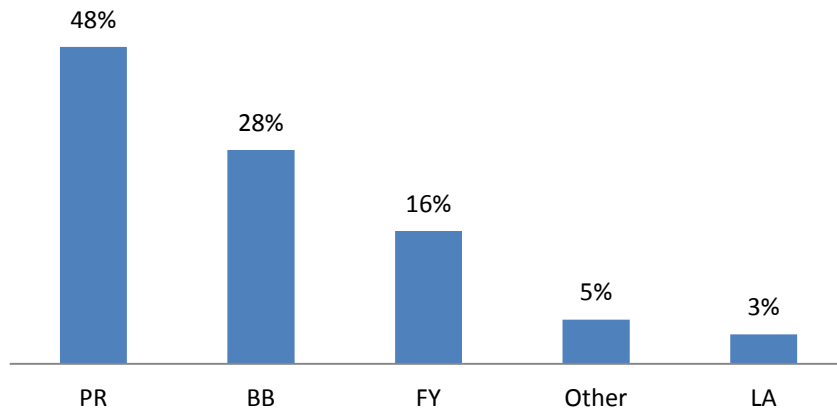
The BB postcode area covers much of East Lancashire, including Blackburn, Burnley, Pendle, Accrington and Clitheroe.

The FY postcode area covers the Fylde Coast, including Blackpool, Fleetwood, Lytham St Annes and Thornton-Cleveleys.

The LA postcode area covers Lancaster and surrounding areas such as Carnforth and Morecambe.

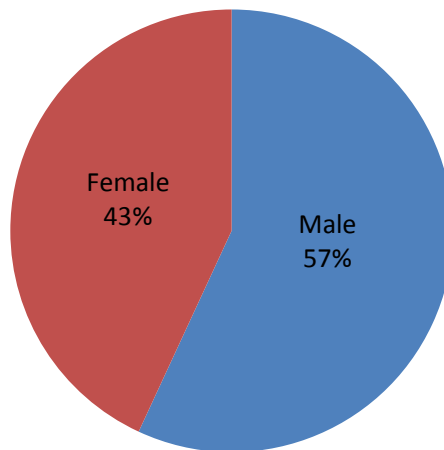
A range of other postcodes were captured from areas of Lancashire including BL (outlining areas of Blackburn, Chorley and Rossendale), OL (outlying areas of Rossendale) and WN (covering parts of West Lancashire such as Skelmersdale).

**Figure 3.2: What is your home postcode? (Q8, base – 1269)**



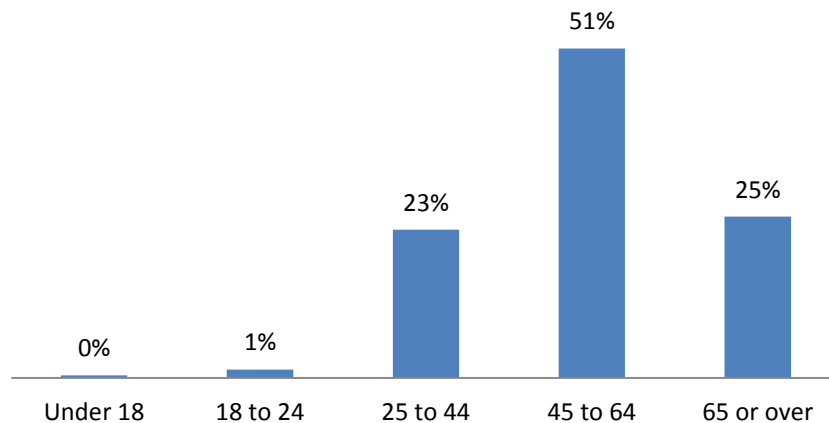
More male residents than female residents responded to the consultation.

**Figure 3.3: What is your gender? (Q9, base – 1288)**



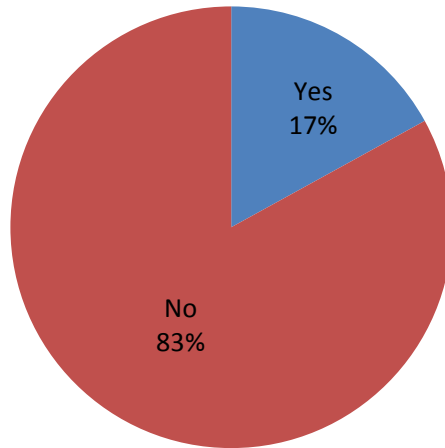
Around half of residents who responded to the consultation were aged between 45 and 64. One in four were aged 65 or over and 23% between the ages of 25 and 44.

**Figure 3.4: Which age group do you belong to? (Q10, base – 1304)**



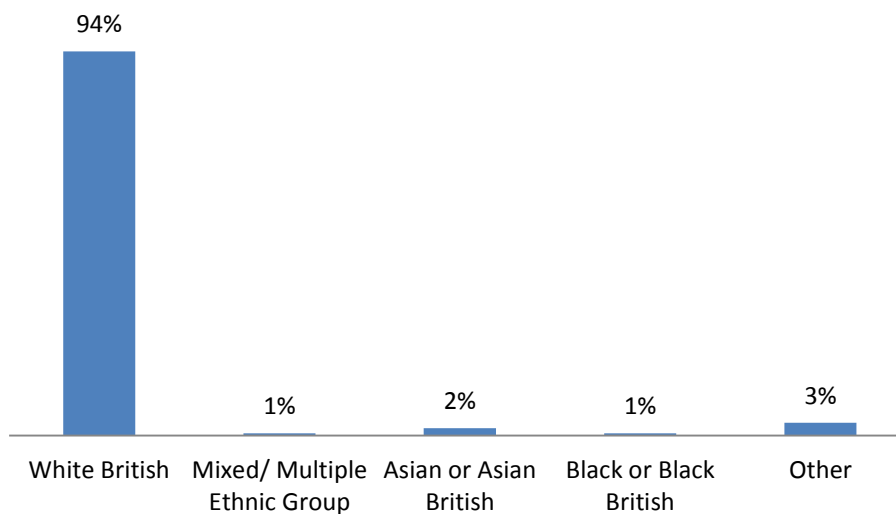
17% of local residents who responded to the consultation indicated that they have a long standing illness or disability.

**Figure 3.5: Do you have a long standing illness or disability? (Q11, base – 1272)**



The majority of residents responding to the consultation indicated that they are of White British ethnicity.

**Figure 3.6: What is your ethnic origin? (Q12, base – 1279)**

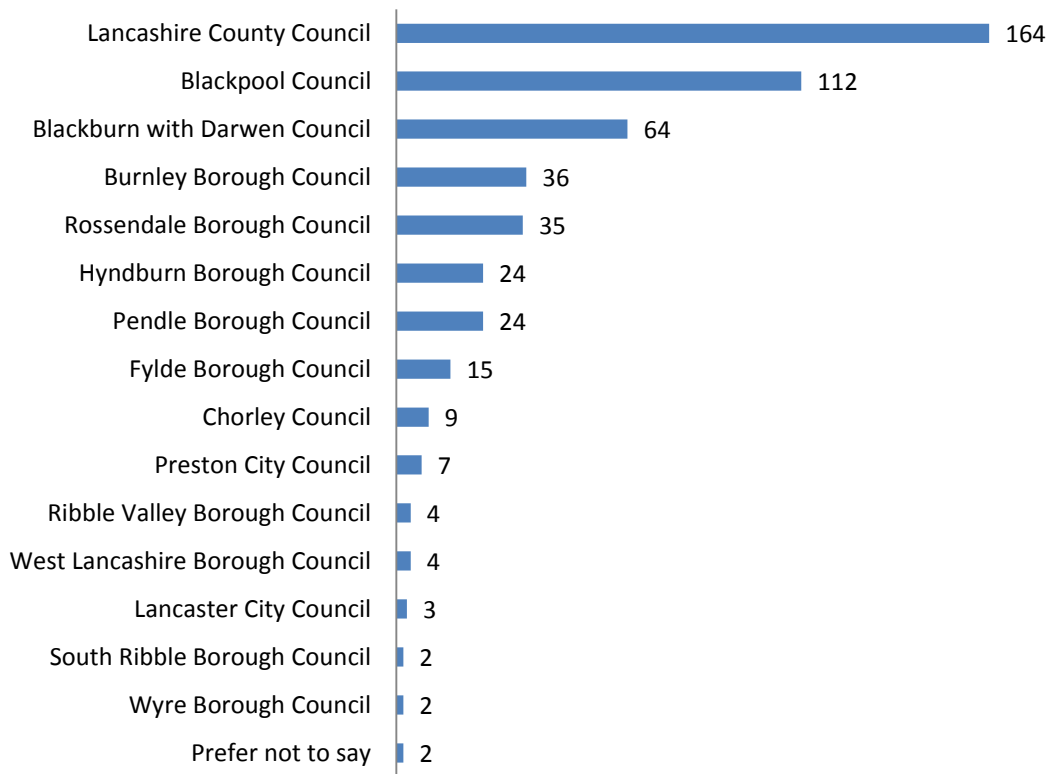


**3.2 Local authority employees**

Nearly a third of local authority employee responses to the consultation came from those working at Lancashire County Council.

The unitary councils of Blackpool and Blackburn with Darwen cumulatively account for a further 35% of the local authority employee responses.

**Figure 3.7: Which local authority do you work for? (Q1c, base – 507)**



**3.3 Businesses and organisations**

Of the 35 businesses and organisations who provided their details, either through the survey or via direct written response, 15 came from private businesses across the county. 12 responses to the consultation came from representatives within the voluntary and third sector. This included an enterprise trust and a number of local community groups. A further 8 were from public services representatives covering sectors including health, universities, police and an already established combined authority.

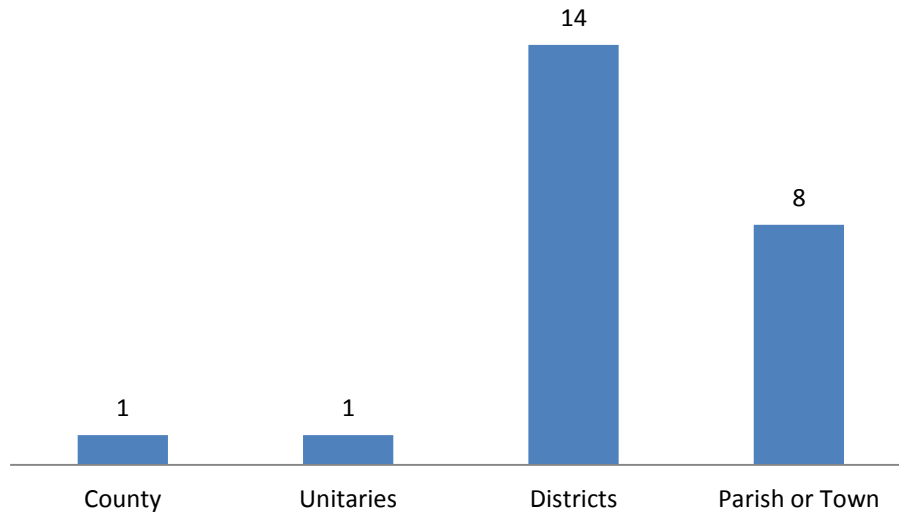
**Figure 3.8: Which business or organisation do you represent? (Q1a, base – 35)**



**3.4 Local councillors**

Of the 24 local councillor respondents who indicated the authority they are at, 14 came from district councils across Lancashire and 8 responses were from local parish or town councillors. Note that some parish councillors responded as ‘other’ which is why the base total exceeds the response level from councillors in Q1.

**Figure 3.9: Where are you a councillor at? (Q1d, base – 24)**



Moreover, one written response was received from a local Member of Parliament which expressed overall support for the proposal to establish a Combined Authority in Lancashire.

## 4 Main Findings

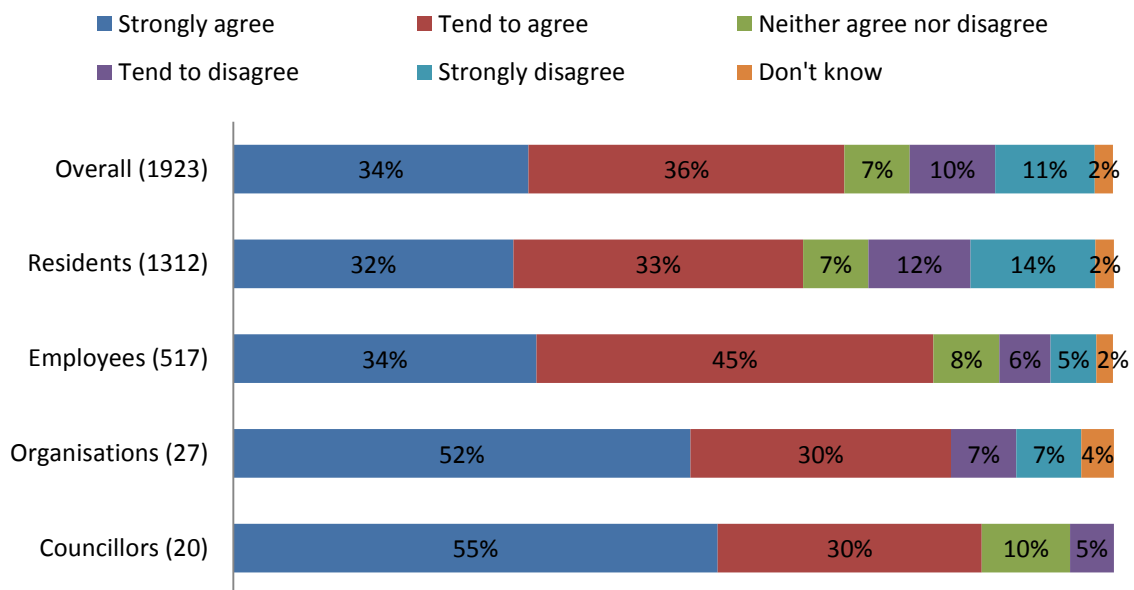
### 4.1 Working in partnership

74% of consultation respondents strongly or tend to agree that councils in Lancashire working together with businesses and other partners to drive forward transport, economic development and skills in the area is important.

This level of agreement is highest amongst local authority employees in Lancashire (83% strongly or tend to agree).

70% of local residents strongly or tend to agree that this partnership approach is important in Lancashire, 19% strongly or tend to disagree.

**Figure 4.1: To what extent do you agree or disagree that this partnership approach is important in Lancashire? (Q2, bases in brackets)**



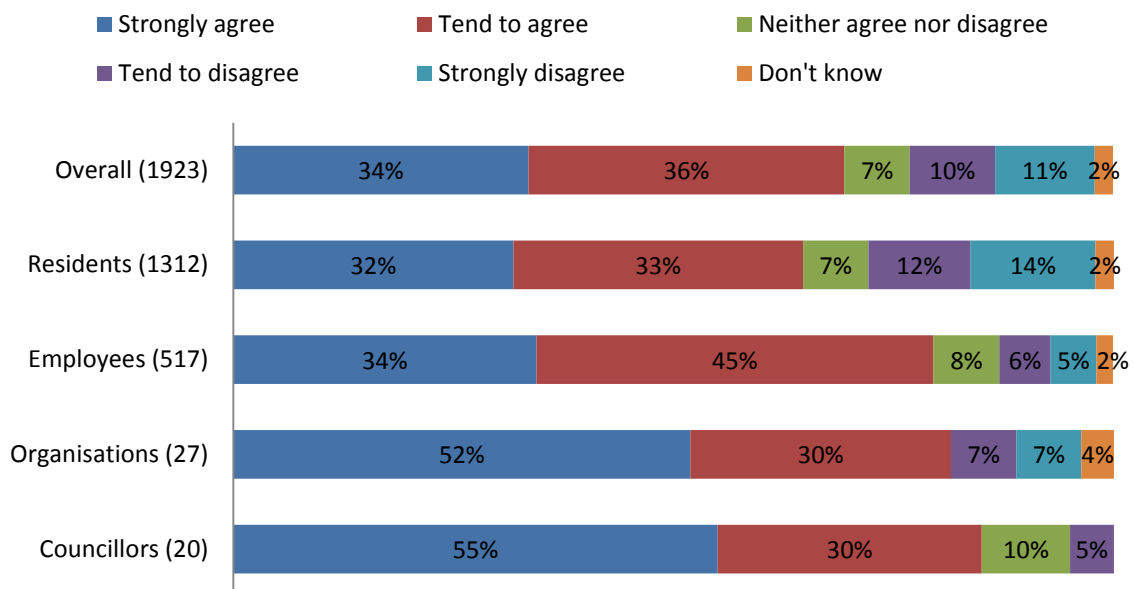
### 4.2 Proposal to establish a Combined Authority

After setting out the proposal to establish a Combined Authority in Lancashire, 70% of respondents strongly or tend to agree with this proposal. Additionally, each of the 8 written responses from organisations including local CCGs, a University and an existing Combined Authority supported the proposal, with some further comments on partnership working and the focus of the Combined Authority.

The level of agreement is highest amongst local authority employees (79%) and organisations or businesses (82%).

65% of local residents strongly or tend to agree with the proposal to establish a Combined Authority in Lancashire, 26% strongly or tend to disagree. This level of disagreement rises to 34% in the FY postcode area.

**Figure 4.2: To what extent do you agree or disagree with establishing a Combined Authority in Lancashire? (Q3, bases in brackets)**



Of those who disagree with the proposal to establish a Combined Authority in Lancashire, the main reasons appear to be:

- A view that this would add an unnecessary layer of bureaucracy in local government and public services and become ‘distant’ from residents
- Some concern that parts of the county would get more than others in any combined arrangement, either with resources focused on larger populations or those areas considered more ‘in need’
- A belief that the local needs and profiles of different areas would not be adequately addressed through a combined authority
- A perception that this would result in reduced services for local residents due to redundancies and consolidation of services
- Some concern that decision making and processes could be slowed down by centralising through a combined authority
- Some queries around what impact it would have on local Council Tax rates across the county
- Not having enough detailed information about the proposed Combined Authority to make a judgement



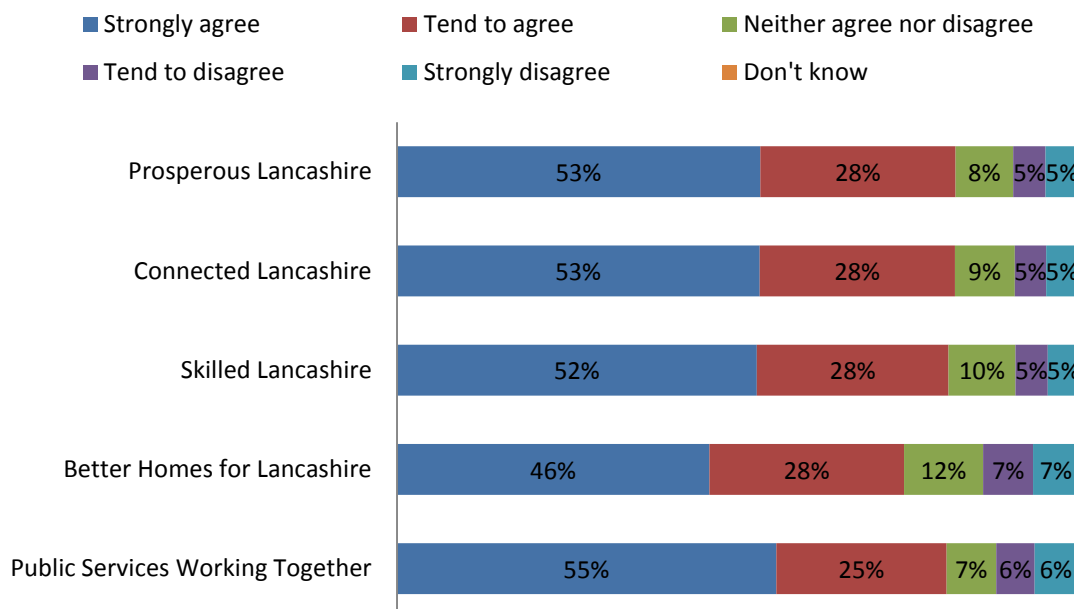
### 4.3 Key objectives

Five key objectives for the proposed Combined Authority were set out in the consultation:

- A **Prosperous Lancashire** that is recognised as a destination of choice, to do business in, live or visit.
- A **Connected Lancashire** with digital and transport connectivity across the county and to neighbouring areas.
- A **Skilled Lancashire** which can meet the demands of employers and future business growth, supporting employment opportunities for residents.
- **Better Homes for Lancashire** where residents have better living standards with good quality homes and a wide housing offer.
- **Public Services Working Together** with integrated public services.

Generally, the level of agreement was high with the identified objectives for the proposed Combined Authority. 81% agree with a Prosperous and Connected Lancashire, 80% agree with a Skilled Lancashire and Public Services Working Together and 74% with Better Homes for Lancashire.

**Figure 4.3: To what extent do you agree or disagree with the objectives identified for the proposed Combined Authority? (Q5, base – 1909)**



People responding to the consultation were also given the opportunity to set out any other objectives they think the proposed Combined Authority should have. In addition to reaffirming some of the objectives above, the main suggestions include:

- A 'Greener Lancashire' with more focus on the environment and green spaces, reducing pollution, increasing energy efficiency and sustainability and creating a cleaner county with less litter
- A 'Healthy Lancashire' where local health services are joined up, there is more focus on wellbeing and mental health, vulnerable people are protected and people are happier
- An 'Equal Lancashire' with a commitment to tackling social, regional and health inequalities
- A 'Listening Lancashire' with customer focus which is responsive and with more emphasis on democratic accountability and transparency, particularly at a local level, communicating and listening to residents
- An 'Educated Lancashire' with better education systems and performing schools to meet demand
- A 'Safer Lancashire' with lower levels of crime and more safeguarding for children, young people and other vulnerable residents

#### **4.4 Final comments and feedback**

Finally, the consultation invited any other comments on the proposal to establish a Combined Authority in Lancashire. Specifically, respondents were asked to think about how the proposed Combined Authority might impact on the identities and interests of local communities and securing effective and convenient local government, as well as views on the constitutional arrangements and functions within the draft scheme and how it can work together with the Local Enterprise Partnership.

874 comments were received on a range of topics and issues, including:

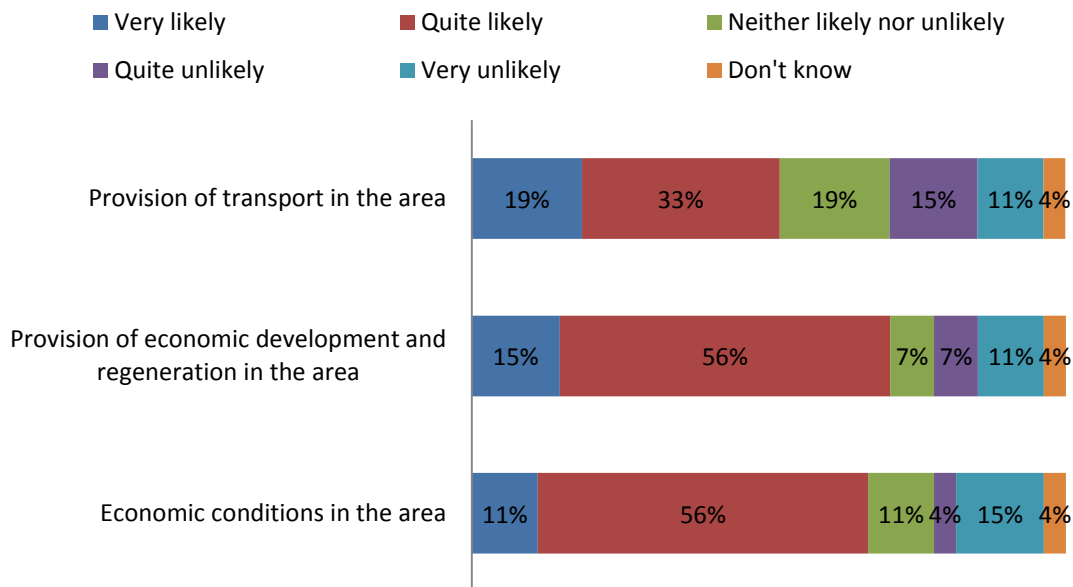
- The importance of maintaining local identity, local decision making and fair spend across localities under any combined arrangement
- A number of different suggestions around the structure and administration, including merges, a unitary Lancashire authority and combinations on different footprints
- General supportive comments for the proposal, with a sense that it would reduce duplication and ensure service delivery is more efficient
- Some hope that the proposed Combined Authority would give Lancashire a stronger, louder voice, particularly on key strategic issues
- Some concern around potential impact on job losses and as a result reduced capacity to deliver local services

**4.5 Specific feedback from businesses and organisations**

In addition to the core questions within the consultation, businesses and organisations were asked whether they thought the proposed Combined Authority would improve transport and economic development in Lancashire.

Of the 27 businesses or organisations who responded to the question, 71% feel it is very or quite likely that the Combined Authority would improve the provision of economic development and regeneration in the area. Just over half (52%) feel it is very or quite likely that the proposal would improve provision of transport in Lancashire.

**Figure 4.4: How likely or unlikely do you consider it that the proposed Lancashire Combined Authority would improve...? (Q13, base – 27)**



Some businesses and organisations had comments to make about their response to the above question. A range of comments were made, including the need for effective communication and processes to help businesses and some risks around the distribution of resources and the impact it could have on rural areas with transport cited as an example.

A mix of views were expressed when asked how the proposed Combined Authority might impact on the identities and interests of local communities. Some feel it will enhance Lancashire’s influence regionally and nationally, restore the ‘proud name of Lancashire’ and help share best practice across the county. Some feel it will be a challenge to bring different areas together where demographics and socio-economics vary, as well as a perception that less populated areas may be neglected through any arrangement.

Businesses and organisations were then asked how the proposed Combined Authority might impact on securing effective and convenient local government. A number of comments centred on creating a single, unified voice incorporating other public services who act together on big strategic issues. At the same time any arrangement should remain accessible to local people and any sharing of departments should be efficient and effective.

A range of comments were made in relation to how the proposed Combined Authority and Local Enterprise Partnership (LEP) could work together. Suggestions included allowing the LEP to vote on some Combined Authority matters, the LEP acting as a sub-committee of the Authority, a role of the Combined Authority to shape the agenda of the LEP and a shared strategy for supporting and developing small businesses.

Final comments made by businesses and organisations included reiterating support for the proposal and the positive impact it could have on Lancashire if implemented successfully, suggestions around the management and structure of the proposed Combined Authority, effective support for businesses across the county and ensuring issues such as health and rurality have a higher profile in Lancashire.



Report of	Meeting	Date
Chief Executive	Council	12 April 2016

## **LAND AND INFRASTRUCTURE PAYMENT POLICY: COMMUNITY INFRASTRUCTURE LEVY**

### **PURPOSE OF REPORT**

1. To inform Members of the Land and Infrastructure Payment Policy which gives notice that the Council is willing to accept payments in kind in the form of land and/ or infrastructure, instead of money to satisfy a charge arising from development which is subject to the Community Infrastructure Levy.

### **RECOMMENDATION(S)**

2. To adopt the Land and Infrastructure Payment Policy

### **EXECUTIVE SUMMARY OF REPORT**

3. The Community Infrastructure Levy (CIL) Regulations 2010 as amended, allows the Council to accept payment of CIL in the form of land and/or infrastructure in satisfaction of the whole or part of the Community Infrastructure Levy due in respect of a chargeable development. The Land and Infrastructure Payment Policy sets out the circumstances and conditions for paying a part or the entire CIL amount in the form of land and/or in the form of one or more items of infrastructure. It is at the Council's discretion whether to accept payments in kind for CIL rather than money. However where land is acquired to provide or facilitate the provision of infrastructure or where infrastructure is constructed by a developer this provision must be identified on the Council's Regulation 123 List. The Land and Infrastructure Payment Policy will be effective from 12 April 2016 and will be published on the Council's website.

<b>Confidential report</b> Please bold as appropriate	Yes	No

### **CORPORATE PRIORITIES**

4. This report relates to the following Strategic Objectives:

Involving residents in improving their local area and equality of access for all	x	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	x

### **BACKGROUND**

5. The Community Infrastructure Levy (CIL) is a charge on some forms of development, for Chorley this is housing (although affordable housing is exempt) and retail (excluding neighbourhood convenience stores), which allows Local Authorities to raise funds from

developers to pay for strategic and local infrastructure that is needed as a result of development. CIL was adopted by the Council on 16 July 2013 and charging commenced from 1 September 2013

6. CIL is used to contribute to the infrastructure requirements identified in the list prepared under Regulation 123 of the Community Infrastructure Levy Regulations 2010 (as amended). The Regulation 123 List specifies the infrastructure projects to be funded at least in part by CIL in Chorley and includes schemes such as transport improvements, health facilities and education provision.

#### **LAND AND INFRASTRUCTURE PAYMENT POLICY**

7. The Community Infrastructure Levy (CIL) Regulations 2010 as amended, allows the Council to accept payment of CIL in the form of land and/or infrastructure in satisfaction of the whole or part of the Community Infrastructure Levy due in respect of a chargeable development. This is useful for example where an authority has already planned to invest levy receipts in a project and there may be time, cost and efficiency benefits in accepting land or completed infrastructure from the party liable for payment of the levy. Developers, where appropriate, can take responsibility for delivering infrastructure, offsetting the costs against their CIL liability. Payments in kind can also enable developers, users and authorities to have more certainty about the timescale over which certain infrastructure items will be delivered.
8. To consider such payments in kind the Council need to adopt and publish a Land and Infrastructure Payment Policy (as attached) in accordance with the CIL Regulations 73, 73A, 73B and 74 (as amended). With an adopted policy it is at the Council's discretion whether to accept payments in kind for CIL rather than money. A developer will need to discuss payments in kind in any CIL agreement with the Council as early as possible to establish if the principle would be appropriate. The Council is not obliged to accept any offer of payment in kind.
9. The Regulations only allow payments in kind if the land to be acquired is used for a relevant purpose to provide or facilitate the provision of infrastructure and/or where infrastructure is provided it will be used to support the development of its area and must be identified in the Council's Regulation 123 List of types of infrastructure to be funded through CIL. This means any agreement signed between the Council and a developer in regard to the payment in kind provisions of the Regulations must not form part of an agreement signed under S106 of the Town and Country Planning Act 1990.
10. The Payment Policy sets out the individual circumstances and conditions where the levy is to be paid as land or infrastructure. This includes:
  - Payments in kind can only be made with the agreement of the liable party, the charging authority (Chorley Council), and any other relevant authority that will need to assume a responsibility for the land or infrastructure;
  - Land acquired may contain existing buildings and structures but the chargeable amount payable under CIL must be greater than £50,000
  - Land or infrastructure must be valued by an independent valuer who, in the case of land, will ascertain its 'open market value', and in the case of infrastructure the cost (including related design cost) to the provider. This will determine how much liability the 'in-kind' payment will off-set.
  - An agreement must be entered into before development commences. It must state the value of the land to be transferred; the value of the infrastructure and the date the infrastructure must be provided;
  - In the case of providing the infrastructure by the time the CIL cash amount would be payable if it was being paid in money, an amount equal to the CIL amount must have been used to provide the infrastructure unless alternative arrangements are put in place.

11. The Regulations also cover where an agreement becomes void and the land/infrastructure payment in kind is not accepted as payment and the CIL liability will be due immediately in money. This occurs:
- In the event a liable party commences development having failed to submit a Commencement Notice to the Council;
  - Where an amount payable is not received in full on or before the day on which it is due.

**NEXT STEPS**

12. The CIL Land and Infrastructure Payment Policy will be effective from 12 April 2015 and will be published on the Council’s website.

**IMPLICATIONS OF REPORT**

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

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

**COMMENTS OF THE STATUTORY FINANCE OFFICER**

14. There are no immediate financial implications associated with this report. The updated Policy allows assets to be taken in lieu of cash payments, which is allowable under the regulations and which may in some circumstances suit both the Council and/or the developer.

**COMMENTS OF THE MONITORING OFFICER**

15. In order for the Council to accept infrastructure or land in lieu of a CIL contribution we are obliged to have a policy which allows this. The benefit of accepting land or infrastructure is that the contribution is instantly spent with an immediate benefit which often supports the development and affected community directly. Such an arrangement will not always be appropriate but should be considered whenever possible.

GARY HALL  
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Alison Marland	5281	22 March 2016	***

**Chorley Council**  
**Land and Infrastructure Payment Policy**  
**Community Infrastructure Levy Regulations 2010 (as amended)**

The Community Infrastructure Levy (CIL) Regulations 2010 as amended, allows the Council to accept payment of CIL in the form of land or infrastructure in satisfaction of the whole or part of the CIL due in respect of a chargeable development.

Chorley Council will allow the payment of CIL by the provision of land and /or by infrastructure payments in accordance with Regulations 73, 73A, 73B and 74.

It is recommended that if you wish to include the transfer of land and /or infrastructure in payments in any CIL agreement that you discuss this with the Council as early as possible to establish if the principle would be appropriate in this instance.

The Council is not obliged to accept any offer of payment in kind by land or infrastructure

Any agreement signed between the Council and a developer in regard to the payment in kind provisions of the Regulations must not form part of an agreement signed under S106 of the Town and Country Planning Act 1990.

This policy is effective from 12 April 2015.

**Paying CIL in the form of Land**

In certain circumstances you may be able to pay a part or the entire CIL amount in the form of land. This depends on the following conditions:

- The chargeable amount payable under CIL must be greater than £50,000;
- The Council as charging authority must agree either to acquire the land or to nominate another person (with their agreement) to acquire the land;
- The Council must aim to ensure the acquired land is used for a relevant purpose to provide or facilitate the provision of infrastructure which is identified in the Council's Regulation 123 list to support the development of its area;
- The person who wishes the Council or nominated person to acquire the land must have assumed liability to pay CIL beforehand;
- The land to be acquired must have been independently valued by a suitably qualified person agreed by the Council. The valuation must be the price that the land might reasonably be expected to obtain if sold on the open market on the day it is valued. The price is not to be assumed to be reduced on the ground that the whole of the acquired land is to be placed on the open market at the same time;
- Development on the site must not have commenced before a written agreement with the Council has been made. The agreement must state the value of the land to be transferred.
- In accordance with Regulation 75(2)(b) the Council is not required to repay overpayment where it is a result of a land payment.

By agreement with the Council land can be transferred by instalments as long as it is in line with the payment proportions and due dates laid out in the Councils Charging Schedule..

In the event a liable party commences development having failed to submit a Commencement Notice to the Council, any agreement regarding a land payment for that liable development will be void and the land will not be accepted as payment. Instead the full value of the CIL liability will be due immediately in money.



Where a land payment is not received in full on or before the day on which it is due, the unpaid balance of the CIL payment becomes payable in full immediately in money.

Any outstanding CIL amounts left after the transfer of land in the form of money will be paid in line with the payment due dates laid out in the Demand Notice.

### **Paying CIL in the form of Infrastructure**

In certain circumstances you may be able to pay a part or the entire CIL amount in the form of one or more items of infrastructure. This depends on the following conditions:

- The Council as charging authority must agree to the infrastructure payment;
- The infrastructure provided to the Council through an infrastructure payment will be used to support the development of its area and must be in accordance with the Council's Regulation 123 List;
- The person providing the infrastructure to the Council as payment must have assumed liability to pay CIL beforehand;
- The person providing the infrastructure to the Council is required to demonstrate that they have, or are likely to have, sufficient control over the land on which the infrastructure is to be constructed to enable them to provide the infrastructure; and that they have obtained, or are likely to obtain, any relevant statutory authorisations that are necessary to enable the infrastructure to be constructed;
- Development on the site must not have commenced before a written agreement with the Council has been made;
- The value of any infrastructure offered by way of payment has to be determined by a suitably qualified independent person, with any costs associated with this assessment paid for by the liable party.
- The valuation of infrastructure must be based on the actual construction cost of the proposed infrastructure and fees relating to the design of the infrastructure. These costs and fees must be realistic and agreed with the Council;
- The agreement must state the value of the infrastructure; state the date by which the infrastructure is to be provided and provide for payment to the Council of the CIL cash amount and interest, in money if the infrastructure is not provided by that date, or in accordance with an agreed extension to that date.
- The agreement must ensure that by the time the CIL cash amount would be payable if it was being paid in money, an amount equal to the CIL amount must either have been used to provide the infrastructure or be subject to the arrangement in Regulation 73A9(b).
- In accordance with Regulation 75(2) (b) the Council is not required to repay overpayment where it is a result of an infrastructure payment.

In the event a liable party commences development having failed to submit a Commencement Notice to the Council, any agreement regarding an infrastructure payment for that liable development will be void and the infrastructure will not be accepted as payment. Instead the full value of the CIL liability will be due immediately in money.

Where an amount payable is not received in full on or before the day on which it is due, the unpaid balance of the CIL payment becomes payable in full immediately in money.

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Report of	Meeting	Date
Chief Executive	Council	12 April 2016

## LICENSING AND PUBLIC SAFETY COMMITTEE: PUBLIC QUESTIONS

### PURPOSE OF REPORT

1. To request that Council amend Standing Orders in relation to Licensing and Public Safety Committee to introduce public questions procedure rules in line with those for Council, Executive Cabinet and Overview and Scrutiny Committee.

### RECOMMENDATION(S)

2. That speaking rights for members of the public attending the Licensing and Public Safety Committee be established and the procedures for speaking be approved as follows:
  - a. A maximum period of three minutes will be allowed for a question from a member of the public on an item on the agenda, including one supplementary question. A maximum period of up to 30 minutes to be allocated for public questions if necessary at each Licensing and Public Safety Committee meeting
  - b. Questions should be submitted to the Democratic Services Section by midday, two working days prior to each Licensing and Public Safety Committee meeting to allow time to prepare appropriate responses and investigate the issue if necessary.
  - c. The question to be answered by the Chair or whoever is most appropriate as directed by the Chair.
3. To update the Council's Standing Orders (Appendix 3 of the Constitution) to reflect the above.

Confidential report Please bold as appropriate	Yes	No

### CORPORATE PRIORITIES

4. 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	✓

### BACKGROUND

5. At the Licensing and Public Safety Committee at its meeting on 3 February 2016 a resolution was passed to request Council amend the procedure rules for Licensing and Public Safety Committee to fall in line with those for Council, Executive Cabinet and Overview and Scrutiny Committee public questions procedure rules.

- 6. This would allow questions be submitted to Democratic Services by midday, two working days prior to the meeting to allow time to prepare appropriate responses and investigate the issue if necessary.
- 7. Development Control Committee also has a public questions procedure, but this relates to specific applications and has separate rules.
- 8. The existing public questions procedure rules were introduced in 2006, although the Development Control Committee rules were updated in 2009 and 2014 to allow ward Councillor and Town/Parish Councillors respectively to participate.

**PUBLIC PARTICIPATION IN THE LICENSING AND PUBLIC SAFETY COMMITTEE**

- 9. Members of the public regularly attend the Licensing and Public Safety Committee, in the main, representatives of the taxi trade, taxi operators and drivers. Whilst their involvement is welcomed, this needs to be in a more structured way ensuring the public receive informed answers to their question.
- 10. To facilitate effective engagement with the public it was agreed that a formal procedure for questions should be approved. This will, hopefully, improve the level of public participation in the Committee’s decision making process and ensure that informed and accurate responses are provided at the meeting. The Chair would have discretion to vary this procedure, but this should only be exercised in exceptional circumstances.
- 11. In addition to the Licensing and Public Safety Committee the trade do have access to discuss issues openly and without any restriction on speaking at regular Licensing Liaison Panel meetings. The introduction of these new procedure rules does not prevent their views being heard via that channel.
- 12. It is suggested that an item be considered at the Licensing Liaison Panel to inform the trade of the change in process.

**IMPLICATIONS OF REPORT**

- 13. 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**

- 14. There are no financial implications.

**COMMENTS OF THE MONITORING OFFICER**

- 15. The proposal will provide similar public speaking rights to those exercised in other public council meetings.

16. At present public speaking is only allowed in Licensing and Public Safety Committee at the discretion of the Chair. As representatives from the trade frequently wish to speak at committee the proposals contained in this report, if approved, will put the asking of questions from the public on a more clearly defined footing with written rules. However, Chair's discretion will still apply, for example, in relation to exceeding the three minute time limit allowed.

GARY HALL  
CHIEF EXECUTIVE

<b>Background Papers</b>			
<b>Document</b>	<b>Date</b>	<b>File</b>	<b>Place of Inspection</b>
Chorley Council Constitution Appendix 3 Standing Orders	January 2015	Web	<a href="https://democracy.chorley.gov.uk/documents/s60977/Appendix%203%20Standing%20Orders%20Jan%2016.pdf">https://democracy.chorley.gov.uk/documents/s60977/Appendix%203%20Standing%20Orders%20Jan%2016.pdf</a>
Licensing and Public Safety Committee minutes 16.LPSC.28	3 February 2016	Web	<a href="https://democracy.chorley.gov.uk/documents/g4445/Printed%20minutes%2003rd-Feb-2016%2014.00%20Licensing%20and%20Public%20Safety%20Committee.pdf?T=1">https://democracy.chorley.gov.uk/documents/g4445/Printed%20minutes%2003rd-Feb-2016%2014.00%20Licensing%20and%20Public%20Safety%20Committee.pdf?T=1</a>

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
Ruth Rimmington	5118	10 February 2016	Licensing and Public Safety Committee Public Questions

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