



MINUTES OF COUNCIL

MEETING DATE Tuesday, 28 February 2017

MEMBERS PRESENT: Councillor Doreen Dickinson (Mayor), Councillor Mark Perks (Deputy Mayor) and Councillors Aaron Beaver, Eric Bell, Alistair Bradley, Terry Brown, Paul Clark, Jean Cronshaw, Alan Cullens, John Dalton, Graham Dunn, Christopher France, Gordon France, Margaret France, Jane Fitzsimons, Anthony Gee, Danny Gee, Tom Gray, Keith Iddon, Mark Jarnell, Hasina Khan, Zara Khan, Paul Leadbetter, Margaret Lees, Roy Lees, Sheila Long, Adrian Lowe, Marion Lowe, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Mick Muncaster, Steve Murfitt, Beverley Murray, Debra Platt, Kim Snape, Richard Toon, John Walker, Paul Walmsley, Alan Whittaker and Peter Wilson

OFFICERS: Gary Hall (Chief Executive), Jamie Carson (Director (Early Intervention and Support)), Chris Sinnott (Director (Policy and Governance)), Asim Khan (Director (Customer and Digital)), Mark Lester (Director (Business, Development and Growth)), Chris Moister (Head of Legal, Democratic & HR Services), Carol Russell (Democratic Services Manager)

APOLOGIES: Councillors Martin Boardman, Charlie Bromilow, Henry Counce, Joyce Snape and Ralph Snape

17.C.406 Declarations of Any Interests

There were no declarations of interest received.

17.C.407 Minutes of meeting Tuesday, 24 January 2017 of Council

RESOLVED – that the minutes of the last meeting of the Council held on 24 January, 2017 be approved as a correct record for signature by the Mayor.

17.C.408 Mayoral Announcements

The Mayor updated Members on her fundraising activities and referred to her last two charity events, a Houghton Weavers Concert on 25 March and an Easter Tea Dance on 11 April 2017.

17.C.409 Public Questions

There were no public questions for consideration.

17.C.410 General Fund Revenue and Capital Budget and Council Tax 2017/18

Councillor Peter Wilson, Executive Member for Resources, presented the Executive's General Fund Revenue and Capital Budget and Council Tax proposals for 2017/18.

Councillor Wilson referred to the achievements of the Council in recent years and its commitment to a number of major capital projects including the Market Walk Extension and the Primrose Gardens Retirement Scheme as well as ongoing commitments to fund smaller schemes to support local businesses, older people, etc. Despite year on year funding cuts, the Council had continued to deliver new projects and business as usual. However over the next 3 years there would be a £4.3m funding gap because of significant reductions in both Government grant and the new homes bonus and also a loss of £900,000 from Lancashire County Council for waste cost share funding.

The Council's Medium Term Financial Strategy for 2017/2020 had therefore to prepare for that shortfall to ensure the future sustainability of the Council. Sound financial management and planning was essential and whilst investment in income generation schemes would continue, there was a need to ask residents for an increase in their contributions to Council tax in addition to the changes to waste collection services agreed at the last Council meeting on 24 January 2017.

Councillor Bradley referred to the proposed 2% increase in Council tax and advised that the Government had changed approach and there was now an expectation that local authorities would increase Council tax to help deal with budget shortfalls. It would be the first time in 7 years that the Council had increased Council tax and whilst this and changes in waste collection were regrettable, they were essential to continue service delivery and ensure the long term future of the Council. Officers were thanked for their support in compiling the budget proposals and supporting documentation.

In summary, the report set out proposals that would:

- Mitigate the reduction in Central Government grant and the introduction of a reverse tariff, by increasing Council Tax by 2% in 2017/18 and including a 2% increase in Council Tax in 2018/19 and 2019/20 as part of the medium term budget strategy.
- Protect the impact on front line services that the reduction in LCC funding will have by introducing a subscription based garden waste collection service and charging for replacement bins.
- Deliver budget efficiency savings and increased income of £0.416m in 2017/18 onwards.
- Continue to deliver investment in strategic priorities including £0.652m in 2017/18 and £0.468m in 2018/19 onwards.
- Seek to bridge the forecasted budget gap, in particular through shared services and investing in projects that generate net income streams for the Council.
- Were consistent with the Medium Term Financial Strategy.
- Minimise the revenue impact of the Council's borrowing commitment to fund the capital programme.
- Enhance 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 attached to the main report on the General Fund Revenue and Capital Budget and Council Tax for 2017/18, providing supporting information to the budget proposals:

Appendix A1	Formal Council Tax Resolution 2017/18
Appendix A2	Pay Policy 2017/18
Appendix B	Cumulative Budget Deficit & Budget Strategy 2017-18 to 2019-20
Appendix C1	Capital Programme 2016/17 to 2019/20
Appendix C2	Capital Programme Financing 2016/17 to 2019/20
Appendix C3	Developers' Contributions
Appendix D	Treasury Management Strategy 2017/18 to 2019/20
Appendix D1	Advice of Treasury Management Consultants
Appendix E	Statutory Financial Officer Report
Appendix F	Medium Term Financial Strategy 2017/18 to 2019/20
Appendix G	Variance Analysis – Movements from 2016/17 Original Estimates
Appendix H	Special Expenses /Parish Precepts 2017/18
Appendix I	Budget Consultation 2017/18
Appendix J	Assessing the Impact of 2017/18 Budget Proposals
Appendix K	Assessing the Impact of the Changes to Household Waste Collection

In debating the proposals, Councillor Greg Morgan, Deputy Leader of the Conservative Group, referred to the high spend on major projects and the need for greater focus on efficiency savings and increasing reserves, to avoid a Council tax increase. In response, the Leader and Deputy Leader referred to the proposals for more shared services, the increase in balances up to £4m and the Government's reverse premium tariff which penalised Council's if they didn't impose Council tax rises of up to 2%.

Other opposition Members raised comments about whether LCC funding cuts would impact on services provided by Cotswold House; the impact if the application for mandatory charitable relief on business rates from Lancashire Teaching Hospitals NHS Foundation Trust was successful in its legal challenge; how the events programme could be more financially sustainable; and challenges to the Council's support for those in rural areas rather than focussing on Chorley town centre.

Councillor Greg Morgan, Deputy Leader of the Conservative Group indicated at this point in the meeting that he would not be formally proposing the Conservative Group's Alternative Budget which was included as Agenda item 6. His Group would support the budget proposals proposed in Agenda Item 5, if the Council would accept two formal amendments which he proposed and Councillor Paul Leadbetter seconded, as follows:

AMENDMENT

That the following two proposals be added to the budget proposals contained within Agenda Item 5:

- 1. That the collection of cans and glasses be changed from every 2 weeks to every 4 weeks; and**
- 2. That productivity savings be increased across all Council services by improving staff productivity as follows (extract from page 181 of the agenda, fourth row of the table):**

<p>Increase productivity across all Council services</p>	<p>This project will seek to improve staff productivity across all services areas, to both enable the Council to deal with the inevitable increases in demand for services which will take place over the next few years and also to generate savings options of up to £1m.</p> <p>Some services are effectively using management data which includes work volumes and processing times to improve staff productivity, and it is intended that this approach would be rolled out across all Council services as far as possible. In some areas it appears that if all staff were working at average productivity levels or above that the same demand could be met with 30% less staff, or that the existing staff could take on more or higher volumes of work. To apply this across the board, could achieve over double the £1m target but would impact on the ability to deliver services.</p>	<p>£1m in savings by 19/20</p>
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A number of Councillors expressed concern about the withdrawal of the opposition's Alternative Budget at this late stage. In response to the amendment proposed, Councillor Alistair Bradley, referred to the significant efficiency savings that had been made in recent years and plans for more shared services. He felt that services could not absorb further savings of the level indicated.

In line with the legal requirement for all budget decisions to be recorded, this proposal was put to the vote and recorded as follows:

FOR: Councillors E Bell, A Cullens, J Dalton, K Iddon, P Leadbetter, S Long, G Morgan, M Muncaster, D Platt, J Walker.

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

ABSTAIN: Councillor M Perks.

The vote was LOST.

SUBSTANTIVE MOTION

The substantive motion as indicated in Agenda Item 5 and proposed by Councillor P Wilson, Executive Member for Resources and seconded by Councillor Alistair Bradley, Executive Leader was then put to the vote and recorded as follows:

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

AGAINST: Councillors E Bell, A Cullens, J Dalton, K Iddon, P Leadbetter, S Long, G Morgan, M Muncaster, M Perks, D Platt, J Walker.

The vote was **CARRIED** and it was therefore **RESOLVED –**

That the budget and proposals as set out in the report in item 5 and supporting appendices, be approved to include:

- 1. Council Tax set out in the resolutions (at Appendix A1) and the Council's Pay Policy (at Appendix A2) is published on the Council's website from April 2017.**

2. The Council's cumulative budget deficit & budget strategy 2017-18 to 2019-20 (Appendix B) be noted.
3. The capital programme for 2017/18 be approved and the indicative programme for 2018/19 to 2019/20 (Appendices C1, C2 & C3) be noted.
4. The Treasury Management Strategy (Appendix D) be approved, including advice from Treasury Management Consultants (Appendix D1).
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 (Appendix E) be noted.
6. The Council's Medium Term Financial Strategy (Appendix F) be approved.
7. The significant budget movements from the 2016/17 Budget (at Appendix G) be noted.
8. The Special Expenses and Parish Precepts (at Appendix H) be noted.
9. The Budget Consultation 2017/18 Report (at Appendix I) be noted, including the amendments to the household waste collection service following feedback from the budget consultation and wider feedback. These include:
 - reducing the impact that the changes have on low income households by offering, on request, free home compost bins for those entitled to passported benefits; and
 - offering the choice, on request, of a smaller 140 litre grey garden waste bin where in special circumstances the standard 240 litre bin would be unsuitable.
10. The Assessing the Impact of Budget Proposals 2017/18 Report (at Appendix J) be noted.
11. The integrated impact assessment relating to the changes to the household waste collection (at Appendix K) be noted, including the amendment to the household waste proposals included in this report namely:
 - reducing the impact that the changes have on low income households by offering, on request, free reconditioned replacement waste bins (if available) for those entitled to passported benefits.

The Council Tax set out in Appendix A1 be approved as follows:

1. It be noted that on 4 January 2017 the Chief Executive as Statutory Finance Officer calculated the Council Tax Base 2017/18
 - (a) for the whole Council area as 35,933.64 [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 2017/18 (excluding Parish precepts) is £6,502,550.
3. That the following amounts be calculated for the year 2017/18 in accordance with Sections 31 to 36 of the Act:

(a) £58,541,700 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) £51,396,160 being the aggregate of the amounts which the Council estimates for the items set out in Section 31A(3) of the Act.

(c) £7,145,540 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) £198.85 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) £1,340,103 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) £161.56 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 2017/18 for each part of its area and for each of the categories of dwellings.

VALUATION BANDS

CHORLEY BOROUGH COUNCIL

A	B	C	D	E	F	G	H
107.71	125.66	143.61	161.56	197.46	233.36	269.27	323.12

LANCASHIRE COUNTY COUNCIL

A	B	C	D	E	F	G	H
814.49	950.24	1,085.99	1,221.74	1,493.24	1,764.74	2,036.23	2,443.48

POLICE & CRIME COMMISSIONER FOR LANCASHIRE

A	B	C	D	E	F	G	H
110.30	128.68	147.07	165.45	202.22	238.98	275.75	330.90

LANCASHIRE COMBINED FIRE AUTHORITY

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

AGGREGATE OF COUNCIL TAX REQUIREMENTS

A	B	C	D	E	F	G	H
1,076.17	1,255.52	1,434.89	1,614.25	1,972.98	2,331.69	2,690.42	3,228.50

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 the Council's basic amount of Council Tax for 2017/18 has increased by 2% and is in line with the permitted increase for 2017/18, 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 2017/18 we estimate that a £1.00 Council Tax at Band D would raise £35,933.64 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 £1,984.42.

RESOLUTION 2

This shows the Council's net spending for 2017/18 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 2017/18. It also includes £681,283 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 £7,145,540 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 £198.85 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 2017/18 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 £1,614.25 made up as follows:

	£
Chorley Borough Council	161.56
Lancashire County Council	1,221.74
Lancashire Police Authority	165.45
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 $\text{£}1,614.25 \times 6 \div 9 = \text{£}1,076.17$; for Band B it is $\text{£}1,614.25 \times 7 \div 9 = \text{£}1,255.52$.

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***

17.C.411 Alternative Budget 2017/18

This item was withdrawn during debate contained in the above agenda item.

17.C.412 Changes to Arrangements for Appointment of External Auditor

Members of the Council considered a report of the Chief Executive seeking approval to arrangements to appoint a new external auditor beyond 2017/18 when the current contract with Grant Thornton comes to an end. There were a number of options available to the Council, including:

- Setting up an independent Auditor Appointment Panel.
- Joining with other councils to set up a joint independent Auditor Appointment Panel.
- Using an existing independent panel of the authority (if a suitable panel already exists).
- Opting-in to a Sector Led Body that will negotiate contracts and make the appointment on behalf of councils, removing the need to set up an independent Auditor Appointment Panel.

The report looked at the advantages and disadvantages of each option and advised that Governance Committee in considering this matter on 25 January 2017 was recommending that the Council adopt option 3 in the report which was to opt-in to a sector led body.

Councillor Paul Leadbetter, Chair of the Governance Committee proposed, Councillor Anthony Gee, Vice Chair seconded and it was **RESOLVED – that the Council approve Option 3 in the report and accept the invitation from Public Sector Audit Appointments Ltd to become an opted-in authority for the purposes of the appointment of its external auditor.**

17.C.413 Any urgent business previously agreed with the Mayor

Councillor Alistair Bradley, Executive Leader proposed and Councillor Peter Wilson, Deputy Leader seconded a request for approval to a change in an outside body appointment.

RESOLVED – that Councillor Jean Cronshaw replaces Councillor Margaret France as substitute member representative on the LCC Adult Social Care and Health Scrutiny Committee.

Mayor

Date