

## **OVERVIEW AND SCRUTINY COMMITTEE**

THURSDAY, 25TH JANUARY 2018, 6.30 PM  
COMMITTEE ROOM 1, 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.

#### **MINUTES**

**A MINUTES OF MEETING THURSDAY, 12 OCTOBER 2017 OF OVERVIEW AND SCRUTINY COMMITTEE** (Pages 3 - 10)

**B MINUTES OF MEETING THURSDAY, 30 NOVEMBER 2017 OF OVERVIEW AND SCRUTINY COMMITTEE** (Pages 11 - 14)

**C MINUTES OF MEETING THURSDAY, 30 NOVEMBER 2017 OF OVERVIEW AND SCRUTINY PERFORMANCE PANEL** (Pages 15 - 20)

##### **3 PUBLIC QUESTIONS**

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

#### **SCRUTINY OF THE EXECUTIVE CABINET**

**4 EXECUTIVE CABINET MINUTES** (Pages 21 - 32)

To consider the Executive Cabinet minutes of the meeting held on 16 November and 14 December.

- |    |   |                 |
|----|---|-----------------|
| 5  | <b>NOTICE OF EXECUTIVE DECISIONS</b>  |                 |
|    | To view the latest notice of Executive Decisions <a href="#">click here</a> .                                     |                 |
| 6  | <b>UPDATE ON THE INTEGRATED COMMUNITY WELLBEING SERVICE</b>   | (Pages 33 - 38) |
|    | Report of the Director (Early Intervention and Support).  |                 |
| 7  | <b>BUDGET SCRUTINY</b>  | (Pages 39 - 60) |
|    | Report of the Chief Finance Officer.  |                 |
|    | The Executive Member for Resources will be present at the meeting to answer any questions the committee may have. |                 |
| 8  | <b>HEALTH SCRUTINY</b>  | (Pages 61 - 70) |
|    | Work Plan of Lancashire County Council's Health Scrutiny Committee.   |                 |
| 9  | <b>REPORTS FROM THE TASK AND FINISH GROUPS</b>  |                 |
|    | <b>Quality of housing provided by social landlords Task and Finish Group</b>                                      |                 |
|    | The first meeting of the Task Group is scheduled to be held on Monday, 29 January.                                |                 |
| 10 | <b>OVERVIEW AND SCRUTINY WORK PROGRAMME</b>   | (Pages 71 - 72) |
|    | To consider the Work Programme.   |                 |
| 11 | <b>EXECUTIVE CABINET RESPONSE TO THE OVERVIEW AND SCRUTINY TASK GROUP ON THE ROLLOUT OF SUPERFAST BROADBAND</b>   | (Pages 73 - 76) |
|    | Report of Director (Business, Development and Growth).  |                 |
| 12 | <b>OVERVIEW AND SCRUTINY TASK GROUP - COUNCIL'S LEISURE CONTRACT</b>  | (Pages 77 - 92) |
|    | To receive the final report of the inquiry.   |                 |
| 13 | <b>ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE CHAIR</b>   |                 |

GARY HALL  
CHIEF EXECUTIVE

Electronic agendas sent to Members of the Overview and Scrutiny Committee Councillor John Walker (Chair), Councillor Roy Lees (Vice-Chair) and Councillors Charlie Bromilow, Paul Clark, Jane Fitzsimons, Zara Khan, Paul Leadbetter, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Steve Murfitt, Debra Platt and Kim Snape.

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**MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE**

**MEETING DATE** Thursday, 12 October 2017

**MEMBERS PRESENT:** Councillor John Walker (Chair), Councillor Roy Lees (Vice-Chair) and Councillors Paul Clark, Jane Fitzsimons, Paul Leadbetter, Matthew Lynch, June Molyneaux, Greg Morgan, Alistair Morwood, Debra Platt and Kim Snape

**OFFICERS:** Rebecca Huddleston (Director (Policy and Governance)), Louise Elo (Head of Early Intervention and Support) and Cathryn Filbin (Democratic and Member Services Officer)

**17.OS.32 Declarations of Any Interests**

There were no declarations of interest received on any items list on the agenda.

**17.OS.33 Minutes of meeting Thursday, 6 July 2017 of Overview and Scrutiny Committee**

**AGREED – That the minutes of the Overview and Scrutiny Committee held on 6 July 2017 be approved as a correct record for signature by the Chair.**

**17.OS.34 Minutes of meeting of the Overview and Scrutiny Performance Panel held on 21 September 2017**

**AGREED - That the minutes of the Overview and Scrutiny Performance Panel held on 21 September be noted.**

**17.OS.35 Public Questions**

There were no public questions for consideration.

**17.OS.36 Executive Cabinet Minutes**

**AGREED – That the minutes of the Executive Cabinet meetings held on 3 August and 5 October 2017 be noted.**

**17.OS.37 Notice of Executive Decisions**

Members of the Committee considered the Notice of Executive Decisions for October 2017 which gave notice of key and other major decisions Executive Members were expected to make. During its consideration the Committee made reference to the proposed forthcoming decision of the Deputy Executive Leader and Executive Member (Resources) the Land: Rear of Atherton Street, Adlington.

**AGREED – That the Committee be provided with further information in regards to the Notice of Executive Member Decision relating to the issue Land: Rear of Atherton Street, Adlington.**

#### **17.OS.38 Crime and Disorder Scrutiny - Counter Terrorism**

Members of the Committee received a report by the Director of Early Intervention and Support which provided an update on work undertaken to meet the council's duties with regard to counter terrorism and the 'Prevent duty' since the commencement of the Counter Terrorism Act 2015.

The report also included information on the audit taken place and recommendations for the future to improve the council's response along with partners to countering terrorism via Prevent.

Within the Counter Terrorism Act 2015, there was a specific requirement for all local authorities to give due regard to the need for people being radicalised and drawn into terrorism. The Prevent duty commenced for local authorities on 1 July 2015. This new area of responsibility for the council, required new ways of working, data sharing, processes and training which had been developed in partnership with other councils and Lancashire Police.

At the end of March 2016, a Prevent check list had been completed which provided the council with an action plan covering the essential elements of the local authority Prevent duty.

Resulting analysis of the Prevent work undertaken at the end of March 2016 concluded that the council's future Prevent action plan in Chorley over the next eighteen months would focus on four key areas –

- Increased partnership and community awareness;
- Community cohesion and tolerance;
- Internet security in public buildings;
- Review of child and adult safeguarding.

3 key members of staff including the Head of Service had been trained to deliver the Prevent Home Office Training and with the Prevent training then delivered to 114 colleagues across the council and partner services. Other training delivered included a Member Learning Session in which 11 members attended and an online training course which is mandatory for all employees.

Reference to Prevent was also contained in both the council's adult and child safeguarding revised policy.

Members of the Committee debated the report. Matters raised included –

- council policies that conflict with the Prevent duty (ie the Digital Inclusion Strategy which encourages more open access, had the potentially to create issues in relation to internet security);
- emergency plans in place between partner organisations, headed up by the emergency services in the case of a terrorist attack (or any other disaster);
- confirmation that the building design for 3 of the council's major building projects (Market Walk extension; Primrose Gardens, and the Youth Zone)

would incorporate security measures as part of the planning and design and not following their completion.

**AGREED – That the report be noted.**

#### **17.OS.39 Health Scrutiny**

Members of the Committee received a copy of Lancashire County Council's Health Scrutiny Work Plan for the 2017/18 for information.

If Committee members wanted to raise any questions concerning the plan, they should be forwarded to the Council's representative on the Health Scrutiny committee via the Democratic and Member Services Officer.

**AGREED – That the Health Scrutiny Work Plan be noted.**

#### **17.OS.40 Communications**

Members of the Committee had indicated in previous meetings, that they wished to hold a review on the topic of communications.

To aid members in deciding what aspect of communications they wanted to review, the Director of Policy and Governance delivered a presentation which provided information on the role and responsibilities of the Council's communications and events team and also the role other services have to play in communicating both internally and externally.

The presentation identified four possible areas for scrutiny –

1. evaluation of identified area of the Communications Team such as external communications on delivery of events;
2. external communications and protocols and procedures;
3. a broader review of how members are kept informed about key areas of work being delivered by officers;
4. role communications have to play in managing the council's reputation.

During debate, members of the Committee raised a number of concerns in relation to poor communications which included –

- members being unaware of initiatives undertaken by the council, that had taken place (or was in the process of taking place), within their ward and being told of those initiatives by a third party;
- members being unaware of internal staff structure changes (eg Neighbourhood Officers);
- having to use the Contact Centre to report ward work rather than being able to go directly to the officer responsible;
- 'My Chorley' not providing the ward overview promised to members;
- ward work being 'closed' off the system, only having it to be re-opened as the member was aware that the request had not been completed;
- not being kept informed on the progress of projects.

Members of the Committee also put forward suggestions in how communications could be improved.

In response to comments received, the Chair proposed that a report be prepared which would consider option 3 'a broader review of how members are kept informed about key areas of work being delivered by officers' to be presented at the next Committee on 25 January 2018.

**AGREED – That a report to be presented at the next Committee meeting on 25 January 2018 which considered option 3 - a broader review of how members are kept informed about key areas of work being delivered by officers.**

#### **17.OS.41 Overview and Scrutiny Task Group: Child Sexual Exploitation - response of Executive Cabinet**

At its meeting on the 3 August, the Executive Cabinet agreed the recommendations of the report which was written in response to the 10 recommendations put forward by the Overview and Scrutiny Task Group in to Child Sexual Exploitation (CSE).

The 10 recommendations had been broken down into 5 key areas –

- Training and awareness raising for elected members and officers
- Taxi trade and licensing community training
- Work with partners in producing appropriate materials/delivering events to raise CSE awareness amongst parents and guardians, improve links and maintain links with secondary and primary school
- Elected members personal safety guidance
- The council to continue to raise awareness within the community

The key areas and the actions required have formed the CSE Action Plan for 2017/18. The plan, which is appended to the report, also included the lead officer for each action, deadlines and completion notification.

Members of the Committee discussed various aspects of the report and actions taken place to date. In response to questions raised, the Head of Early Intervention and Support advised that the majority of the taxi trade had been trained in CSE. A further session would be arranged for those drivers who had yet to be trained. Once all taxi drivers (licensed through Chorley Council) had been trained, it was intended that the training would be rolled out to other licensing trades.

The Head of Early Intervention and Support also informed the Committee that the council would be getting involved in a Lancashire Wide campaign in November to promote CSE awareness.

**AGREED – That the report be noted.**

#### **17.OS.42 Reports from the Task and Finish Groups**

##### **Overview and Scrutiny Task Group – Council's Leisure Contract**

Councillor Morwood, Chair of the Overview and Scrutiny Task Group – Council's Leisure Contract provided members of the Committee with a verbal update on the progress of the review.

In total four meetings had taken place since it was formed in June 2017.

At the first meeting, the Task Group scoped the review and identified the objectives and the desired outcome.

The second meeting focused on the delivery of the current management arrangements of the council's leisure facilities by Active Nation. A joint presentation by the Head of Early Intervention and Support and the Health and Wellbeing Manger provided the task group with information on the council's leisure contract which included –

- staffing and financial arrangements;
- the timeline for the contract;
- current performance;
- challenges and options;
- leisure management options available.

Members of the Task Group were also information that a consultant was to be appointed to provide different options that the council may wish to consider when the current contract expires.

At the third meeting, representatives from Action Nation delivered a presentation which focused on the work the charity had done in Chorley and national initiatives they wanted to introduce to the borough. The presentation also considered -

- costs, reports and structures
- measuring and reporting performance
- challenges (staffing and retention)
- national trends
- a future vision of a leisure service which encompassed a health and wellbeing package that went beyond improving fitness.

At this meeting, the Task Group also welcomed the Philip Gooden, Service Manager from Lancashire Care Foundation Trust who was invited to discuss his vision as to the type of services that could be offered at the council's leisure facilities. There was an agreement that there was a national trend to deliver some health services/groups outside of the formal setting of doctors' surgeries and hospitals. It was considered that holding informal surgeries/classes/drop-in sessions in the local community would encourage those people in hard to reach groups to take an active responsibility in their health and wellbeing.

The types of sessions that could be offered did not need to be limited to those relating to exercise. It was reported that sessions related to mental health would be particularly beneficial in an informal environment, particularly drop-in sessions.

The Task Group welcomed officers from the council's human resources and legal section who produced a report which provided theoretical information and implications for 5 possible options of the future leisure service model.

The 5 leisure model options discussed were –

- Invite other leisure providers to tender for the contract under the current operating provision and objectives;
- Bring the provision back in-house and deliver under the current operating provision and objectives ;

- Invite other providers to tender for the contract under a new operating provision with objectives in-line with early intervention principles and outcome based performance;
- Bring the provision back in-house and design a model which targets the health needs of the residents of Chorley and was linked to the council's ambition for future operating models of partnership and collaborative approaches;
- Remain with existing services provided.

It was reported that any change to the current leisure provision could increase a risk in relation to staffing, as transferring to a new model would require skills matching.

Members of the Task Group had been informed that Pulse Regeneration had been appointed consultant to undertake a full review, which was expected to last approximately 6 weeks.

The next review meeting had been confirmed as 22 November. At this meeting the task group was expected to receive a report from the consultant containing proposals (including costings) relating to the 5 leisure models detailed above. Following which, it was deemed that members of the Task Group would be better placed to put forward their recommendations for the Executive Cabinet's consideration.

**AGREED – That the verbal update be noted.**

#### **17.OS.43 Overview and Scrutiny Work Programme**

Members of the Committee considered the work programme for the Overview and Scrutiny Committee, Performance Panel and task group topic areas for 2017/18.

It was agreed that a broad review of how members are kept informed about key areas of work being delivered be added to the work programme and that a report be presented at the next meeting of the Committee in the January 2018.

Councillor Fitzsimmons asked that a review be considered on the topic of social related housing in Chorley, and in particular the quality of housing provided by social landlords. After a short discussion, the Chair proposed that this topic would be the focus of the next Task Group review and that Councillor Fitzsimmons be nominated as Chair.

**AGREED – That the following topics be included on the Overview and Scrutiny Work Programme for 2017/18**

- **a report on a broad review of internal and external communications in regards to keeping elected members informed be presented at the next meeting of the Committee in January 2018;**
- **the topic of the next Task Group, which would commence in January, to be on social related housing in Chorley: quality of housing provided by social landlords of which Councillor Fitzsimmons was confirmed as Chair.**



Chair

Date

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**MINUTES OF OVERVIEW AND SCRUTINY COMMITTEE**

**MEETING DATE** Thursday, 30 November 2017

**MEMBERS PRESENT:** Councillor John Walker (Chair), Councillor Roy Lees (Vice-Chair) and Councillors Paul Leadbetter, Matthew Lynch, June Molyneaux, Greg Morgan and Alistair Morwood

**OFFICERS:** Asim Khan (Director (Customer and Digital)), Jo Oliver (Waste and Streetscene Manager) and Cathryn Filbin (Democratic and Member Services Officer)

**APOLOGIES:** Councillor Paul Clark and Jane Fitzsimons

**OTHER MEMBERS:** Councillor Adrian Lowe

**17.OS.46 Declarations of Any Interests**

There were no declarations of an interest received.

**17.OS.47 Exclusion of the Public and Press**

**17.OS.48 Minutes of meeting Tuesday, 24 October 2017 of Overview and Scrutiny Committee**

**AGREED – That the press and public be excluded from the meeting for the following items of business on the grounds that they involved the likely disclosure of exempt information as defined in Paragraph 4 of Part 1 of Schedule 12a of the Local Government Act 1972.**

**17.OS.49 New Waste Contract**

Members of the Committee considered a report from the Director (Customer and Digital) which provided information from the Council's consultants, AEA Ricardo and the result of the modelled options and indicative costs as requested at the Committee on 24 October.

The Chair welcomed the Executive Member (Customer, Advice and Streetscene Services), the Director (Customer and Digital) and the Waste and Streetscene Manager to the meeting.

The current waste collection contract with Veolia was due to expire on 31 March 2019. This was the largest contract the Council procures and was high risk procurement in

terms of value and reputational risk as well as a high profile service provided to all households in the borough.

Based on the findings of the consultant's report the recommendation to Executive Cabinet on 14 December 2017 would be for the waste collection service to remain outsourced, with tender documents to be prepared on the existing services and option 2 (four weekly blue bin collections). This modelling suggested a significant saving on the existing contract.

During debate, members of the Committee were informed that the cost saving was expected to exceed the saving identified in the MTFS. The Committee were also informed that there were potentially 5 to 6 operators who may be interested in the contract but that ultimately the interest would only be received from those operators who deemed the contract to be lucrative, and this would not be known until it goes out to tender.

Members of the Committee also discussed –

- Pressure from government and county wide to reduce the number of collections, although the Committee were reassured that it had not been taken in to consideration during the modelling process,
- Weight and capacity implications for residents and staff in relation to the blue bin four week rotation be implemented,
- Public waste bin collection.

Members of the Committee were reassured that the modelling options and the cost savings were as accurate as they could be. However, until the procurement process was completed and tenders returned, the costs were only indicative and based on the consultant's knowledge of the market. Specific factors such as depot costs, mobilisation costs, pension liabilities, labour costs, overheads and profits would all impact on the overall cost of providing the service as well as delivering elements outside the front line collection rounds.

**AGREED – That the report be noted.**

#### **17.OS.50 Recommendations**

Members of the Committee considered both the written and verbal evidence presented.

After careful consideration of all the evidence provided (written and verbal), the Overview and Scrutiny Committee **AGREED –**

- 1. That the report be noted,**
- 2. The outcome of the modelling work be included along with recommendations in the report to the Executive Cabinet on 14 December 2017.**

#### **17.OS.51 Any urgent business previously agreed with the Chair**

The Chair thanked the Democratic and Member Services Officer for servicing meeting of the Committee and associated meetings over the last two year a wished her well in her new role in the Elections Team.

Chair

Date

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**MINUTES OF OVERVIEW AND SCRUTINY PERFORMANCE PANEL**

**MEETING DATE Thursday, 30 November 2017**

**MEMBERS PRESENT:** Councillor John Walker (Chair), Councillor Roy Lees (Vice-Chair) and Councillors Matthew Lynch, June Molyneaux, Greg Morgan and Alistair Morwood

**OFFICERS:** Rebecca Huddleston (Director (Policy and Governance)), Andrew Daniels (Communications and Events Manager), Kate Howcroft (Policy Officer) and Cathryn Filbin (Democratic and Member Services Officer)

**17.OSP.43 Minutes of meeting Thursday, 21 September 2017 of Overview and Scrutiny Performance Panel**

**AGREED – That the minutes of the Overview and Scrutiny Performance Panel held on 21 September 2017 be confirmed as a correct record.**

**17.OSP.44 Declarations of Any Interests**

There were no declarations of any interest received.

**17.OSP.45 Performance Focus**

The Performance Panel received a report from the Director of Policy and Governance which provided information on the events being delivered by the Council's Communications and Events Team.

The Council's events programme aims to –

- Bring people together
- Increase the borough's profile locally and nationally
- Encourage people to live and work in the borough
- Provide engaging activities for residents improve and /promote health and wellbeing (Chorley Grand Prix)
- support local businesses

It was reported that Chorley Council had gained an excellent reputation for organising and delivering events. Since 2009, the Council's events delivery had significantly increased from two annual events (Picnic in the Park and the Christmas lights switch on), to a yearlong programme of activities designed for people of all ages.

As part of their work, the Communications and Events Team was also responsible for internal and external communications including press enquires, social media, branding and website development.

### Events delivered in 2016/17

Members of the Performance Panel were presented with the following table which outlined information on events delivered over 2016 and 2017. It also provided attendance figures for each event, the amount of income generated were applicable, and the net cost.

Year	Month	Event	Last attendance figures	Income	Net cost (after income)
2017	April	What's your story, Chorley?	1,500		5,400
	April	Chorley Grand Prix	2,000+	£4,000	£36,000
	Summer months	Theatre in the Park x2	1,000	£5,000	£2,000
	June	Picnic in the Park	8,000		£15,000
	June	Taste of Chorley	1,000		£2,000
	October	Chorley Live	10,000	£15,000	£0
2016	July	Chorley Flower Show*	13,000	£62,108	£67,000
	November	Astley Park Bonfire and Fireworks*	5,000	£3,000	£14,000
	November	Christmas lights switch on	5,000	£3,000	£14,000
	November	Christmas pantomime	400	£900	£600
	December	Chorley's Santa Express	2,400	£17,000	£2,000
	December (throughout the month)	Christmas attraction	15,000	£40,000	£5,000
	<b>Total</b>		<b>61,300</b>	<b>£147,508</b>	<b>£161,337**</b>

\*2017 figures yet to be confirmed

\*\*Not reflective of total cost of 2017/18 events

It was reported that the Chorley Flower Show was the highest costing event held across the year, with the 2016 show costing in the region of £67,000 (net). Chorley Live was delivered at no net cost to the Council in 2017 due to the income generated from this event covering the outgoing cost of organising the event.

With regards to value for money or cost per attendance –



- Chorley Live shows the best value for money in terms of attendances at nil cost per visitor;
- Chorley Grand Prix was the highest cost event per attendee. However, it was difficult to quantify attendances for this event due to its nature, and the layout of the course. It was therefore considered that the actual attendance at the event held in 2017 was much higher than 2,000 people recorded in the table;
- Chorley Flower Show generated the highest income in 2016, of around £62,000.

## **Evaluation**

Following the delivery of events, customers are asked to complete a satisfaction survey.

The purpose of the evaluation is to gather information on the economic and social impact the event had on the borough as well as improving the event for the following year.

An example of this was provided in respect of the Chorley Flower Show 2017. A total of 283 people completed the feedback questionnaire following the Chorley Flower Show in 2017. It was reported that the majority of respondents spent between £11-£40 pounds whilst at the event, and £0-£10 outside the show. 84% of respondents indicated that they would attend the event the following year. Respondents were also asked to indicate their favourite part of the show.

Performance against the indicator 'number of event attendees' would be reported at quarter four 2017/18; however the performance so far had been positive with 40,500 events attendances against an annual target of 65,000.

## **Marketing**

It was reported that events are promoted and marketed by various means including the Council's website, Check out Chorley website, social media (Facebook and twitter) and the Council's What's Happening magazine published three times per year.

In addition to general advertising, targeted advertising also take place (eg Chorley Flower Show is advertised in horticultural magazines).

The most popular way in which people heard about the Council's events was via Facebook and attendance at previous events. Facebook was recognised as a key tool to enable two-way communication between the Council and residents. Feedback received from visitors demonstrated Facebook's effectiveness.

## **Questions from the Performance Panel**

In response to questions raised by members, the Performance Panel were informed -

- The final cost for Chorley Flower Show 2017 would be known within the next two weeks.

- The costs detailed within the report did not include the staffing costs for Communications and Events Team, which would vary depending on which officers were delivering the event.
- It was expected that the revenue raised for the Christmas events for 2017 would not match those of the previous year. This was due to the events being scaled back as a result of the work taking place on the Market Walk extension.
- Feedback received from residents indicated that they considered the events good value, and provided a positive impression of Chorley.
- Although there was extensive advertising for the Council's events (60% of which is focused within the borough); it was recognised that some residents, particularly those living in the outlying rural areas, may not be aware of the Council's events. To address this matter, members of the Performance Panel suggested an alternative approach could include delivering leaflets to community hubs and via Parish Council newsletters
- Chorley Grand Prix had proved to be the highest cost per attendee. This was affected by a number of factors, including the weather. In 2017 the Council had appointed a company who specialised in gathering sponsorship. However, this had not proved successful, and the Council was being debriefed on their findings. One significant cost related to the Council's legal responsibilities in regards to road closures. The number of hours by Council officers attributed to this event was low in comparison to other events, as British Cycling organised a significant amount of the event.
- Chorley Live had been a huge success at nil cost to the Council. However it had attracted some criticism in that a number of the venues were considered too small to accommodate the number of attendees. It was recognised that this could discourage attendance in the future. To prevent this, the number of venues taking part in the event would need to increase. Due to the success of Chorley Live, with some businesses claiming that weekend as the most profitable throughout the whole year, it was considered that a similar event could be held at a different time of the year. However, the Council would not have the resources to organise more than one event per year, and businesses were being encouraged to work together to deliver a similar event.
- The panel discussed a number of options which could be considered to increase the revenue stream on Council run events. These include –
  - Extending Chorley Flower Show by a day, increasing the event to three days.
  - Increasing ticket prices and introducing a nominal entrance charge for those events which are currently free such as Astley Park Bonfire and fireworks. At present a donation can be made by attendees for this event, which are donated to the Mayor's charity. It was felt that a nominal admittance charge to cover the cost of the event would not be unreasonable.
  - Charging a fee for those businesses who were profiting from within the events boundaries (eg food stalls).

**AGREED –**

- **That the report be noted;**

- **That a costing exercise was carried out to establish the cost of officer time spent on each event.**

#### **17.OSP.46 Quarter 2 Performance Report 2017/18**

The Performance Panel considered a monitoring report from the Director of Policy and Governance which was presented at the Executive Cabinet on 3 November. The report set out the performance against the delivery of the Corporate Strategy and key performance indicators during the second quarter of 2017/18, 1 July to 30 September 2017.

Overall, performance of key projects was rated as good -

- 8 (57%) of projects were rated as green or complete
- 2 (14%) of projects were closed, the reasons for which had been included in the report
- 4 (29%) of projects were rated amber, action plans for which were detailed in the report.

Performance of the Corporate Strategy indicators and key service delivering measures was good with 58% of Corporate Strategy measures performing on or above target. 80% of key service delivery measures were performing on or above target or within the 5% threshold. Those indicators performing below target had action plans outlined in the report, including measures which would be put into place to improve performance.

During quarter 2, a residents' survey was conducted to gather residents' views about their satisfaction with the Council, local area and community involvement. Overall performance was good. Five of the nine indicators performed about target or within the 5% tolerance.

Four of the nine indicators performed below target;

- % of people who felt they could not influence decision making in their local area,
- satisfaction with street cleanliness,
- % of people who regularly participate in volunteering
- % of residents who felt that Chorley Council provided value for money.

However, this performance was on par or better than average compared to national trends for council satisfaction. It should also be considered in light of a particularly challenging local and national context.

Members of the Performance Panel questioned the purpose of the performance indicator 'Number of homelessness preventions and reliefs'. It was confirmed that the performance indicator was no longer going to be monitored through the Council's corporate strategy following the publication of the quarter four 2017/18 performance information and will instead be reviewed and measured locally within the relevant Council service.

**AGREED – That the report be noted.**

Chair

Date

**MINUTES OF EXECUTIVE CABINET****MEETING DATE Thursday, 16 November 2017****MEMBERS PRESENT:** Councillor Alistair Bradley (Chair), Councillor Peter Wilson (Vice-Chair) and Councillors Beverley Murray, Paul Walmsley, Adrian Lowe and Graham Dunn**OFFICERS:** Gary Hall (Chief Executive), Chris Sinnott (Director (Early Intervention and Support)), Mark Lester (Director (Business, Economic and Growth)), Rebecca Huddleston (Director (Policy and Governance)), Chris Moister (Head of Legal, Democratic & HR Services), Ruth Rimmington (Democratic and Member Services Officer), Dianne Scambler (Democratic and Member Services Officer), Rebecca Aziz-Brook (Performance and Partnerships Officer) and Andrew Daniels (Communications and Events Manager)**APOLOGIES:** None.**OTHER MEMBERS:** Councillor Tom Gray, Marion Lowe, June Molyneaux, Alistair Morwood, Alan Cullens, Greg Morgan, John Walker and Mick Muncaster**17.EC.103 Welcome**

The Executive Leader welcomed Councillors from Wyre Council's Scrutiny Committee who were attending the meeting to observe the Council's use of tablets to facilitate paperless meetings.

**17.EC.104 Minutes of meeting Thursday, 5 October 2017 of Executive Cabinet**

**RESOLVED – That the minutes of the Executive Cabinet meeting held on 5 October be confirmed as a correct record for signing by the Chair.**

**17.EC.105 Declarations of Any Interests**

There were no declarations of any interests.

**17.EC.106 Public Questions**

There were no questions submitted by any members of the public.

**17.EC.107 Executive Cabinet Response to the Overview and Scrutiny Task Group on the Rollout of Superfast Broadband**

The report of the Director (Business, Development and Growth) was presented by the Executive Leader and Executive Member (Economic Development and Public Services Reform).

An Overview and Scrutiny task group, chaired by Councillor Kim Snape, looked at the rollout of superfast broadband across the borough and their final report was presented to Executive Cabinet in August 2017. The report contained the Executive Cabinet's response to the recommendations within the report.

**Decision: Approval granted that the recommendations in section 8 of the report and completed actions be accepted.**

**Reasons for recommendation(s):**

To provide a response to the recommendations made by the Overview and Scrutiny Task Group's review of the current rollout and provision of superfast Broadband.

**Alternative options considered and rejected:**

None.

**17.EC.108 Allocation of Community Infrastructure Levy Funds**

The report of the Director (Business, Development and Growth) was presented by the Executive Leader and Executive Member (Economic Development and Public Service Reform) and sought approval for the allocation of £365,000 capital infrastructure monies to be allocated to the Digital Office Park project for spend in 2017/18 and 2018/19.

The Community Infrastructure Levy (CIL) was introduced to simplify the process of calculating and collecting planning obligations and has to be spent on infrastructure needed to support development within the borough.

The report formalised the implementation of a system for allocating the main CIL monies to infrastructure projects that are on the CIL 123 list and detailed how the CIL expenditure was allocated including the methodology used for assessment and projects funded.

**Decision: Approval granted for the allocation of £365,000 capital infrastructure monies to the Digital Office Park project for spend in 2017/18 and 2018/19.**

**Reasons for recommendation(s):**

To allocate the CIL Infrastructure Fund in the way it is intended and ensure the methodology of how it is allocated its transparent.

**Alternative options considered and rejected:**

None.

**17.EC.109 Chorley Council Performance Monitoring Report - Quarter Two**

The report of the Director (Policy and Governance) was presented by the Executive Member (Resources). The report set out the Council's performance against the

Corporate Strategy and key performance indicators during the second quarter of 2017/18, 1 July to 30 September 2017.

Overall performance of the key projects was good with eight (57%) of the projects rated as green or complete and four (29%) rated as amber. Two (14%) projects had been closed and a full explanation given. Action plans for all of the projects were contained within the report.

Performance of the Corporate Strategy indicators and key service delivery measures was also good. 58% of Corporate Strategy measures and 70% of the key service delivery measures were performing on or above target or within the 5% threshold. Action plans were contained for those indicators performing below target that outlined the measures to be put in place to improve performance.

Following a discussion by Members it was explained that although the number of homelessness preventions and reliefs was underperforming against target the Executive were not unduly concerned as the indicator is demand driven.

The target for this measure had been set at a more challenging level for 2017/18 (800) compared to that of 2016/17 (600) in anticipation of increases due to a number of potential changes expected in 2017 that included, the impact of the Homelessness Reduction Bill, Supporting People changes and rollout of Universal Credit full digital. These changes had not yet happened and therefore the anticipated increase has not occurred.

The Housing Option teams would continue to monitor progress closely and the Council continues to provide comprehensive support and advice to those who need it.

During quarter two, a resident survey had been conducted to gather the views of residents about satisfaction with the Council, their local area and community involvement. Overall performance was good with five of the nine indicators performing above target or within the 5% tolerance.

Four of the nine indicators were performing under target, the percentage of people who feel they cannot influence decision making in their local area, satisfaction with street cleanliness, percentage of people who regular participate in volunteering and percentage of residents who feel that the Corley Council provides value for money. Although performance is on a par better than the average compared to national trends there was an acceptance by the Executive Cabinet that these targets needed to improve.

**Decision: The report be noted.**

**Reasons for recommendation(s):**

To facilitate the ongoing analysis and management of the Councils performance in delivering the Corporate Strategy

**Alternative options considered and rejected:**

None

**17.EC.110 Revenue and Capital Budget Monitoring Report 2017/18 Report 2 (end of September 2017)**

The report of the Chief Finance Officer was presented by the Executive Member (Resources) that set out the provisional revenue and capital outturn figures for the Council as compared against budgets and efficiency saving targets set for the financial year 2017/18.

The projected revenue outturns currently showed a forecast underspend of £392,000 against budget with no action being required at this stage in the year. The latest forecast excluded any variation in projected expenditure on investment items added to the budget in 2017/18.

In the 2017/18 budget the expected net income from Market Walk after deducting finance costs was £0.998m. The latest projection showed a break even position including £40k of revenue expenditure relating to the Market Walk Extension project. It was also reported that the forecast of capital expenditure in 2017/18 is £22.925m.

The Council's Medium Term Financial Strategy (MTFS) proposed that working balances are to reach £4.0m over the three year lifespan of the MTFS to 2018/19 due to the financial risks facing the Council. A budgeted contribution into General Balances of £500k is contained within the budget for 2017/18 and the current forecast to the end of September shows that the General Fund balance will be £4.004m by the end of the financial year, being on target to achieve £4m a year early.

A number of requests had been made to be funded from underspends that included the enabling of the Council to meet its requirements under the General Data Protection Regulation, the funding of an electoral review of Chorley Council, and allow the Council the flexibility to continue funding local bus services in 2017/18.

In response to Members questions, further explanation was given to the thought processes behind the request to create a temporary post at senior level with responsibility for delivering the Market Walk extension, Primrose Gardens and Digital Health Park. The Council was now reaching a critical stage in the delivery of a number of asset development activities that will require a significant amount of senior management overview all at the same time. The creation of this post would prevent progress being delayed on a number of other important activities including the development of the Council's employment land and the refreshing of the Council's local plan

**Decision:**

- 1. The full year forecast position for the 2017/18 revenue budget and capital investment programme was noted.**
- 2. The forecast position on the Council reserves was noted.**
- 3. That Council approve the use of "25,000 from in-year revenue underspends to enable the Council to meet the requirements of the General Data Protection Regulation.**
- 4. That Council approve the use of £50,000 from in-year revenue underspends to enable the Council to fund the Local Government Boundary Commission for England's electoral review of Chorley Council.**
- 5. That Council approve the use £120,000 from in-year revenue underspends to allow the Council the flexibility to continue funding local bus services in 2017/18.**
- 6. That Council approve the use of £30,000 from in-year revenue underspends to fund the revenue implications of recent planning appeals.**



7. That Council approve the use of £60,000 from in-year revenue underspends to create a post at a senior level with responsibility to deliver the Market Walk extension, Primrose Gardens and the Digital Health Park.
8. That Council note the capital programme to be delivered in 2017/18 to 2019/20.

**Reasons for recommendation(s):**

To ensure the Council's budgetary targets are achieved. Ensuring cash targets are met maintains the Council's financial standing,

**Alternative options considered and rejected:**

None.

**17.EC.111 Exclusion of the Public and Press**

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

**17.EC.112 Coronation Recreation Ground and Harpers Lane Recreation Ground Update and Approval For Improvements**

The confidential report of the Director (Business, Development and Growth) was presented by the Executive Leader and Executive Member (Economic Development and Public Services Reform) that provided an update on the planned improvements for Coronation and Harpers Recreation Grounds and sought approval to commence the works.

**Decision:**

1. Approval granted for the proposed planned works and budget for Coronation Recreation Ground.
2. Approval granted for the proposed planned works and budget for Harpers Lane Recreation Ground.
3. Approval granted for the proposed procurement approach for phase one and delegated power granted to the Executive Leader to award the contract.
4. The Section 106 funding used to fund the works outlined in Appendix one of the confidential report be noted.
5. Approval granted for funding be allocated from Council resources to deliver CCTV installation on both recreation grounds, Should external grant funding bids be unsuccessful, the finance will be sought from Chorley Council to complete the full scheme as outlined.

**Reasons for recommendation(s):**

1. To deliver the commitments to improve Coronation and Harpers Recreation Grounds as included in the Play, Open Space and Playing Pitch Strategy.
2. To spend the Section 106 developer contributions which have been collected for these improvements.
3. To maintain the assets and ensure they remain in good repair and therefore reduce any health and safety risk to the public and encourage inward investment in the Borough.

4. To promote the use of the space by the community and contribute to the health and wellbeing of the community.

**Alternative options considered and rejected:**

Not to do any improvements. This is rejected because it could result in the loss of Section 106 developer contributions and increase the risk of those assets falling into serious disrepair which is a reputational health and safety risk.

**17.EC.113 Enforcement restructure proposals**

The confidential report of the Director (Policy and Governance) was presented by the Executive Member (Public Protection) that proposed the creation of a new enforcement team aimed at strengthening and improving the Councils approach to enforcement by bringing different teams together into one team within the Customer and Digital directorate.

**Decision:**

1. **Approval of the proposed structure for formal consultation.**
2. **Approval of the request for Early Retirement Voluntary Severance application.**
3. **Delegated authority granted to the Executive Member (Public Protection) to approval the final structure following its consultation, subject to there being no significant changes to what is proposed within the report.**

**Reason for recommendation(s):**

To strengthen the Council's enforcement service and demonstrate the Council's commitment to delivering a professional, firm and fair service to act as a catalyst for further change.

**Alternative options considered and rejected:**

A number of alternative options and variations to the proposed structure were considered that included:

- a) Making no changes to the current structure, and instead making changes and improvements to processes and systems to drive change. This was rejected as it would still leave both building control and planning enforcement with temporary reporting arrangements and it is considered that creating a new team will act as a catalyst for process and system changes which may drive forward change and improvements quicker and more consistently: and
- b) Consideration was given to whether the service should fit within the Policy and Governance directorate and specifically form part of the Council's legal team due to the close working of some of the teams with Legal such as Licensing. However as the proposal developed and the remit of the proposed team expanded this option was also rejected.

Chair

Date

**MINUTES OF EXECUTIVE CABINET****MEETING DATE Thursday, 14 December 2017****MEMBERS PRESENT:** Councillor Alistair Bradley (Chair), and Councillors Beverley Murray, Paul Walmsley and Adrian Lowe**OFFICERS:** Gary Hall (Chief Executive), Asim Khan (Director (Customer and Digital)), Mark Lester (Director (Business, Economic and Growth)), Chris Moister (Head of Legal, Democratic & HR Services), Jo Oliver (Waste and Streetscene Manager) and Dianne Scambler (Democratic and Member Services Officer)**APOLOGIES:** Councillor Peter Wilson and Graham Dunn**OTHER MEMBERS:** Councillor Danny Gee, Tom Gray, Matthew Lynch, June Molyneaux, Alistair Morwood, Richard Toon, Eric Bell, Greg Morgan and John Walker**17.EC.114 Minutes of meeting Thursday, 16 November 2017 of Executive Cabinet****RESOLVED – That the minutes of the Executive Cabinet held on 16 November be confirmed as a correct record for signing by the Chair.****17.EC.115 Declarations of Any Interests**

There were no declarations of any interests.

**17.EC.116 Public Questions**

There were no questions submitted by any members of the public.

**17.EC.117 Play, Open Space and Playing Pitch Strategy**

The Executive Leader presented a report of the Director of Business, Development and Growth that updated members on the delivery on the Play, Open Spaces and Playing Pitch Strategy and sought approval for the allocation of existing Section 106 money to schemes, as identified within the Strategy and in accordance with site assessments and policy, in order to continue its delivery.

The existing Strategy is a five year plan from 2014 – 2019 and with the fourth year almost complete, the Council are now working to deliver year five and plan for future years. All of the sites identified in the action plan were those that scored low for quality

or value or those which are located in areas of high usage and subsequently need investment to improve and modernise facilities and infrastructure. A forward plan is needed in advance to justify the collection of developer contributions from new developments and also inform the pooling of Section 106 monies.

The report provided an update on completed schemes to date and detailed the next round of schemes, following a 'light touch' assessment and strategy refresh by officers, pending the publication of the new Open Space and Sports Recreation Strategy 2020 – 2025 which is expected to be completed by Spring 2019. Consultation with Members and the public will be carried out by external consultants throughout 2018 in order to capture suggestions for sites not already included in the existing Strategy.

An overview of the approximate budgets required against the types of schemes was also provided along with the amounts of funding already received for spend against each one.

Members discussed the provision of play equipment for older children and adults. Schemes like Trim Trails to promote healthier lifestyles have been earmarked for inclusion at Coronation Recreational Ground and the Westway Campus.

**Decision:**

- 1. Approval granted for the next phase of projects to enable continued delivery of the play, open space and playing pitch strategy and associated action plan.**
- 2. The allocation of Section 106 monies to the schemes identified in the refreshed strategy action plan be noted.**
- 3. Delegated approval granted of the detailed projects and associated tender exercise to the Executive Member subject to consultation with appropriate ward members.**
- 4. Approval granted for the commission of a new Open Space, Playing Pitches and Recreation Strategy in partnership with South Ribble and Preston Councils linking into the upcoming Local Plan review to provide a new strategy from 2020 to 2025 at an estimated cost of £30,000.**

**Reasons for recommendation(s):**

In order to require and collect developer contributions for Play and Open Space, the Council needs to have in place a strategy which sets out where that investment is required. The Council continually requests and collects Section 106 contributions that are allocated to scheme ready for delivery when all the money required is collected.

**Alternative options considered and rejected:**

If the Council does not have a forward plan of schemes, it would lose the opportunity to request contributions from developers. Section 106 contributions must be spent within a certain timeframe on the agreed scheme; any monies collected could be at risk if not spent.

**17.EC.118 Exclusion of the Public and Press**

To exclude the press and public for the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1, 3 and 4 of Part 1 of Schedule 12A to the Local Government Act 1972.

**17.EC.119 Approval for the contract award procedure and evaluation criteria for the procurement of a new waste and recycling collection contract.**

The Executive Member (Resources) presented the report of the Director of Customer and Digital that sought approval for the contract award procedure and evaluation criteria for the waste and recycling collection contract for households in the Borough. The report also sought approval for waste collection service options and ancillary services which would form part of the tender.

The Council's current waste and recycling collection contract expires on 31 March 2019 and is the largest contract that the Council procures and is high risk in terms of value and reputational risk. It is also a high profile service that is provided to all residents of the Borough.

Consultants, AEA Ricardo were appointed by the Council to assist with this procurement and have completed work on modelling the potential options along with risks and benefits for the new contract. The Council has significant targets to achieve for the 2019/20 budget with a 2017/18 MTFS target of £250,000 for this contract. It was recommended that the service continued to be outsourced. Four options were modelled within the report with indicative costings provided for each one.

The findings of the consultant's report had been presented to the Overview and Scrutiny Committee on 30 November with Option 2 (four weekly blue bin collections) to be included in the tender documentation being recommended by the Committee.

The Council's consideration to either purchase or lease the waste collection vehicles would only be taken up if deemed to be a cost effective option for the authority. The Executive Cabinet accepted that there was an element of risk to these proposals and that any such proposals would be explored fully.

The new contract would include a review of the current waste collection rounds within the first year of the contract to ensure a high level of productivity and efficiency will be achieved. This review would be undertaken by the new service provider and details on how this would be carried out would form part of the tender. This is likely to result in a number of day changes which will cause some short term disruption.

The Council had explored the potential for partnership working with other Councils due geography and contract expiry dates there had been limited possibilities. The proposed contract length is for ten years with a two year extension option so that it will align with the current South Ribble contract which will end in June 2029.

Members commented on how disappointed they were with current recycling rates across the country and asked if Chorley could look at making improvements where possible. Lancashire County Council does not wish to discuss this any further at present and it was thought that rates would only improve when incineration of recycled products was a viable option.

**Decision:**

- 1. Approval granted for the waste and recycling service to continue to be outsourced.**
- 2. Approval granted for the waste tender to be based on the current service and tenders to be evaluated on this basis. Bidders will also be asked to**

price for Option 2, the four weekly collection of plastic, bottles, can and glass (blue Bins) with other waste streams collected as current.

3. Approval granted for the recommended ancillary services detailed in section 43 of the report.
4. Approval granted that the contract period be for ten years with the option of a two year extension.
5. Approval granted for the cost quality ratio for the tender evaluation be 60:40.
6. Approval granted for the waste collection vehicles to be financed and procured by the Council provided it is cheaper to do so.
7. Approval granted for the award of contract to be submitted to Executive Cabinet and full Council in July 2018.

**Reason for recommendation(s):**

1. Evaluation of the consultant's report along with assessment of how we can deliver ancillary services has resulted in the recommendations outlined in the report.
2. Under the Council's contract procedure rules approval by Executive Cabinet is required for contracts over £75,000.

**Alternative options considered and rejected:**

1. A number of other service delivery and collection service options have been considered and these are described in the report along with reasons for unsuitability.
2. To not agree contract procedure and award would fail to comply with the Council's procurement rules.

**17.EC.120 Business Development and Growth Restructure**

The Executive Leader presented the report of the Director of Business, Development and Growth that presented a proposal for restructuring the Business, Development and Growth Directorate.

The directorate wide review follows on from the review of senior management in 2016 and subsequent appointment of a new Director of Business, Development and Growth in 2017.

The Business, Development and Growth directorate is key to delivering the Council's priority of a strong local economy and the aim of the restructure was to develop a fit for purpose structure which will have the right skills and capacity to deliver existing services and drive forward economic growth through ambitious projects such as the digital health park and bringing forward employment sites.

The proposed restructure would also increase capacity in planning policy and planning obligations and adoptions and will create a number of fixed term project posts to drive forwards capital projects such as Digital Health, Primrose Gardens, Market Walk Extension and other income generating employment sites.

**Decision:**

1. Approval granted of the proposed structure for consultation.
2. Approval granted for the Executive Member for Economic Development and Public Service Reform be given delegated authority for approving the final structure following the period of formal consultation, subject to there being no significant changes to what was proposed in the report.

**Reasons for recommendation(s):**

To ensure the structure of the directorate is fit for purpose and meets the needs of the business in the future.

**Alternative options considered and rejected:**

To continue with the existing structure is an option, however it has been rejected as the current structure is not meeting the current needs of the service. This is partly due to the number of vacant posts, but also the additional work created by a large number of large capital projects which are consuming a significant amount of staff time. Additionally continuing with the existing structure would not achieve the financial savings which are required to meet the MTFS savings target.

Chair

Date

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Report of	Meeting	Date
Director of Early Intervention and Support	Overview and Scrutiny Committee	25 January 2018

## UPDATE ON THE INTEGRATED COMMUNITY WELLBEING SERVICE

### PURPOSE OF REPORT

- To provide an update on progress made in implementing the integrated community wellbeing service in partnership with Lancashire Care Foundation Trust (LCFT)

### RECOMMENDATION(S)

- That the report be noted.

### EXECUTIVE SUMMARY OF REPORT

- The integrated community wellbeing service continues to develop since its start in April 2017. The focus for the coming months will be on reviewing and reforming pathways related to homelessness, employability and mental health.

Confidential report Please bold as appropriate	Yes	No

### CORPORATE PRIORITIES

- 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 homes and communities	✓	An ambitious council that does more to meet the needs of residents and the local area	✓

### BACKGROUND

- As part of the work to examine future governance models for public services, an outline business case was developed to create a service that focussed on prevention and early intervention. From that, Chorley Council and LCFT agreed to create the integrated community wellbeing service.
- The business case argued that it should be possible to make public services more sustainable if organisations worked together more effectively around functions that supported prevention and early intervention. It predicted that, over time, it would be possible to achieve significant savings and better outcomes if this was successful.
- Following the agreement from the two organisations in winter 2016, the service commenced in April 2017. The main focus in the initial period was on collocating around 170 staff within

the service into the council's Union Street offices, and ensuring that mechanisms are established to promote working across the service.

### **PROGRESS SINCE APRIL 2017**

8. The work since April has broadly focussed on:
- Workforce engagement and development
  - Improving casework focussed on prevention and early intervention
  - Improving integration in service delivery

#### Workforce engagement and development

9. Ensuring that teams and individuals are content and confident in their jobs and in the new arrangements has been an important focus of the past six months. A series of service-wide events have been held to encourage interaction and establish the culture and focus of the service.
10. An initial survey of all staff involved in the service was undertaken to ensure that a baseline was established after the initial settling period. The survey was undertaken in July and August, and sought to establish staff views on the service and the colocation. There was a 52% response rate.
11. The results of the survey are positive, with 65% of respondents saying they are satisfied with the changes to colocate their team into the integrated community wellbeing service. Other positive responses include:
- 78% responded to say they know the aims and objectives of the service
  - 64% feel there is an upbeat positive culture within the service
  - 90% say that they understand what is expected of them in work.
12. There are areas for improvement that have been highlighted through the staff survey. These particularly relate to:
- a. Ensuring that people's skills, knowledge and experience are fully utilised
  - b. Ensuring that staff feel involved in decision making
  - c. Ensuring that staff are able to contribute to promoting focus on prevention and early intervention
13. Action is already being taken to address the areas for improvement, with staff working in facilitated focus groups to develop an action plan for implementation. Once developed, the action plan will be shared with all staff before being implemented over the coming months.

#### Improving casework focussed on prevention and early intervention

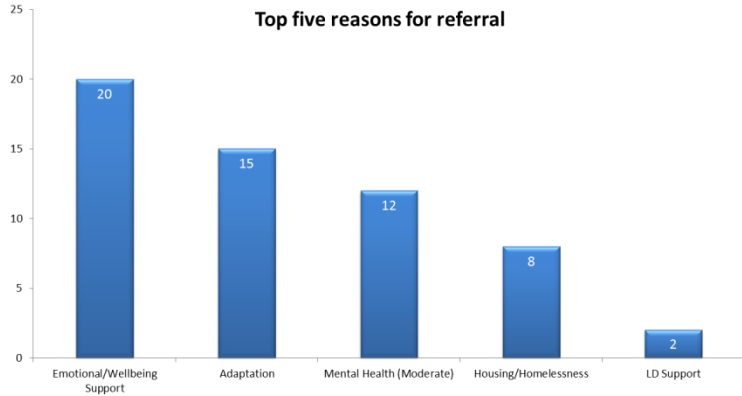
14. One of the key focuses for the period between June and November has been to facilitate the functions delivered within the integrated community wellbeing service. This has been particularly done through an integrated referral hub for cases that benefit from a multi-disciplinary approach, based upon an approach pioneered by the Chorley Public Service Partnership.
15. The integrated referral hub meets on a weekly basis, and receives cases from members of staff across the service. The cases are those where the staff believe would benefit from a comprehensive approach to reduce the risk of a crisis presentation or escalation of issues.
16. Set out below is a summary of the caseload considered to date

**Integrated Referral Hub: caseload summary**

**Top referral destinations**



**Top five reasons for referral**



**Time taken to deal with cases**



**78**  
cases considered

Main age groups for clients  
**60 - 79**  
& **18 - 29**

17. The key learning points from the referral hub to date are:

- A good method to encourage interaction between teams on a case by case basis
- Reduced levels of risks to patients/individuals by looking at assessments of need at an earlier point, which help reduce or avoid acute needs at a later point e.g. Housing needs, adaptations, social care support, Carer’s assessment, Home Fire Safety checks
- Coordination and tracking of cases providing a stronger focus on prevention and early intervention
- We need to develop clarity in how cases are coordinated and closed to ensure the referral hub remains focussed and information is recorded in a consistent manner.
- There may be potential for a slightly different approach to be developed whereby cross-functional teams work on complex cases to establish new approaches and relationships

Improving integration in service delivery

18. In addition to the integrated referral hub, set out below are improvements that have been made to a focus within the service: minor and major adaptations.
19. Adaptations to properties are administered by Chorley Council, with links to the wider disabled facilities grant process. The adaptations aim to support residents to remain in their homes by making changes to properties. As such, they provide a critical tool in preventing and reducing demand on more expensive and intensive public services (such as hospitals and adult social care).
20. Previously, the process included handovers between different providers, referrals and significant delays.

21. The recipients of adaptations tend to be older residents and they will have conditions normally mean that they are in need of more public services (for example with more frequent visits to GPs, A & E attendances and community based support).
22. Changes have been made in the process to improve it. They include changes to policy to reduce or remove thresholds (for example, the council changed its policy to limit the need for financial means testing and improve procurement), and to use the resources available within the integrated service.
23. Set out at appendix A is a summary of the process, before and after the improvements. It illustrates that the potential savings that changing the process could achieve for public services.

## **FUTURE FOCUS**

24. The work of the integrated community wellbeing service is overseen by a joint Executive group, comprising representatives from Chorley Council and from LCFT. Chorley Council's representatives are:
  - a. Cllr Bev Murray
  - b. Cllr Margaret France
  - c. Gary Hall
  - d. Chris Sinnott
25. The group meets on a quarterly basis to receive updates on progress made in implementing the service. It provides a strategic oversight, but it does not replace the normal decision making processes for the two organisations.
26. At its meeting in December, the Executive Group considered a report on the focus for future change for the service. The key element of that report was a proposal that identified key pathways for review and reform.
27. Pathways refer to the way in which customers and clients receive services and support, and is a term particularly used in health and social care. Where pathways work well, they reduce demand, manage costs and improve outcomes.
28. Too often, however, existing pathways result in people waiting too long, being passed onto other services as their problems are deemed too complex. Pathways can also be far too generic to deal with issues properly or, conversely, they are too specific and only allow support to be offered on very focussed aspects of people's presenting needs.
29. Therefore, work has been undertaken to identify pathways within the integrated community wellbeing service that have the greatest potential to improve services to the borough's residents. The selected pathways are:
  - Mental health
  - Homelessness
  - Early-years / family support
  - Social isolation / loneliness in older people
  - Employability
  - Frailty
30. To focus efforts, the initial work will concentrate on mental health, homelessness and employability.
31. Staff within the integrated service will work together, and with other partners and service users, to review the pathways and make recommendations for improvements.

32. In addition to work to review pathways, the two organisations are continuing to work to develop and strengthen the partnership. This work includes:
- Identifying the budget and staffing resource that is available to service
  - Continuing to review the management arrangements to ensure they remain fit for purpose
  - Working with other partners delivering public services through the Chorley Public Service Reform Partnership

**IMPLICATIONS OF REPORT**

33. 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**

34. No comments

**COMMENTS OF THE MONITORING OFFICER**

35. No comments

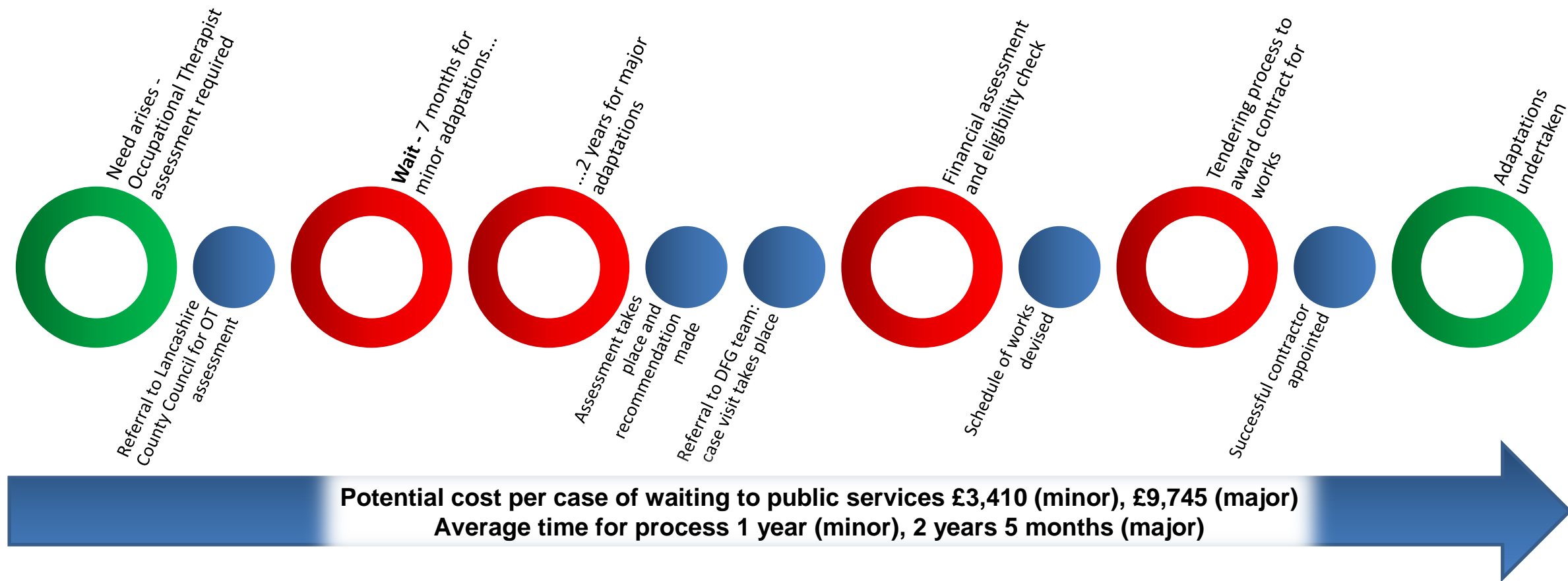
CHRIS SINNOTT  
 DEPUTY CHIEF EXECUTIVE / DIRECTOR (EARLY INTERVENTION AND SUPPORT)

There are no background papers to this report.

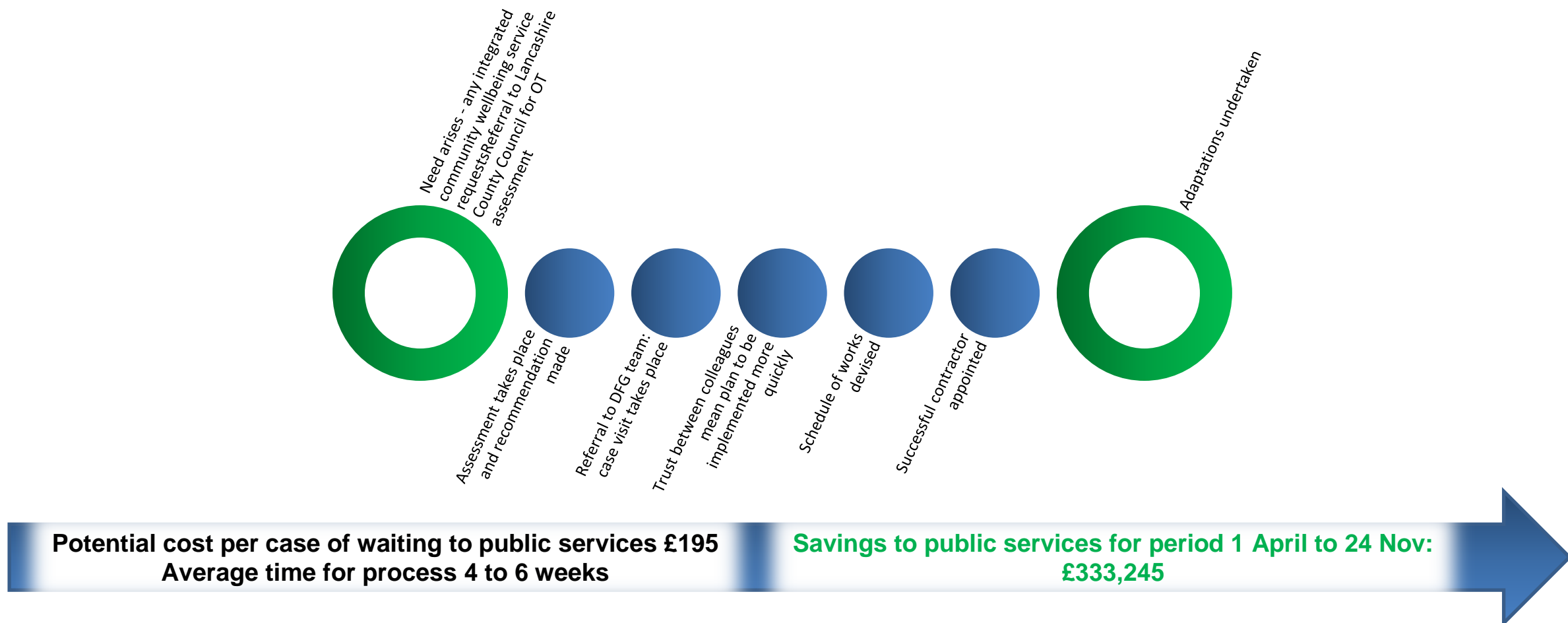
Report Author	Ext	Date	Doc ID
Chris Sinnott	5337	9 January 2018	ICW O and S update Jan 18

# Major and minor adaptations: improving outcomes, reducing costs

## Process before integrated community wellbeing



## Process since integrated community wellbeing





Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	18 January 2018

## **2018/19 DRAFT BUDGET AND SUMMARY BUDGET POSITION OVER THE MEDIUM TERM**

### **PURPOSE OF REPORT**

1. To set out the budget position for 2018/19 including the forecast for the following 2 years to 2020/21 and also present the relevant proposals in respect of:
  - The use of forecast resources identified in 2018/19
  - Budget consultation

### **RECOMMENDATION(S)**

2. That Members agree the contents of this report in order to start the budget consultation process and note the following proposed budget items, in particular:
  - Council tax to be increased by 2.99% in 2018/19, this is the equivalent of a £5 increase per year for an average band D property or about 10p per week. In addition, the Council will bring into its budget forecasts a 2.99% increase in 2019/20 & 2% increase in 2020/21
  - The resourcing of corporate priorities for 2018/19
  - The forecast balanced budget for 2018/19
  - The forecast budget position in 2019/20 and 2020/21.

A detailed breakdown of the 3 year budget is provided in Appendix 1

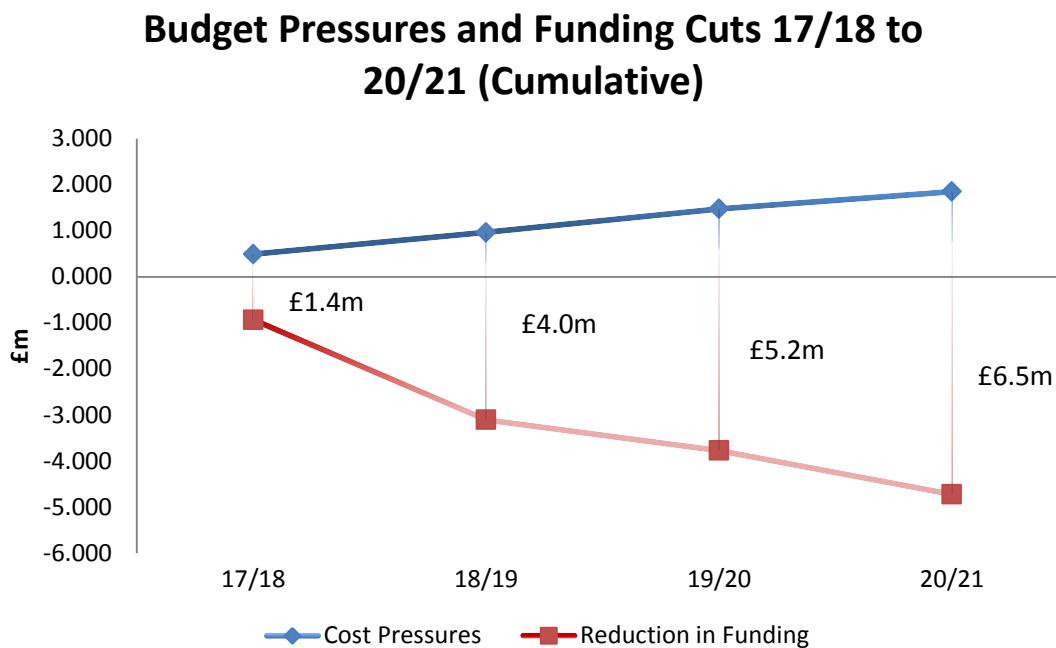
### **EXECUTIVE SUMMARY OF REPORT**

3. The budget forecasts over the next 3 years have been updated to take account of the following:
  - Council tax to be increased by 2.99% in 2018/19, this is the equivalent of a £5 increase per year for an average band D property or about 10p per week. In addition, the Council will bring into its budget forecasts a 2.99% increase in 2019/20 & 2% increase in 2020/21
  - Additional investment of £673k that will deliver corporate strategy priorities
  - Progress against the current Medium Term Financial Strategy (MTFS) budget efficiency objectives including staffing reviews, contract savings and base budget reviews.
  - Policy decisions taken to reduce the budget deficit and the movement to specific reserves to help the Council manage change and invest in future income generation
  - Strategies to reduce the budget deficit in the medium term
4. The Council will continue to experience cost pressures in 2018/19 to 2020/21. These pressures have been inflated for the following reasons:
  - It is expected that a 2% pay increase will be agreed for 2018/19 and 2019/20.

The increase is much higher for staff on lower grades. No announcement has been made by the government regarding the funding of this increase and therefore it is not assumed in this report that additional resources will be provided as part of the final 2018/19 local government finance settlement.

- The council is experiencing large inflationary increases in the cost of its major contracts. These contracts, including waste & recycling and leisure management are increased in line with RPIX that in October 2017 stood at 4.2%.
- As part of a triennial pension review conducted last year, in order to meet the future costs of the scheme, employer pension contributions increased from 11.1% to 14.4% in 2017/18 and will remain at this level in 2018/19..

5. The Local Government Finance Settlement 2016 included core grant allocations for the forthcoming four years, from 2016/17 to 2019/20. In addition, the consultation regarding New Homes Bonus resulted in allocations falling from six years to four years as well as allocations not been received for the first c150 homes built.
6. There remains significant uncertainty regarding the Council's business rates base. The implementation of 100% business rates retention remains uncertain and there is continued exposure of risk to the business rates base due to appeals despite attempts to simplify the process. As a result of this, no increases in the business rates base are assumed over the 2018/19 to 2020/21 budget period.
7. The chart below emphasises the scale of the challenge the Council faces in bridging the budget gap over the next 3 years.



8. Despite the challenge the budget gap represents, the council will continue to invest in its corporate priorities. The council will build £673k of investments into the budget from 2018/19 onwards with a further £223k of one-off investment in 2018/19.
9. The 2016/17 MTFs targeted a total general fund balance of £4m by 2018/19. The council has been successful in increasing balances to £4m in 2017/18 and therefore there is no requirement to budget for contributions to the general fund in 2018/19 onwards.
10. Budget efficiency savings totalling £345k have been achieved and identified for 2018/19 including a review of income generation. A review of reserves and financing will also release



£550k of resources in 2018/19 to meet the budget deficit.

11. Chorley Council continues to realise the benefit of being part of the Lancashire wide Business Rate Pooling Agreement. The council has received confirmation from DCLG that this will continue in 2018/19. The forecast over the medium term assumes the council will continue to benefit from the pooling arrangement. However the level of retained business rates is uncertain in 2020/21 as the new business rates regime is scheduled to be implemented.
  
12. The current Medium Term Financial Strategy (MTFS) sets out options that aim to effectively address the budget deficit position over the longer term to secure financial resilience and sustainability. This 3 year timeframe is considered the maximum period whereby reasonable forecasts can be made. Options that will achieve savings through the Council's Transformation Strategy include:
  - Reviewing and re-tendering the Council's major contracts
  - Achieving savings related to the Council's Transformation Strategy including:
    - Redefining the way services are delivered by working closely with the Council's partners, using technology to improve working cultures and encouraging citizens to utilise online council services
    - Exploring the increased delivery of shared services with neighbouring Councils.
    - Exploiting the Council's access to low interest finance and the greater flexibilities offered by the Localism Act 2011 by investing in income generating projects that also benefit local business and residents.
  
13. Consultation on the proposed budget for 2018/19 will commence following approval of the proposals by Executive Cabinet. The consultation will focus on obtaining feedback on key proposals within the budget. The consultation will invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey (available both in hard copy and online). Results will be analysed and published in February for consideration as part of budget finalisation.

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

**REASONS FOR RECOMMENDATION(S)**

**(If the recommendations are accepted)**

14. To progress the Council's 2018/19 budget setting process to achieve an approved and balanced budget.

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

15. Setting the budget is a statutory responsibility

**CORPORATE PRIORITIES**

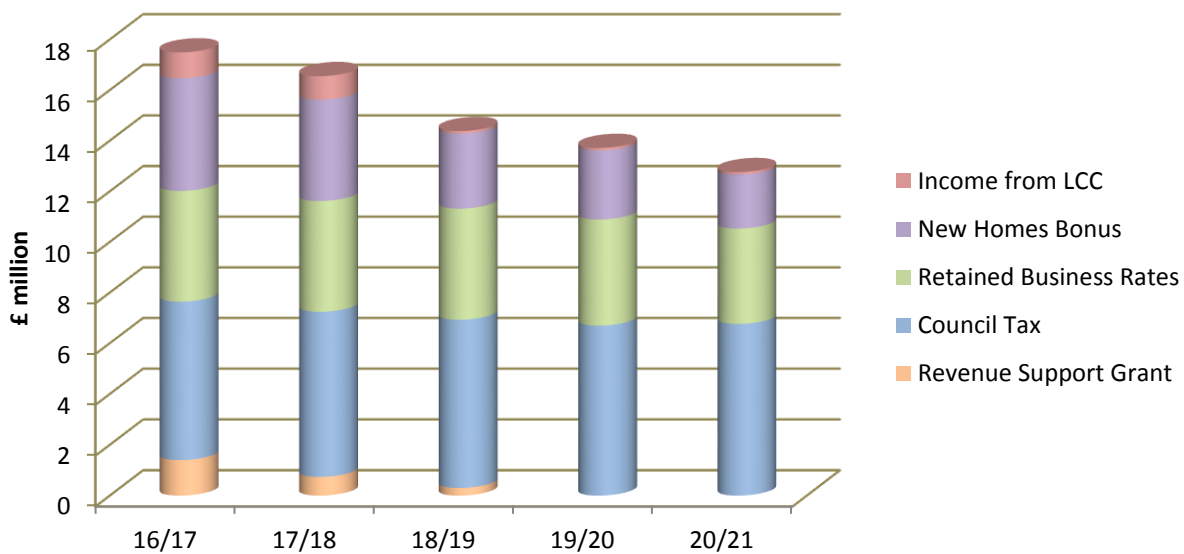
16. This report relates to the following Strategic Objectives:

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	✓

**THE BUDGET – REDUCTIONS IN FUNDING SOURCES**

17. Chorley Council has experienced, and will continue to experience in the coming 3 years, large reductions in its major funding sources. The reductions in the largest funding sources are outlined in the chart below.

**Major Sources of Council Funding**



Revenue Support Grant

18. On 16 November 2016 the Council received confirmation from DCLG regarding its four year RSG settlement. 2018/19 will be the final year that the council receives a RSG allocation of £299k after which the council will receive a further reduction of £455k in 2019/20 through a £299k reduction in RSG and an assumed £156k increase in the business rates tariff.

New Homes Bonus

19. The 2016 consultation regarding New Homes Bonus resulted in allocations falling from six years to four years as well as allocations not been received for the first c150 homes built (the deadweight adjustment). The reductions in new homes bonus will continue due to:

- higher than average annual allocations dropping out of the four year funding cycle, such as the £1m 2016/17 allocation dropping out in 2020/21.

- an assumed slowing down of housing expansion in the borough in the coming years.

20. The provisional finance settlement announced on 19 December 2017 confirmed that there would be no further changes to the methodology through which new homes bonus is allocated in 2018/19. This provides the council with certainty regarding the 2018/19 allocation however DCLG retains the flexibility to adjust the allocation methodology from 2019/20 onwards.

Lancashire County Council

21. Income from Lancashire County Council will drop significantly in 2018/19 as the £930k income through the Lancashire Waste Partnerships cost share arrangement comes to an end. The introduction of the subscription based garden waste collection scheme in 2017/18 was put in place to mitigate this reduction in income. The remaining funding from LCC in 2018/19 to 2020/21 will be £96k per annum towards the maintenance of highway green space that is managed within current council resources.

Council Tax Base

22. Chorley Borough has experienced a huge expansion in housing over the past few years. The growth in has resulted in an expansion of the council tax base. Growth in the base, excluding increases in the rate of council tax, are summarised below:

	2015/16	2016/17	2017/18	2018/19	2019/20 Forecast
New Band D equivalent dwellings brought in base	1,259	677	751	680	c.560
Growth (year-on-year)	3.8%	2.0%	2.1%	1.89%	1.50%
Additional council tax income to CBC each year	£223k	£120k	£133k	£123k	£99k

23. Chorley Borough has experienced fast expansion of housing over the past few years, over twice as much as Lancashire on average. Although the expansion results in additional income for the council it is clear from the table above that the additional income is insufficient to meet the inflationary pressures placed on the Councils budget. In addition the expansion of the council tax base has resulted in a faster reduction in the council's grant funding resulting in 2018/19 being the final year it will receive a RSG allocation.

24. The council expects a slowdown in house building over the coming three years as larger housing development sites are already nearing completion and new sites in which to develop housing become increasingly scarce. However it should be noted that between April 2017 and March 2022 there were 2,700 dwellings that have not yet been built (including those under construction) which have planning permission. A prudent 1.5% expansion of the base is forecast in 2019/20 and 2020/21.

Business Rates

25. The level of business rates income retained by the council remains the largest uncertainty in terms of funding levels over the medium term period. Chorley Council is a tariff authority meaning it pays over an amount to central government rather than receiving a top-up payment. Of the £24.8m Non-Domestic Rating income collected in 2017/18, Chorley Council's local share is 40% (£9.9m). However, this is reduced by payment of the £6.2m tariff to central government leaving £3.6m for Chorley Council. Within this income figure is an

element of growth of rates income above the **baseline funding level**. For non-pool authorities, a 50% levy of the growth is payable to central government. In 2017/18 the full levy would have reduced this council's retained rates income to £2.9m, being about 11.8% of total NDR Income. Through membership of the Lancashire Business Rates Pool, 90% of the levy is retained by the council, and 10% paid to the pool rather than central government. This increases retained rates income to £3.6m, which is about 14.7% of total NDR Income in 2017/18.

26. In February 2017 the government issued its response to the 100% business rates retention consultation. It was still the intention of government to implement the scheme in 2019/20, however the Local Government Finance Bill has been dropped from the legislative programme, leaving plans for business rates retention in limbo. It is not clear that moving to 100% business rates retention would necessarily benefit a tariff authority in a business rates pool. Though this council retains only £3.6m out of £24.8m under current arrangements, 100% retention would not mean that our retained rates income would increase to £24.8m because a redistribution mechanism to replace the tariff would be required to fund upper tier services. The 100% scheme may result in wider pooling arrangements across a larger geographical area bringing with it more risk to the level of business rates retained by the pool. In addition it could result in a less favourable split between lower and upper tiers meaning more retained business rates income is paid to LCC.
27. Unfortunately there is no further clarity on how the reforms to the business rates regime will affect Chorley Council in 18/19 to 20/21. Announcements that have been made regarding business rates are as follows:
  - From April 2018, CPI will be used to uprate the multiplier for business rates, rather than RPI, bringing forward the change already announced from April 2020;
  - The business rates revaluation cycle will switch from five years to three years following the next revaluation. This should mean that, following the planned 2022 revaluation, the next revaluation will be in 2025;
  - The Secretary of State stated that local business rates retention would move from 50% to 75% in 2020/21. This is understood to mean all authorities would be at 75%, rather than the 75% being an average. However, during this time there will also be a fair funding review that will inform how funds will be redistributed (as they currently are using top-up and tariffs). As such it is not possible at this time to model how the 75% retention will affect Chorley Council.
28. As CPI is lower than RPI the expansion of the business rates base will slow, the government has made a commitment to compensate councils fully for this change in 2018/19 and 2019/20 by paying S31 Grant to replace the income foregone. It is not clear whether this will extend to 2020/21 and therefore whether the level of retained business rates will reduce in 2020/21 onwards.
29. A large risk associated with business rates income relates to two applications for mandatory charitable relief received from Lancashire Teaching Hospitals NHS Foundation Trust. If successful the application would be back dated to 2010 and therefore have a significant impact on the Council's revenue budget. A headline figure is a potential £1.3m impact on the Council's general fund and a further c£200k reduction in ongoing retained business rates. The LGA is representing affected councils nationwide and retain the view that NHS trusts and foundation trusts are not charities and therefore not eligible for mandatory non domestic rate reliefs.
30. For the reasons highlighted above the Council will assume no inflation in its retained business rates budget. Although the Council will continue to focus resources on expanding local businesses, there are still large uncertainties that may erode progress on retained business rates income. Until further information becomes available, the council will continue

to assume it is part of the Lancashire Business Rates Pool throughout the 3 year MTFs period.

31. The 2018/19 budget for retained rates income will be set when the NNDR1 2018/19 return is submitted to the DCLG by the deadline of 31 January 2018. This return identifies the council's share of estimated rates income for the year, and enables the budgets for the levy payable and S31 Grants receivable to be calculated.

#### Other Budget Assumptions

32. As part of a **triennial pension review** the Lancashire County Pension Fund (LCPF) announced an increase in employer pension contributions for 2017/18 to 2019/20 to meet the future costs of the scheme. The contributions have increased from 11.1% to 14.4% resulting in an increase in the council's contribution of approximately £250k per annum. It is assumed that contributions remain at 14.4% in 2020/21.
33. The council's contribution to the deficit is assumed to be made over 19 years however CFOs in Lancashire have raised queries to the LCPF as to whether this should be extended over a longer period as has been experienced in other funds throughout the country. If this is agreed there is the potential for contributions to the pension fund to be lower than currently budgeted in 2020/21.
34. The Council's gross budget deficit is summarised in table 1 and is based upon the reductions in funding described above and the following key budget assumptions. It should be noted that some of the assumptions are still potentially subject to change that may impact positively or negatively on the budget.

Key Assumptions	2018/19	2019/20	2020/21
Increase in Council Tax	0%	0%	0%
Growth in Council Tax Base	1.89%	1.5%	1.5%
Growth in Retained Business Rates	0%	0%	0%
Reduction in Revenue Support Grant or equivalent increase in business rates tariff	£0.435m	£0.455m	£0.400m
Total Forecast New Homes Bonus	£2.989m	£2.753m	£2.156m
Use of New Homes bonus to Fund the Capital Programme	(£0.400m)	(£0.400m)	(£0.400m)
Total Forecast New Homes Bonus Built Into the Base Budget	(£2.589m)	(£2.353m)	(£1.756m)
Future Service Pension Rate	14.4%	14.4%	14.4%
Additional Business Rates - Lancashire Pooling Arrangement or equivalent business rates retention regime	(£0.716m)	(£0.716m)	(£0.716m)
Income from LCC	(£0.096m)	(£0.096m)	(£0.096m)
Pension Fund Deficit Recovery	£0.841m	£0.966m	£1.016m
Pay Award	2%	2%	2%

35. A detailed breakdown of the 3 year budget including the gross budget deficit is provided in **Appendix 1**. Included in this appendix are the revenue budget implications regarding the Council's large capital projects, as with other assumptions it should be noted that the profile of expenditure and income is potentially subject to change. Risks surrounding these budget

assumptions will be managed through the use of general reserves as outlined at the end of this report.

**Table 1: Cumulative Gross Budget Deficit as at January 2018**

	2018/19 £m	2019/20 £m	2020/21 £m
<b>Gross Budget Deficit</b>	<b>0.870</b>	<b>2.502</b>	<b>3.277</b>

36. All deficits and savings identified in the table 1 and in the remainder of this report are cumulative. For example the deficit of £2.502m in 2019/20 identified above is the result of a £0.870m deficit in 2018/19 and further budget pressures of £1.632m identified for 2019/20.

## BRIDGING THE BUDGET GAP

37. A key influencing factor on the forthcoming budget is the effective management of the budget in the preceding financial year. The Council recognised that reductions in funding and ongoing expenditure budget pressures have resulted in a budget gap of £0.870m in 2018/19. To bridge this immediate budget gap the Executive Cabinet has achieved and identified proposals for immediate budget savings in preparation for 2018/19. This is in addition to a total of £3.229m savings already achieved in prior years, summarised below.

Saving/Increased Income	Achieved 2014/15 £m	Achieved 2015/16 £m	Achieved 2016/17 £m	Achieved 2017/18 £m	2018/19 £m	Total
Productivity Savings	0.367	0.017	0.314	0.207	0.220	<b>1.125</b>
Review of Contracts	0.035	0.200		0.059		<b>0.294</b>
Review of Base Budget	0.094	0.045	0.128	0.100	0.075	<b>0.442</b>
Review of Income Streams		0.446		0.050	0.050	<b>0.546</b>
Lancashire Business Rates Retention Pooling			0.725			<b>0.725</b>
Review of Financing	0.442					<b>0.442</b>
<b>Saving/Increased Income</b>	<b>0.938</b>	<b>0.708</b>	<b>1.167</b>	<b>0.416</b>	<b>0.345</b>	<b>3.574</b>

### Savings Achieved and Savings to be Achieved for 2018/19

38. Budget efficiency savings and increased income totalling £0.345m have been identified to help reduce the budget deficit in 2018/19. This is in addition to a review of reserves and financing that has identified one-off reductions in the budget deficit for 2018/19 of £400k and £150k respectively.
- Base Budget Review (£75k) – The management accounts team in conjunction with service managers have identified £75k of budgets that are underutilised or no longer required moving forward. The larger savings come from underutilised IT equipment and software budgets as well additional external funding for the maintenance of play areas.

- Review of Fees and Charges (£50k) – a report will be submitted with this Executive Cabinet agenda that recommends increasing some of the Council's fees and charges to bring them in line with the cost of providing the services. This is forecast to generate an additional £50k income in 2018/19 and therefore reduce the subsidy the council tax payer is making towards these services and instead fund other key services.
- Productivity gains (£220k) – a report to Executive Cabinet in December 2017 outlined the proposed changes to be made to the Business, Development and Growth directorate. The changes will allow the directorate to be resourced to deliver its corporate strategy priorities including the delivery of income generation projects, the success of these projects being essential in balancing the budget in the latter stages of the MTFS. In addition, the new structure will deliver £200k efficiency savings and successfully meet the target set as part of the transformation strategy. Over and above this £200k saving, a review of overtime payments across the council will result in a reduction in overtime budgets of £20k.

### 39. Review of Reserves and Other One Off Savings

- Review and use of unutilised reserves (£400k) – a review of all reserves was undertaken in 2017/18 in order to free up resources to meet the budget deficit in 2018/19. The review has successfully identified £400k of unutilised reserves. This includes £300k of new homes bonus that was set aside to match fund a European funded employment support project. Unfortunately the European funding was not approved and as a result an alternative employment support service will now be delivered using existing council resources.
- Review of net financing (£150k) – a review of the Council's capital programme has resulted in identifying a reduced need for borrowing in 2018/19. This is the result of the council's continued access to low interest rate borrowing and a more detailed understanding of the profiling of capital expenditure in the coming 18 months. It is expected this will save £150k in 2018/19 with further potential one-off savings of £100k in 19/20 and 20/21 however this will be reviewed each year.

## **INCREASE IN COUNCIL TAX**

40. It is proposed that council tax will be increased by 2.99% in 2018/19, this is the equivalent of a £5 increase per year for an average band D property or about 10p per week. In addition, the Council will bring into its budget forecasts a 2.99% increase in 2019/20 & 2% increase in 2020/21. An increase, together with further savings options, would not only help to address the budget deficit but also be used to invest in projects that support delivery of the Council's corporate priorities.
41. Importantly, the reductions in Central Government funding announced in the provisional local government finance settlement 2016 were made with the assumption that not only would Councils expand the council tax base by building more homes but in addition, Councils would reduce the impact of grant reductions by increasing council tax by at least 2%. The funding mechanisms from central government will effectively penalise councils for freezing council tax, through a reverse tariff payment in 2019/20.
42. The provisional finance settlement 2017 recognised the increasing inflationary budget pressures councils are experiencing and as a result announced an uplift in the cap on council tax increases. This now means district councils can increase council tax by up to 3% in 2018/19 and 2019/20 without triggering a referendum. As outlined in this report, whilst the council continues to deliver efficiency savings, it also continues to experience reductions in funding and inflationary budget pressures. To continue to fund investments that deliver

corporate strategy priorities the council is proposing to increase council tax by 2.99% in 2018/19 and to model increases of 2.99% in 2019/20 and 2% in 2020/21.

43. In addition, through freezing or reducing council tax in previous years, Chorley Council has one of the lowest precepts (excluding Parish precepts) in Lancashire as per the table below.

District Council	2016/17	2017/18	Increase 2017/18
Chorley	177.41	180.96	2.00%

Pendle	245.16	250.16	2.04%
Preston	290.73	296.51	1.99%
South Ribble	208.38	208.38	0.00%
West Lancashire	186.76	191.76	2.68%
Wyre	183.31	188.31	2.73%

44. Increases in council tax do have a significant, cumulative and permanent effect on the budget deficit even over a short term period. Cumulative additional income the Council could generate from increases in council tax is shown in Table 2.

#### *Summary of Proposals*

45. Table 2 illustrates that through savings achieved to date, additional income identified, a review of net financing, the use of unutilised reserves and increases in council tax the Council is able to set a balanced budget in 2018/19 with some resources available to invest. The next section of this report describes what investments are included in the figures above and what is proposed for the use of the forecast resources available in 2018/19.

**Table 2: Updated Cumulative Budget Deficit as at January 2018**

	2018/19 £m	2019/20 £m	2020/21 £m
<b>Gross Budget Deficit</b>	<b>0.870</b>	<b>2.502</b>	<b>3.277</b>
Review of Fees and Charges	(0.050)	(0.060)	(0.060)
Base Budget Review	(0.075)	(0.100)	(0.125)
Review and Use of Unutilised Resources	(0.400)	0	0
Review of Net Financing	(0.150)	(0.100)	(0.100)
Productivity Savings Achieved for 2018/19	(0.220)	(0.220)	(0.220)
2.99% Increase Council Tax 2018/19, 2.99% in 2019/20 & 2% in 2020/21	(0.198)	(0.408)	(0.559)
<b>Adjusted Budget Deficit/(Available Resources)</b>	<b>(0.224)</b>	<b>1.614</b>	<b>2.213</b>



## SUPPORTING CORPORATE STRATEGY PRIORITIES

46. The budget figures summarised in table 2 includes budgets that will deliver the corporate strategy priorities through a programme of activities designed to meet the fundamental needs of local residents, like health housing and jobs, while continuing to get Chorley in the best social and economic position for the future. A list of the projects supporting each priority is shown below:

Involving residents in improving their local area and equality of access for all	
Improve the look and feel of local neighbourhoods across the borough	Ongoing Investment Budget
Develop Astley Hall and park as a visitor destination	Capital Programme
Support people from across the borough to be digitally included	Ongoing Investment Budget
Clean safe and healthy communities	
Deliver the Primrose Gardens Retirement Village	Capital Programme
Deliver the Youth Zone	Capital Programme
Develop a strategy for housing in Chorley and implement a programme of work	Ongoing Investment Budget & Reserves
A strong local economy	
Bring forward key sites for development	Reserves
Deliver the Market Walk Extension	Capital Programme
Deliver a borough wide programme to help people overcome barriers to employment	Ongoing Investment Budget & Reserves
An ambitious council that does more to meet the needs of residents and the local area	
Transform the way the council delivers services	Base Budget
Deliver a borough wide programme of improvements to street services	Base Budget
Integrate public services through the Chorley Public Service Reform Partnership	Base Budget

47. In order to continue the delivery of the corporate priorities **£673k of investment funding** is included in the base budget figures identified in Table 1 from 2018/19 onwards.

**Table 3: Recurrent Investments Included in the Base Budget from 2018/19 Onwards**

RECURRENT ITEMS	COMMENT	18/19 Ongoing Budget
Crime Reduction and Social Disorder Prevention Fund	The council will commit £110k per annum towards community safety measures to ensure that we continue to deliver against our corporate priority of clean, safe and healthy communities, in light of reduced government funding for the Police and reported increases in crime.	£110,000
Chorley Council Events Programme	The council's programme of award winning events continues to demonstrate significant benefits for the borough, attracting new visitors and raising the profile of Chorley. The budget will enable the continuation of the programme with a focus on those events that deliver the greatest economic impact.	£125,000
Neighbourhood Preferred Projects	Neighbourhood working reflects the councils' commitment to improving local places and spaces, enabling local people to agree the priorities for their area and deliver projects to make improvements. This budget will continue the delivery of neighbourhood working across the eight neighbourhood areas.	£50,000
Digital Inclusion Officer	This ongoing budget will ensure that all residents are able to access high quality public services and take an active part in their community. This budget will support and enable the delivery of the Council's digital strategy including digital inclusion activity.	£20,000
Chorley Works	Access to high quality employment and education opportunities is a priority for the Council. Chorley Works has been successful in delivering a number of employment-related interventions for local residents and going forward will form part of a wider wellbeing support offer for residents, providing help with skills for work and employment opportunities.	£39,000
Employee Health Scheme	Maintaining positive levels of staff wellbeing is important to ensuring a productive and efficient workforce, therefore this budget will continue the current healthcare cash plan scheme or a further year.	£20,000
Enhanced Enforcement Team	The new enforcement team brings together a range of functions including building control, licensing, empty properties, planning enforcement, four neighbourhood officers and 2.4 FTE customer service advisors. The new team will strengthen and improve the council's enforcement services, refocus the work of four neighbourhood officers and demonstrate the council's commitment to taking a more proactive approach to enforcement.	£44,500
Enhanced Homelessness Service	This budget will support the council's response to the requirements of the new Homelessness Reduction Bill by putting in place the necessary resources to fulfil new obligations for homelessness prevention.	£50,000
Refresh of the Local Plan	The council will be refreshing the local plan over the coming 3 years. This provision is put in place to support the refresh process with the majority of the costs, including staffing, assumed to be shared with South Ribble Borough and Preston City Councils. £100k represents Chorley Council's share of the annual ongoing costs.	£100,000
Ongoing fund to maintain services previously delivered by LCC	Chorley Council will continue its commitment to subsidise the running of key bus routes in the borough to mitigate the impact of county wide cuts and ensure that residents can access to the town centre and rural areas.	£115,000
<b>TOTAL RECURRENT INVESTMENTS</b>		<b>£673,500</b>

**UTILISING RESOURCES AVAILABLE IN 2018/19**

48. As well as the £563k of investment funding built into the base budget, the Council has identified one-off provisions to fund projects that will further deliver the Council’s corporate strategy priorities in the next financial year. A **£224k investment project fund** will be created for 2018/19 to meet the funding requirements of projects outlined in table 4.

**Table 4: Additional One-Off Investments from Available Resources in 2018/19**

<b>ONE-OFF INVESTMENTS</b>	<b>COMMENT</b>	<b>One Off Funding for 18/19</b>
Community development and volunteering (SPICE)	This budget will provide a contribution to SPICE for time credits infrastructure which includes access to the national earn and spend programme as well as an IT platform, expertise and evaluation.	£40,000
Support for the third sector	The funding will support the development of the third sector in Chorley to include facilitating communication with the wider network and representing the sector on key groups and bodies.	£15,000
Support to Food Provision Schemes	This budget will provide a contribution to the food bank in Chorley to provide food parcels, nutritious meals and other related assistance to those in most need as part of early intervention.	£15,000
16/17 Young Person’s Drop In Centre	The budget will extend the current drop in service for young people at risk of homelessness, providing mediation and support with the aim of keeping young people at home as part of early intervention and prevention.	£15,000
In Bloom	A contribution to the In Bloom initiative to provide enhanced Streetscene provision across Chorley, supporting the work of the Chorley In Bloom group and increasing the attractiveness of the wider borough so that people take pride in their area.	£20,000
Supporting Communities to Access Grant Funding	The budget will pay for access to online grant funding search facilities, Grant Finder and Chorley4Community, to enable local third sector groups and organisations to secure funding as part supporting of a sustainable sector.	£4,500
Disabled and Dementia Online Venue Access Guides	This funding is for online venue access guides currently provided by Disabled Go, supporting and promoting the councils commitment to ensuring accessibility for all residents.	£5,000
Accommodation Finding Service	The accommodation finding service provides additional support for the housing options team in meeting our statutory duties. This budget will extend the current provision for a further year.	£30,000
Mediation Service for Anti-Social Behaviour	The budget will maintain access to third part mediation support for neighbourhood level concerns as part of early intervention and prevention for a further year.	£14,000
Employability Support Programme	Funding for a project to support individuals with multiple barriers to work over and above the current Chorley Works provision, to be delivered through the Early Intervention and Support directorate.	£65,000
<b>TOTAL ONE-OFF EXPENDITURE IN 18/19</b>		<b>£223,500</b>

## THE BUDGET – HOW THE FINANCIAL CHALLENGE WILL BE MET

	2018/19 £m	2019/20 £m	2020/21 £m
<b>Adjusted Budget Deficit/(Available Resources)</b>	<b>(0.224)</b>	<b>1.614</b>	<b>2.213</b>
One-off 2018/19 Investment	0.224	0.000	0.000
<b>Adjusted Budget Deficit/(Available Resources)</b>	<b>(0.000)</b>	<b>1.614</b>	<b>2.213</b>

49. Despite the budget savings identified in this report, as outlined above there remain large forecast budget deficits of £1.614m in 2019/20 and £2.213m in 2020/21. To achieve a sufficient reduction in net expenditure the Council's strategy will be:

- 1. To realise savings through the procurement of its contracts**
- 2. To identify the efficiencies through shared services and alternative delivery models that will enable the Council to balance the budget whilst seeking to minimise the impact on front line service users**
- 3. To make the Council more financially self-sufficient with specific emphasis on creating investment that generates income. This includes identifying future uncommitted resources and commits the balances to support income generating schemes.**

### TRANSFORMATION STRATEGY

#### Realising Savings through the Procurement of Contracts

50. During the MTFs period the Council will undertake large procurement exercises on its contracts that are coming to the end of the contract agreement periods. The ambition for the Council is that through these procurement exercises it will transform its delivery of key services whilst generating cost savings and continuing to provide excellent service delivery. The Council encourages an innovative approach to service delivery and therefore various options will be considered including the utilisation of existing Council premises and vehicles, expanded shared procurement with other Councils and the consideration of bringing some services in-house. Some initial modelling has already been commissioned and the projected savings from this work is included in Table 5.

#### Shared Services

51. In November 2017 Chorley and South Ribble Councils agreed a joint ambition to develop a close working relationship, with an ultimate aim to develop full shared services serving two independent and sovereign councils. Initial proposals were developed to create the capacity for change with the creation of a series of shared posts in policy, governance and transformations services. Initial proposals are currently being developed further with the ambition that new structures will be in place in 2018/19. Work will also be undertaken to explore the other service areas that can be delivered efficiently through a shared arrangement with the ambition to reducing the net cost of these services for both councils.

### Productivity Gains

52. The transformation strategy covers many aspects of change both within the Council and in partnership with other organisations. At this stage the main strands of the strategy that could generate savings are outlined further below.
53. The Transformation Strategy will facilitate a greater integration of public services. In partnership with Lancashire Care NHS Foundation Trust (LCFT) the Council is implementing an Integrated Community Wellbeing Service. The innovative service aims to integrate functions that promote the wider determinants of health and community resilience. By so doing, it is anticipated it will generate opportunities for savings over the long term. The service launched in April, with over 100 staff based at the Council offices on Union Street.
54. The Digital Strategy was approved by Executive Cabinet in June 2017. The strategy incorporates 32 separate projects that seek to increase digital take up and inclusion, promote smarter working and develop positive work cultures.
- The Digital Strategy will develop and implement the 'WorkSmart' programme. This will facilitate a shared culture of smarter working, maximising the use of technology and digital information. Cost savings are expected through process/productivity improvements and consolidation of office space.
  - Efficiencies are also expected through the further increase in digital take up of council services, enabling customers to access council services online when and wherever they like, while also reducing the demand on more expensive channels such as face to face and over the phone
55. The Streetscene Modernisation Strategy was approved by Executive Cabinet in January 2017. The Streetscene service aims to introduce a number of change themes designed to challenge current working practices and modernise and introduce improvements to deliver high quality services in a co-ordinated way. A more detailed outline of the major improvements the strategy can deliver will be presented in spring 2018. It is expected this will require investment in new assets that facilitate the delivery of more efficient services.

### Income Generation

56. The Council has already been successful in income generation through the purchase of Market Walk shopping centre as well as the expected net income stream from the development of the Digital Office Park. The Council realises that further work must be undertaken to recognise fully the potential revenue streams the Council is able to create.

#### *Market Walk Extension*

57. The income generation targets outlined in table 5 include £150k net income in 19/20 and £300k in 2020/21 for the extension of Market Walk shopping centre. As reported to Full Council in November 2017 the expansion of the site has been paused and is to be reviewed in January 2018. The Council has a fully serviced site that is ready to be developed further. The figures in table 5 assume the site will be developed and the units filled before the opening of the site midway through 2019/20.
58. Through external professional advice the Council will undertake an analysis of the financing of income generating investments that will generate new income streams and support the council's priorities. The council's strategy is to make resourceful investments that will generate significant net income in the latter stages of the MTFS period. To successfully implement this, income generating projects will utilise reserves set aside in 2017/18 over the MTFS period.

*Delivering Council Owned Housing*

59. Like many council's throughout the country, the council is exploring the strategy of delivering and managing its own housing stock with the view to increasing and improving the quality of housing within Chorley Borough whilst generating a sustainable net income stream for the council. Outline proposals have been developed with the three main options being:
- Purchase new build units directly from developers
  - Purchase existing housing stock in the open market
  - Develop houses on our employment sites as an enabler to bringing those sites forward
60. The options are based on the council purchasing or building two bedroom terrace houses as there is strong demand for these houses in the Chorley Borough area. The options the Council can pursue are flexible. Rent levels are modelled as a mix of lower affordable rates, intermediate and higher full market rates. The Council has also modelled the possibility of delivering these homes through a housing company rather than through the council's general fund.
61. The proposals would require the council to borrow between £7m and £10m to fund the purchase or development of the units or to loan these borrowed funds to the wholly owned housing company. The revenue cost of borrowing these amounts would be wholly repaid through the rental income generated. Furthermore the options appraisal identifies a potential net income stream to the council of approximately £100k per annum based on the purchase of up to 100 units.
62. These proposals are being developed further with help from external consultants to ensure that the governance, legal and financial implications are fully demonstrated. However the initial options appraisal has identified that there are up to 200 affordable units due to be delivered in many of the borough's planned developments offering the council an opportunity to purchase the units at 40% of the market value. Therefore, there is the potential for the council to quickly acquire 100 units on developed sites ready for the rental market. Given this opportunity it assumed that £100k net income can be achieved by 2019/20 and 2020/21.

*Developing Council Owned Employment Land*

63. The agreed acquisition of HCA employment land as part of a £2.9m land swap resulted in Chorley Council acquiring 33.7 acres of land, the majority identified as development for employment purposes. As part of the restructure of the Business, Development and Employment directorate the Council will accelerate the use of this employment land to generate growth in local business as well as a net income to Chorley Council. It assumed that £100k net income can be achieved by 2020/21.

*Other Income Generation*

64. The council encourages an innovative approach to service delivery and so it will also explore other methods of generating income. The council is modelling a potential approach to entering the energy industry through setting up an energy supply company and supplying energy to citizens across Lancashire. The proposal requires huge investments with subsequent large rewards and potential large risks. To deliver the energy supply company the council will require a collaborative approach with investments from other councils. Further modelling is being undertaken as to how this collaborative approach would work and what the returns to Chorley Council could potentially be.

**Table 5: Estimated Medium Term Financial Strategy Cumulative Budget Deficit and Cumulative Savings**

	2019/20 £m	2020/21 £m
<b>Forecast Budget Deficit</b>	<b>1.614</b>	<b>2.213</b>
Renegotiate Contracts	(0.574)	(0.673)
Transformation – Productivity Gains	(0.400)	(0.550)
Transformation – Shared Service	(0.390)	(0.490)
Income Generation – Delivering Market Walk Extension	(0.150)	(0.300)
Income Generation – Delivering Council Owned Housing Stock	(0.100)	(0.100)
Income Generation – Developing Council Owned Employment Land	-	(0.100)
<b>Forecast Adjusted Medium Term Budget Deficit</b>	<b>(0.000)</b>	<b>(0.000)</b>

## GENERAL BALANCES

65. Through setting this budget and utilising underspends in 2017/18 the Council has achieved, a year earlier than budgeted, its MTFS target of having £4m set aside in general balances.
66. The Council recognises that use of the general reserve may be required during the MTFS period. If, as expected, the 100% Business Rate Retention scheme is introduced nationally, managing the risks inherent in this volatile funding stream will require a careful stewardship of reserves as a buffer. In addition, the profiling of income generating projects may result in net income not being realised until later in the MTFS period. A part of our budget strategy is to ensure that the council maintains robust reserves to cater for these uncertainties.
67. As outlined in this report there is a £1.3m risk to general balances associated with two applications for mandatory charitable relief received from Lancashire Teaching Hospitals NHS Foundation Trust.

## CAPITAL PROGRAMME 2018/19 to 2020/21

68. This report has dealt with the Council's revenue budget. Implicit in the investment programme set out above, however, are financial implications for the Capital Programme. The latest three year Capital Programme can be found in the Revenue and Capital Budget Monitoring Report 2017/18 Report 2 approved at November Executive Cabinet 2017. Any further changes to the capital programme will be brought into the 2018/19 final budget report in February Special Council.



**Proposed changes to the prudential framework of capital finance**

- 69. In addition to the consultation on the provisional finance settlement, there is also a consultation on possible changes to the prudential framework of capital finance. Part of this consultation requires councils to declare in a capital strategy report what the level of risk is to the Council in investing in income generating assets and provide indicators that monitor these risks.
- 70. However there are two other more controversial elements to the consultation that could be important to the medium term financial strategy:
  - 1. Borrowing in advance of need – the consultation suggests that councils would be prohibited from investing in assets purely for generating revenue surpluses. This would potentially prohibit investment outside of the Council’s boundaries. Currently this shouldn’t affect Chorley Council’s medium term financial strategy as it has invested in assets, and plans to invest in assets, for reasons other than purely generating surpluses, such as generating more local jobs and improving the quality of local housing. However this restriction, if it is introduced, may restrict new investment opportunities for Chorley Council in the future.
  - 2. Minimum Revenue Provision – the consultation suggests a restriction in the calculation of the spreading of the costs of investments to a maximum of 40 years. Chorley Council currently spreads the capital cost of some of its long term investments, including Market Walk Shopping Centre, over 50 years which the Council deemed prudent as did its external auditors. Revising this to 40 years will result in an increase in the revenue cost of financing some the Council’s assets. However it’s not clear whether this restriction will be introduced and how the government could enforce it. What is clear is that if it is enforced, it will result in the investment in income generating assets through borrowing less economically viable.

**BUDGET CONSULTATION**

- 71. Consultation on the proposed budget for 2018/19 will commence following approval of the proposals by Executive Cabinet. The consultation will focus on obtaining feedback on key proposals within the budget. The consultation will invite responses from residents, partners, parish groups and other stakeholders through a variety of methods including a short survey (available both in hard copy and online). Results will be analysed and published in February for consideration as part of budget finalisation.

**IMPLICATIONS OF REPORT**

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

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

**COMMENTS OF THE STATUTORY FINANCE OFFICER**



73. The financial implications of the above report are all contained in the text above but to clarify all proposals are funded and can be accommodated within the 2018/19 budget. It should be noted that the report does contain a number of assumptions on some future budget elements and also what the final out-turn position will be for 2017/18. Should any of these change due to unforeseen circumstances arising before 31st March 2018, this will be reviewed and reported.

**COMMENTS OF THE MONITORING OFFICER**

There are no legal implications in adopting the budget proposals for consultation

**GARY HALL**  
**CHIEF FINANCE OFFICER**

There are no background papers to this report.

<b>Report Author</b>	<b>Ext</b>	<b>Date</b>	<b>Doc ID</b>
James Thomson	5025	03/01/18	

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**Cumulative Budget Deficit & Budget Strategy 2018/19 to 2020/21**

	2018/19 ESTIMATE £'000	2019/20 ESTIMATE £'000	2020/21 ESTIMATE £
<b>CASH BASE BUDGET REQUIREMENT</b>	<b>13,423</b>	<b>14,372</b>	<b>14,996</b>
<b>Cash Movements:</b>			
Inflation			
Pay	232	258	209
Pensions	15	14	13
Pensions Rate Adj.	50	126	50
Non-Pay	(111)	59	31
Contractual	234	76	79
Income	(39)	13	(181)
Increments	42	25	13
Volume Expenditure	192	(118)	(12)
Volume Income	(17)	63	(19)
Loss of Income - LCC waste/recycling agreement	933	0	0
Retirement Village	63	114	(151)
Digital Office Park	3	(7)	(196)
Parking Strategy	(20)	0	0
Chorley Employment Inclusion Programme	(295)	0	0
Chorley Youth Zone - Additional Contribution	50	0	0
Savings from Senior Management Structure Review	(52)	0	0
Waste Collection Service	(415)	0	0
Recurrent Revenue Investment	70	0	0
LCC Transition Fund	15	0	0
<b>DIRECTORATE CASH BUDGETS</b>	<b>14,372</b>	<b>14,996</b>	<b>14,833</b>
Contingency:			
- Management of the Establishment	(200)	(150)	(150)
<b>Directorate &amp; Corporate Budgets</b>	<b>14,172</b>	<b>14,846</b>	<b>14,683</b>
<b>Net Financing</b>	<b>1,386</b>	<b>1,386</b>	<b>1,386</b>
<b>TOTAL EXPENDITURE</b>	<b>15,557</b>	<b>16,231</b>	<b>16,069</b>
<b>Financed By:</b>			
Council Tax - Borough	(6,626)	(6,725)	(6,826)
Parish Precepts	643	643	643
Council Tax Parishes	(643)	(643)	(643)
Revenue Support Grant	(299)	156	556
Retained Business Rates	(2,930)	(2,930)	(2,930)
Business Rates Pooling	(717)	(717)	(717)
Government Section 31 Grants	(678)	(678)	(678)
Business Rates Retention Reserve	(65)	(23)	0
Collection Fund (Surplus)/Deficit - Business Rates	0	0	0
Use of NHB for Capital Investment (Future Years)	(400)	(400)	(400)
Use of uncommitted NHB	(2,589)	(2,353)	(1,757)
New Burdens Grants	(40)	(40)	(20)
Collection Fund (Surplus)/Deficit - Council Tax	(58)	0	0
Transfers to/(from) Earmarked Reserves	(285)	(20)	(21)
<b>TOTAL FINANCING</b>	<b>(14,688)</b>	<b>(13,730)</b>	<b>(12,792)</b>
<b>CUMULATIVE GROSS BUDGET DEFICIT POSITION</b>	<b>870</b>	<b>2,502</b>	<b>3,277</b>
Review of Fees and Charges	(50)	(60)	(60)
Base Budget Review	(75)	(100)	(125)
Review and Use of Unutilised Reserves	(400)	0	0
Review of Net Financing	(150)	(100)	(100)
Productivity Savings to be Achieved for 2018/19	(220)	(220)	(220)
2.99% Increase Council Tax 2018/19 & 2019/20 & 2% in 2020/21	(198)	(408)	(559)
<b>Adjusted Forecast Cumulative Budget Deficit Position</b>	<b>(224)</b>	<b>1,614</b>	<b>2,213</b>
<b>Utilising Resources Available in 2018/19</b>			
Creation of an Investment Project Fund for 2018/19	224	0	0
<b>Adjusted Cumulative Budget Deficit Position 2018/19</b>	<b>0</b>	<b>1,614</b>	<b>2,213</b>
<b>Future Savings</b>			
Renegotiate Contracts	0	(574)	(673)
Transformation – Productivity Gains	0	(400)	(550)
Transformation – Shared Service	0	(390)	(490)
Transformation - Income Generation	0	(250)	(500)
<b>Forecast Adjusted Medium Term Budget Gap</b>	<b>0</b>	<b>0</b>	<b>0</b>

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## Health Scrutiny – Work plan 2017/18

Date to C'ttee	Report	STP Governance Meeting Workstream*/Priority area**	Lead Officers (including STP SRO)	Outline reasons for scrutiny/scrutiny method
24 July	STP Workforce – Scrutiny Inquiry Day Report	Workforce*	CC Steve Holgate, former Chair of the Health Scrutiny Committee	To formulate recommendations from the report and to determine who to circulate to.
	Update on the Local Workforce Action Board	Workforce*	Heather Tierney-Moore and Damian Gallagher, LCFT	Update on the work of the Board.
	Chorley Hospital Emergency Department mobilisation	Workforce*/Hospitals** and Urgent Care**	Karen Partington, Mark Pugh, LTHFT	Update on the mobilisation of the Emergency Department and recruitment issues
19 Sept	Next Steps on the NHS Five Year Forward View – Sustainability and Transformation Partnerships; Accountable Care Systems and Local Delivery Plans	-	NHSE North, Healthier Lancashire and South Cumbria, Fylde and Wyre CCG, Morecambe Bay CCG,	Overview of the next steps on the NHS five year forward view and update on the Accountable Care System.
31 Oct	Winter pressures and preparations (A&E)	All	Heather Tierney-Moore (AEDB), Derek Cartwright, NWAS, Paul Simic, LCA, LTHFT? Tony Pounder, LCC	Overview of pressures and preparations (adults/acute trusts/mental health)

Date to C'ttee	Report	STP Governance Meeting Workstream*/Priority area**	Lead Officers (including STP SRO)	Outline reasons for scrutiny/scrutiny method
12 Dec	Improvements to Mental Health Services in Lancashire	Care Professional Board*	Steve Winterson, LCFT	Report on planned changes for both the Central and Pennine Lancashire areas
	Suicide Prevention	Care Professional Board* Mental Health**	Dr Sakthi Karunanithi and Chris Lee, Public Health	To ensure effective implementation of the (local authority) suicide prevention plan
23 Jan 2018	Adult Social Care – and Public Health Budget Proposals	-	Tony Pounder, Dr Sakthi Karunanithi and Neil Kissock	Budget proposals from the following Cabinet Members: <ul style="list-style-type: none"> <li>• Graham Gooch – Adult Services</li> <li>• Shaun Turner – Health and Wellbeing</li> </ul>
	Delayed Transfers of Care	Care Professional Board*	Tony Pounder, Sue Lott, Mike Kirby, LCC (All Trusts? – LTHFT, ELHT etc; & BwD Borough Council, Blackpool Council and Cumbria CC) Paul Simic, LCA	<ol style="list-style-type: none"> <li>Overview and update on DTOC and discharge policies - Development of joint approach to DToC with NHS providers across the STP footprint. Health and Wellbeing Board to receive update on 14 November 2017; or</li> <li>Review of Supporting Patients to Avoid Long Hospital Stays Policy and Funding Framework</li> </ol>

Date to C'ttee	Report	STP Governance Meeting Workstream*/Priority area**	Lead Officers (including STP SRO)	Outline reasons for scrutiny/scrutiny method
5 March	Public Health - Life expectancy	Care Professional Board* Prevention**	Dr Sakthi Karunanithi	Overview of Life Expectancy, causes, prevention and self-help work, key service issues, challenges and opportunities
	Learning disabilities (Calderstones) Joint Scrutiny...	Care Professional Board* Health and social care**, Mental Health**	Mersey Care NHS Foundation Trust, NHS England Charlotte Hammond, LCC?	Update on Specialist Learning Disability Services
17 April	Skin cancer awareness	Care Professional Board* Prevention**	Sofiane Rimouche, LTHFT, Dr Sakthi Karunanithi CCGs	Raising awareness, prevention

#### Requested topics to be scheduled:

- STP Refresh (after December 2017)
- Community mental health; early intervention and prevention (Chris Lee, Public Health)

#### Referrals from Steering Group to the full Committee to be scheduled:

- Immunisations – seasonal influenza (Sakthi Karunanithi, LCC, Jane Cass, NHS England)

**Potential topics for the Committee and its Steering Group:**

- Data sharing
- Dementia awareness
- Care Home Quality



## Health Scrutiny Steering Group – Work plan 2017/18

Date to C'ttee	Report	Lead Officers	Outline reasons for scrutiny/scrutiny method
4 July 2017	<ul style="list-style-type: none"> <li>i. Royal Preston Hospital – bid for new primary care front end at Emergency Department and Urgent Care Centre (A&amp;E)</li> <li>ii. WLCCG – Termination of single handed GP contract</li> <li>iii. FWCCG – Improving health services in Kirkham and Wesham</li> </ul>	<ul style="list-style-type: none"> <li>i. Stephen Gough and David Armstrong, NHS England – Lancashire</li> <li>ii. Jackie Moran, WLCCG</li> <li>iii. Kate Hurry and Andrew Harrison, FWCCG</li> </ul>	<ul style="list-style-type: none"> <li>i. Unique bid for capital – need to identify appropriate funding stream to expedite and assist with overall A&amp;E function</li> <li>ii. To receive updates on progress – wider concerns around single handed GPs in Lancashire</li> <li>iii. Overview of the proposals – concerns also raised by local councillor</li> </ul>
27 Sept	<ul style="list-style-type: none"> <li>i. Proposal for a Central Lancashire Mental Health Inpatient Unit</li> <li>ii. NHS England – 'Childhood Immunisation Performance Report for Lancashire, and Associated Action Plan</li> </ul>	<ul style="list-style-type: none"> <li>i. Steve Winterson, LCFT</li> <li>ii. Jane Cass, NHS England, Sakthi Karunanithi, Director of Public Health</li> </ul>	<ul style="list-style-type: none"> <li>i. Overview of proposals</li> <li>ii. To receive a report on Childhood Immunisation Performance for Lancashire and associated action plan to identify and address reasons for the downward trend of low uptake for screening, vaccinations and immunisations across Lancashire, how this will be monitored, targets met and timescales.</li> </ul>
11 Oct	<ul style="list-style-type: none"> <li>i. Health and Wellbeing Board (HWB) – Update</li> <li>ii. Implementation of the Care Act 2014 within secondary mental health services in Lancashire</li> </ul>	<ul style="list-style-type: none"> <li>i. Sakthi Karunanithi, LCC</li> <li>ii. Charlotte Hammond, LCC</li> </ul>	<ul style="list-style-type: none"> <li>i. Update on HWB Partnerships/Lancashire Health and Wellbeing Strategy</li> <li>ii. To receive referral made to scrutiny and to determine how the Steering Group wishes to proceed.</li> </ul>

Date to C'ttee	Report	Lead Officers	Outline reasons for scrutiny/scrutiny method
15 Nov	<ul style="list-style-type: none"> <li>i. General service updates on Adult Social Care</li> <li>ii. Suicide Prevention</li> <li>iii. Report on Steering Group's purpose</li> </ul>	<ul style="list-style-type: none"> <li>i. Tony Pounder, LCC</li> <li>ii. Chris Lee, Public Health, LCC</li> <li>iii. Gary Halsall, LCC</li> </ul>	<ul style="list-style-type: none"> <li>i. To receive general service updates and to prepare for January 2018 Committee meeting on DToC</li> <li>ii. Preparations and key lines of enquiry for Committee meeting scheduled 12 December 2017</li> <li>iii. Advice and options for a revised purpose of the Committee's Steering Group</li> </ul>
6 Dec	<ul style="list-style-type: none"> <li>i. Implementation of the Care Act 2014 within secondary mental health services in Lancashire</li> <li>ii. VirginCare – Community Health and Urgent Care Services Contract</li> <li>iii. <b>Better Care Together; or</b></li> <li>iv. <b>Together A Healthier Future</b></li> </ul>	<ul style="list-style-type: none"> <li>i. Charlotte Hammond, LCC, and LCFT</li> <li>ii. Jackie Moran, Karen Tordoff WLCCG and VC</li> <li>iii. <b>Morecambe Bay CCG</b></li> <li>iv. <b>Mark Youlton, East Lancashire CCG</b></li> </ul>	<ul style="list-style-type: none"> <li>i. Awaiting responses to a referral made to scrutiny in relation to a Section 75 Agreement</li> <li>ii. Update on contract awarded to private provider</li> <li>iii. <b>Update on the Bay Health and Care Partners LDP and outcomes of Trust Boards in relation to integrated hospital community and primary care services (Integrated Care Communities ICC).</b></li> <li>iv. <b>Update on the Pennine Lancashire LDP</b></li> </ul>
10 Jan 2018	<ul style="list-style-type: none"> <li>i. Our Health, Our Care Local Delivery Plan (LDP)</li> <li>ii. Public Health – Life Expectancy</li> <li>iii. <b>Update on the completion of the new primary care front-end at Royal Preston Hospital</b></li> </ul>	<ul style="list-style-type: none"> <li>i. <b>Denis Gizzi</b>, Mark Pugh and Sarah James GPCCG + CSRCCG</li> <li>ii. Dr Sakthi Karunanithi</li> </ul>	<ul style="list-style-type: none"> <li>i. Outcome of clinical process mapping work from the Solution Design Events and the LDP programme</li> <li>ii. Develop objectives, key lines of enquiry and outcomes</li> <li>iii. <b>Update – briefing note/attendance at</b></li> </ul>

Date to C'ttee	Report	Lead Officers	Outline reasons for scrutiny/scrutiny method
		iii. Stephen Gough and David Armstrong, NHS England – Lancashire	meeting
7 Feb	<ul style="list-style-type: none"> <li>i. Fylde Coast ACS, Your Care, Our Priority and Multi-speciality Community Partnerships (MCP)</li> <li>ii. Skin Cancer awareness</li> </ul>	<ul style="list-style-type: none"> <li>i. Peter Tinson, Fylde and Wyre CCG</li> <li>ii. Sofiane Rimouche, LTHFT, Dr Sakthi Karunanithi, CCGs</li> </ul>	<ul style="list-style-type: none"> <li>i. Update on the Fylde Coast ACS, Your Care, Our Priority LDP and Multi-speciality Community Providers (MCP)</li> <li>ii. Develop objectives, key lines of enquiry and outcomes</li> </ul>
14 Mar	<ul style="list-style-type: none"> <li>i. Report on Steering Group's purpose for 2018/19?</li> <li>ii. Chorley Hospital Emergency Department mobilisation and Urgent Care Centre Performance (GTD)?</li> <li>iii. Quality Accounts for Trusts and mechanisms with Healthwatch</li> </ul>	<ul style="list-style-type: none"> <li>i. Gary Halsall, LCC</li> <li>ii. Karen Partington, Mark Pugh, LTHFT</li> <li>iii. Sheralee Turner-Birchall, Healthwatch</li> </ul>	<ul style="list-style-type: none"> <li>i. Advice and options for a revised purpose of the Committee's Steering Group for 2018/19 onwards</li> <li>ii. Update on the mobilisation of the Emergency Department and recruitment issues</li> <li>iii. To formulate responses to requests from Trusts on their Quality Accounts; consider potential mechanisms with Healthwatch and Impact Events.</li> </ul>
11 Apr	LCC Adult Social Care Winter Plan	Tony Pounder, Sue Lott, LCC	Review the effective/robustness of the 2017 plan
16 May	Work plan workshop – planning for 2018/19 (open	Louise Taylor, Dr Sakthi	Presentations from strategic health and social

Date to C'ttee	Report	Lead Officers	Outline reasons for scrutiny/scrutiny method
(all day event?)	invite to full Committee)?	<p>Karunanithi, Tony Pounder, LCC and Cabinet Members for Health and Wellbeing and Adult Social Care; Healthwatch Lancashire; NHS England and Healthier Lancashire and South Cumbria; NHS Improvement?; Lancashire Care Association; Lancashire Care Foundation Trust</p> <p>Briefing notes from CCGs, Acute Trusts, NWAS?</p>	<p>care organisations setting out details of:</p> <ul style="list-style-type: none"> <li>• Emerging issues;</li> <li>• Priorities and planned activity;</li> <li>• Policy development;</li> <li>• Timelines and deadlines; and</li> <li>• Ongoing work relating to the Five Year Forward View and the STP for Lancashire [and South Cumbria];</li> </ul> <p>For scrutiny to identify topics of their choice for the 2018/19 work plan where they can add value and see potential objectives and outcomes and an opportunity to formulate a focussed and timely work plan.</p>

**Topics referred by the Committee for Steering Group's action:**

- Chorley Hospital Emergency Department mobilisation and Urgent Care Centre Performance (GTD)

**Potential topics for Steering Group:**

- NWAS - Update on Government reporting standards – Peter Mulcahy, and NWAS transformation Strategy and NWAS future – Mark Newton
- West Lancashire LDP

- Pharmacies and prescriptions – volume of returned medicines and disposal of same, failure to collect, patient medicine reviews, change to current practice
- Low priority prescribing – consultations across CCGs - update
- Capital investments across Lancashire
- Lancashire Care Association – update on Registered Care Managers Network (RCMN) – Paul Simic, CEO

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OVERVIEW AND SCRUTINY COMMITTEE WORK PROGRAMME 2017/18

	15 Jun OSPP	6 Jul OSC	21 Sep OSPP	12 Oct OSC	24 Oct OSC	30 Nov OSPP	25 Jan OSC	8 Mar OSPP	22 Mar OSC
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**To be considered:**

Panel Meeting (OSPP) to consider Council and related performance in addition to scrutiny of key service areas	*		*			*		*	
Overview and Scrutiny Performance Panel minutes		*		*			*		*
Executive Cabinet Minutes		*		*			*		*
Notice of Executive Decisions		*		*			*		*
Chorley Integrated Community Wellbeing							*		
Communications				*					*
Digital Strategy			*						
Budget Scrutiny							*		
Health Scrutiny		*		*			*		*
Annual Reporting Back Report		*							
Overview and Scrutiny Work Programme for the year		*		*			*		*

**Scrutiny Reviews:**

Rollout of Superfast Broadband by BT							R		
Leisure Contract							FR		
Waste Management Contract					*				

**Potential topics for future reviews**

Communications									
Community Racial Integration									
Flooding									
Market Walk									

**Crime and Disorder Scrutiny:**

Community Safety Partnership – Child Sexual Exploitation				R					1M
Counter Terrorism Act				*					

**Key:**

**Task Group Reviews:**

- S Scoping of the review
- C Collecting and considering evidence
- FR Final report of the review
- R Feedback and response from the Executive Cabinet
- M Monitoring Reports, 1 2 and 3 (if required)
- V Verbal update from the Chair
- ML Member Learning Session

**Acronyms**

- OSC Overview and Scrutiny Committee
- OSPP Overview and Scrutiny Performance Panel

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Report of	Meeting	Date
Director (Business, Development and Growth) introduced by the Executive Leader, Executive Member for Economic Development and Public Services Reform	Executive Cabinet	16 November 2017

## **EXECUTIVE CABINET RESPONSE TO THE OVERVIEW AND SCRUTINY TASK GROUP REPORT ON THE ROLLOUT OF SUPERFAST BROADBAND**

### **PURPOSE OF REPORT**

- To provide the Executive Cabinet's response to the O&S Task Group on the Rollout of Superfast Broadband as reported to Executive Cabinet 03/08/2017

### **RECOMMENDATION(S)**

- It is recommended that Members accept the recommendations made by the O&S Task Group Review of the Rollout of Superfast Broadband as outlined in the table contained in the main body of the report.

### **EXECUTIVE SUMMARY OF REPORT**

- The Council's Overview and Scrutiny Committee established a task group in March 2017 to review the rollout and current provision of Superfast Broadband  
The task group reported its findings and recommendations to the Council's Executive Cabinet in August 2017 and this report provides the Executive response to those recommendations.  
All recommendations are accepted and this report outlines the actions which will be taken to address each of the recommendations and also any progress already made to date.

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

<b>Key Decision?</b> Please bold as appropriate	Yes	<b>No</b>
--	-----	-----------

<b>Reason</b> Please bold as appropriate	1, a change in service provision that impacts upon the service revenue budget by £100,000 or more	2, a contract worth £100,000 or more
	3, a new or unprogrammed capital scheme of £100,000 or more	4, Significant impact in environmental, social or physical terms in two or more wards

**REASONS FOR RECOMMENDATION(S)**

**(If the recommendations are accepted)**

- 4. To provide a response to the recommendations made by the O&S task group review of the current rollout and provision of Superfast Broadband

**ALTERNATIVE OPTIONS CONSIDERED AND REJECTED**

- 5. None

**CORPORATE PRIORITIES**

- 6. 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**

- 7. The Rollout of Superfast Broadband review was approved by the Executive in August 2017. The project aim was to understand the issues and concerns surrounding the rollout of Superfast Broadband, in particular:
  - 1. How areas to receive Superfast Broadband are to be prioritised
  - 2. To understand broadband speed consistency and averages across the Borough
  - 3. To understand the publicity campaign encouraging access to the new service
  - 4. To understand any possible budgetary implications due to LCC financial constraints

**RESPONSE TO RECOMMENDATIONS**

- 8. The table details the Executive Cabinet response to each of the recommendations made by the task group and the actions taken and planned.

O & S Task Group Recommendation	Executive Cabinet Response	
	Actions completed	Actions planned
<b>Superfast Lancashire</b>		
1. To have discussions with Virgin about the current issues in Buckshaw, Rivington and White Coppice and encourage them to provide Superfast Broadband	Meeting Arranged	
2. To highlight the issues of new estates not having Superfast Broadband from the outset with Broadband Delivery UK (BDUK)	Meeting Arranged	
3. To provide hints and tips on resolving broadband issues, including residents speaking to their own provider first before speaking to other providers and not placing electrical devices next to the router etc., for distribution to Councillors and Town/Parish Councils	Meeting Arranged	
4. To utilise different technologies available to provide Superfast Broadband to areas showing as having minimal coverage and open market review failure.	Meeting Arranged	

<b>BT</b>		
1.To update the call centre operative information in regard to Superfast Broadband accessibility, particularly around Wheelton, to avoid continuing distress to residents who enquire going forward	Meeting Arranged	
2. To review structures in areas which flood, to ensure they are located in the best place.	Meeting Arranged	
<b>Chorley Council</b>		
1.To consider methods of encouraging new properties to have access to Superfast Broadband from the outset.		Interventions to be incorporated into the review of the local plan
2.To liaise with BT about new developments, both residential and commercial.		Interventions to be incorporated into the review of the local plan
3.To lobby Broadband Delivery UK (BDUK) to give broadband the same status as utilities.		Letter to be prepared and matter to be raised with the M.P.
4.To raise awareness with the public and businesses that the service would not upgrade automatically – there is a need to order Superfast Broadband from their provider if they wish to receive the service.	Investigatory discussions with Communications team	
5.To include an action to investigate the provision of town centre WiFi within the new Digital Strategy.	Procurement process in place	
6. To work with the Combined Authority through the Digital Lancashire project to implement these recommendations.	Chief Executive lead on the Digital Combined Authority workstream	
7. To support the future projects within the Digital Strategy, <ul style="list-style-type: none"> <li>• integration of My Account and eCitizen,</li> <li>• the continuation of digital skills training to give the right training to the right people in a flexible way,</li> <li>• a tablet loan scheme,</li> </ul>	Digital Hubs have been set up in 4 community venues and relevant partnerships have been developed	Investigate what the options are for integrating website log in processes. This piece of work is due to be completed by the 31st March 2018. Depending on the findings of the investigation a further project will need to be established to implement the recommended option, assuming a cost effective solution is achievable. The Tablet Loan Scheme is not due to start until April 2018 although Chorley Council does have laptops and tablets that can be loaned to organisations for training sessions.
8. To tailor digital skills training to the needs of particular groups	Training is targeted according to the needs or interest of particular groups.  For example,  <ul style="list-style-type: none"> <li>• For some job seekers who felt very worried about using the internet, quiet informal groups were needed so they could be given the help necessary to gain confidence to find jobs online.</li> </ul>	

	<ul style="list-style-type: none"> <li>For Whittle Art Group doing more online meant sharing images and creative ideas with each other using tablets or ipads, and of course discovering inspiration and ideas on Pinterest.</li> </ul>	
9. To ask Town / Parish Councils to advertise digital skills training in their newsletters,	All parish Councils have received digital copies of our current promotion material and will receive copies of any future material and have been asked to publicise our offer via their social media channels, website and newsletters.	
10. To highlight the availability of good digital access within the Economic Development Strategy as a selling point for businesses to re/locate to Chorley.	This forms part of the Inward Investment brochure and is supported by the development of the new Strawberry Fields Digital Hub	
11. To create a role within the Members' Allowances Scheme for Member responsible for Customer and Digital Services.	Done	

**IMPLICATIONS OF REPORT**

9. 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**

10. The costs of implementing the proposed actions will be met from existing revenue and capital budgets. Further actions that may require additional resources will require further approval.

**COMMENTS OF THE MONITORING OFFICER**

11. No comments

MARK LESTER  
DIRECTOR (BUSINESS, DEVELOPMENT AND GROWTH)

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Peter Heyworth	***	***	***

# **Report of the Overview and Scrutiny Task Group – Council’s Leisure Contract**

## **November 2017**



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## INTRODUCTION

The management of Chorley Council's leisure facilities is outsourced to Active Nation on a 15 year contract. That contract is due to expire in March 2020, and the Overview and Scrutiny Committee wanted to understand what options were available for the Council to choose from in regards to the future management arrangement of its leisure facilities.

A Task Group was established and met five times between June and November 2017. This report details information about the witnesses with whom the Task Group met; the information the Task Group received and the conclusion reached. It also includes a recommendation that for the Executive Cabinet's consideration.

I would like to thank my fellow members who took part in the Task Group for their dedication and contributions to the review.

I would also like to thank those partners and officers of the Council who provided evidence at the meetings.



Councillor Alistair Morwood – Chair of the Overview and Scrutiny Task Group

## Membership of the Task Group

The following members served on the Task Group -

- Councillor Alistair Morwood (Chair)
- Councillor Charlie Bromilow
- Councillor Doreen Dickinson
- Councillor June Molyneaux
- Councillor Mick Muncaster
- Councillor Debra Platt

### Officer Support:

#### Lead Officers

Louise Elo                      Head of Early Intervention and Support  
Angela Barrago                Health and Wellbeing Manager

#### Democratic Services

Cathryn Filbin Democratic and Member Services Officer

### Scoping the Review

At its first meeting the Task Group received a presentation from officers of the Early Intervention and Support directorate. The purpose of the presentation was to gain a better understanding of how the Council's leisure facilities contract was being managed. The review was subsequently scoped as follows -

#### Objectives:

1. To understand the current contract and performance of the leisure centre contract with Active Nation.
2. To understand the broad range of leisure services model options that could be delivered, and consider the best model for Chorley.
3. Consider broadening the aims of the leisure services model with a view to incorporating a package of health and wellbeing initiatives for users to access.

#### Desired Outcome

To submit a list of leisure service models available, and propose the preferred model, with any recommendations for key considerations to the Executive Cabinet.

### Terms of Reference

To review the performance of the leisure service contract with Active Nation due to expire in 2020 for the management of All Seasons Leisure Centre, Clayton Green Sports Centre and Brinscall Swimming Pool.

To understand the different leisure centre models in use at other Councils; to understand the current model; and suggest the best model for service delivery in Chorley.

To identify what services should be delivered by the leisure model, and if those services should be based on delivering a complete health and wellbeing package.

### WITNESSES

The following witnesses met with the Task Group and shared information –

#### **Partners**

Stuart Martin, Managing Director, Active Nation

Kevin Lane, Operations Director, Active Nation

Phil Gooden, Services Manager, Lancashire Care Foundation Trust

#### **Chorley Council Officers**

Louise Elo, Head of Early Intervention and Support

Angela Barrago, Health and Wellbeing Manager

Jane McDonnell, HR Services Manager

Simon John, Solicitor



## RECOMMENDATIONS

The Executive Cabinet is asked to consider implementing the following recommendation:

Conduct more detailed analysis to determine the financial feasibility of contracting out or bringing the contract back in house, by specifically focussing on:

- Analysis and understanding of Active Nation central costs
- Conducting a detailed active market financial appraisal
- Determine actual anticipated impacts of on-costs
- Analysis of control and efficiencies to be gained by bringing in-house in comparison with a contracted out model

Use this information to inform the decision required in readiness for the formal contract review period commencing in 2018.

## BACKGROUND

The management of Chorley Council's leisure facilities is currently outsourced to Active Nation on a 15 year contract due to expire on 31 March 2020.

The Council owns three leisure facilities –

- All Seasons Leisure Centre
- Brinscall Swimming Baths
- Clayton Green Leisure Centre

Overall, the present contract is worth £4,445,000, with payments being made by instalments as a monthly management fee. The contract between the Council and Active Nation is complex and stipulates in detail how the leisure facilities should be managed including both parties responsibilities in regards to maintenance.

In preparation for its expiration in 2020, the contract with Active Nation is due to be officially reviewed in 2018. While under review, a clause in the contract could be triggered if it was decided that the Council wished to terminate the contract earlier than 2020.

## Challenges and Options

The current contract arrangements presented a number of challenges which included –

- Negotiating items for replacement or repair via the asset maintenance schedule was time consuming as the responsibility for replacement of assets was with the Council, while repair of assets was Active Nations responsibility.
- Managing a contract that was outsourced to a third party increased demand on Council officers as it slowed down decision making and did not allow for enough joined up working.

As the leisure contract was coming to an end, the Council had the opportunity to consider how it managed its leisure assets going forward (ie could be brought back in-house) and whether to adopt the early intervention/prevention model, by utilising integration with heath partners; this model was emerging as a successful model nationally.

The Task Group was advised that the option to bring the provision back in-house and design a new model provided the greatest potential for opportunity and new ways of working. However, this option required full investigation for financial suitability. This investigation would be undertaken by the appointment of an external agency who would be asked to review the options and operating models needs to ensure all possibilities had been explored.

## WITNESSES

### Active Nation

The Task Group met with Managing Director, Stuart Martin and Operations Director, Kevin Lane from Active Nation to gain a better understanding of how the leisure facilities are presently managed and of their future leisure vision for Chorley.

Community Leisure Services (CLS) was awarded the contract to manage the Council's leisure facilities in 2005. CLS was rebranded to Active Nation in 2008/09 at which time it was awarded charitable status. Since the contract was awarded, the leisure landscape had changed significantly locally and nationally due to increased competition, and a rise of the budget club sector. Throughout this time Active Nation considered that it was not just a leisure operator but focussed on increased participation for local people, providing quality leisure provision and innovation in its equipment and ways of working.

The Task Group was informed that participation had continued to increase on average of 2.5% per year. Changes to senior management team in the last three years had enabled Active Nation to progress and develop; this had aided development within Chorley.

Health and wellbeing hubs are currently viewed as the future of the industry, and with new products and innovation, Active Nation considered that it would be able to withstand change and pressure from competition locally and nationally. The charity had already begun to move its exercise proposition towards health and wellbeing. Although not rolled out in Chorley, there were examples of initiatives across the country the purpose of which was to help those people in isolation back into society.

In discussing the financial and monitoring aspect of the contract, Active Nation highlighted a number of facts for the Task Group's consideration, which included –

- The Chorley contract returned a surplus of £2,008 in the 2016/17 financial year.
- The charity has a board of trustees rather than shareholders, all of whom were well known, and very experienced in their particular area of expertise.
- All money is reinvested back into innovation within the charity.
- Salaries to income ratio of 52%.
- Energy cost was 10% of total expenditure.
- Active Nation provided regular reports on a number of aspects including:
  - Participation increase
  - Finance performance
  - NPS scores
  - Accidents including RIDDOR reportable incidents
  - Significant staff changes
- Working with the Council, to ensure any price increases were in line with the expectation of local people.

Active Nation acknowledged that it faced a number of challenges which included –

- Staffing and culture (jobs vs career)
- New faces meaning lack of continuity
- Significant changes through capital investment
- Budget leisure operators locally
- Being able to implement things quicker

**Lancashire Care Foundation Trust**

Phil Gooden, Service Manager for Lancashire Care Foundation Trust met with the Task Group to discuss how the Council could incorporate health and wellbeing services into its leisure facilities.

Members of the Task Group were informed that there was a national trend to deliver some health services/groups outside of the formal setting of doctors’ surgeries and hospitals. It was considered that holding informal surgeries/classes/drop-in sessions in the local community would encourage those people in hard to reach groups to take an active responsibility in their health and wellbeing.

It was noted that the types of classes/sessions available did not need to be limited to those relating to exercise. Sessions related to mental health would be particularly beneficial in this informal environment. Although, there was a risk of being overwhelmed, it was important that service providers considered different ways in delivering their sessions.

In response to questions raised by the Task Group it was considered likely that the leisure facilities would need to be reconfigures to accommodate the new services at a cost to the Council.

**HR and Legal**

Chorley Council’s HR Manager, Jane McDonnell and Solicitor, Simon John, met with the Task Group and presented a report of the Director of Policy and Governance. The report detailed 5 leisure management models which were available to the Council to choose from and the human resources and legal implications which surround them.

<b>Model</b>	<b>HR</b>	<b>Legal</b>
1 Invite other leisure providers to tender for the contract under the current operating provision and objectives.	Should the contract transfer from the current provider to a new one it was likely that TUPE would apply. Staffing information however may not be available at the time of tendering.  The Council would need to establish that it was the only facilitator in the TUPE process to minimise potential liability.	The TUPE Regulations 2006 (as amended) and the Public Contracts Regulations 2015 would apply to this Option.  The Council would have to take into consideration both employment and procurement cost risks in relation to this Option
2 Bring the provision back in-house and deliver under the current operating provision and objectives.	Likely that the current employees would transfer to the Council under TUPE and salary costs likely to increase due to Living Wage Foundation rates.  Possible duplication of management/support roles.	The TUPE Regulations 2006 (as amended) would to this Option.  The Council would have to take into consideration employment cost risks.
3 Invite other providers to tender for the contract	Same TUPE issues as option 1, and ensuring the Council	The TUPE Regulations 2006 (as amended) and the Public

<p>under a new operating provision with objectives in-line with early intervention principals and outcome based performance.</p>	<p>was only the facilitator.  Additional issue of employees transferring to a different service where the number of employees and roles may be different. Possible ETO justification for the change.</p>	<p>Contracts Regulations 2015 will apply to this Option.  The Council would have to take into consideration both employment and procurement cost risks in relation to this Option.</p>
<p>4 Bring the provision back in-house and design a model which targets the health needs of the residents of Chorley and was linked to our ambition for future operating models of partnership and collaborative approaches.</p>	<p>Same TUPE and duplication issues for the Council as option 2. Due to change in nature of the service transferring employees may not be suitably skilled or experienced for the new roles.</p>	<p>The TUPE Regulations 2006 (as amended) will apply to this Option.  The Council would have to take into consideration employment cost risks.</p>
<p>5 Remain with existing service provider</p>	<p>Longer term implications relating to increases in National Living Wage.</p>	<p>No implications</p>

The HR Manager confirmed that a change to the current leisure provision could increase a risk in relation to staffing, as transferring to a new operating model would require skills matching.

**PULSE REGENERATION FINDINGS**

As part of the review process an external consultant, Pulse Regeneration, was appointed in July 2017. The brief given to the consultants was to evaluate other national models of Council leisure centre provision and management and explore new, alternative models of utilising the Council’s assets with partners, to maximise access to activity for those most in need and to support the delivery of the authority’s ambitions as set out in the Early Intervention and Support Strategy.

Pulse Regeneration’s approach was a combination of research (fieldwork and desk based), and a review of the current arrangements with Active Nation.

**Review of management arrangements**

Overall combined income at the centres (including the management contract) has remained constant. The total income in 2016/17 was £2,591.9k compared with £2,592.1k in 2015/16.

- Income from All Seasons Leisure Centre accounted for 65.3% of total income in 2016/17 (£1,645.8k).
- In 2016/17 the operation made a small profit (£2.3k) compared with a loss of £58k in 2015/16 and breakeven in 2014/15.

Wages account for the largest item of expenditure – 53%, with the second largest cost incurred by Active Nation related to on-going maintenance.

Whilst salaries at the three facilities remained relatively stable over the period 2014 to 2017, salaries associated with contract management have increased by 25% over the same period.

As Active Nation receives charitable status they benefit from National Non Domestic Rate (NNDR) advantages - £122k per annum.

It remained unclear as to what costs are attributed to some elements of the contract in the information provided by Active Nation (support costs – circa £234k and wages/salaries – circa £1,372k). A further breakdown is required to understand if these costs would be transferred or not.

The number of staff on Active Nation's payroll totalled 146 of which, 84 staff on permanent contract of which:

- 26 worked 40 hrs per week
- 58 part time 36hrs or below
- 62 staff on 'casual' contracted hours.

No pay scale was in place and salaries are agreed depending on the role. Other issues relating to staffing include:

- Benefits
- Overtime rules
- Pension details and schemes

Although the present staffing structure could not be considered as part of the review by the consultant; the Task Group was informed that if the Executive Cabinet chose the option to bring the management of its leisure facilities back in-house, there was a potential saving when staff were skills matched with roles.

### **Condition of the facilities**

Conditions surveys have been provided for each facility to cover the period 2015 to 2019 with a five year maintenance plan.

The three buildings included in this review are ageing although each has received significant investment in the past 10 years:

- All Seasons Leisure Centre was constructed in 1993, with an extension for the gym being built in 2007. The maintenance costs incurred by the Council for 2015/18 amounted to £252.9k.
- Clayton Green Leisure Centre was built in 1995. Its extension was completed in 2007. The maintenance costs incurred by the Council for 2015/18 amounted to £413.2k.
- Brinscall Swimming Pool was built in 1900. The building was renovated in 2008. Maintenance costs incurred by the Council for 2015/18 amounted to £87.9k

### **Key issues for consideration**

The findings also included important issues for consideration if the leisure contract was delivered in-house. It would need to:

- Acquire the expertise,
- TUPE transfer requirements and the impact of circa 150 new staff into Council employment, and the resource implications of managing the process,
- Support required from other departments in the Council and their ongoing support costs,

- Some services could still be contracted out,
- Pension and on costs – based on the figures provided, the on-costs for salaries were in the region of 5.9%, which compares with the Council's 22%,
- The current layout of All Seasons and Clayton Green reflect traditional leisure centre requirements at the time they were built and are not ideal to deliver of services linked to an early intervention/prevention agenda,
- A long term replacement plan is required for the buildings,
- Dependent on the in-house model adopted, the Council could be entitled to charitable relief on its business rates (estimated to equate to circa £122k per annum). However, further work would need to be undertaken to understand the implication of recent changes,
- Reputational risk; although Active Nation is responsible for delivering the management of these facilities, the venues and overall operation is already viewed as a Council service by a large proportion of the community.

### **National factors influencing leisure provision**

The Local Government Association (LGA) believes that many, Council owned leisure facilities, are at risk if funding is not found to refurbish existing infrastructure. While ukactive considers that redeveloping the UK's public leisure centres would lead to a saving of up to £500 million a year in operating costs.

Future funding of leisure facilities can no longer be done solely through lottery grants, therefore Councils need to consider other sources to fund major new/redevelopment. Local authorities should consider developing partnerships in both public and the private sector to remain sustainable and successful.

### **Model leisure facilities considered**

Pulse Regeneration appraised each of the 5 options available which can be found on the following pages.

## Option 1 appraisal

Invite other Leisure providers to tender for the contract under the current operating provision and objectives	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Demonstrates value for money</li> <li>• Commercial approach to management and revenue generation</li> <li>• Greater management experience of running leisure facilities</li> <li>• Potential to renegotiate existing contract</li> <li>• Competitive tender market</li> <li>• Leisure operators should provide economies of scale</li> <li>• Financial risk split between CBC and contractor</li> </ul>	<ul style="list-style-type: none"> <li>• CBC less control over day-to-day operations</li> <li>• New management relationships required (should an alternative provider to Active Nation be awarded the contract)</li> <li>• Risk of balancing commercial gain against strategic objectives</li> <li>• Doesn't address early intervention/prevention objectives of CBC</li> <li>• Doesn't address issues of ageing leisure buildings</li> <li>• Cost of procurement process and contract Management</li> </ul>

**Members of the Task Group** considered that this option was unlikely to be adopted as it did not address the Council's early intervention/prevention objectives, nor did it address the ageing leisure facilities.



## Option 2 appraisal

Bring the provision back in-house and deliver under the current operating provision and objectives	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Reduction in charges currently in place to cover central costs (Active Nation core support costs)</li> <li>• Full control of day-to-day operations</li> <li>• Potential for CBC to set up a trust model to benefit from NNDR advantages</li> <li>• Savings generated from the existing management fee</li> <li>• Potential to increase secondary spend by maximising the opportunities available through food and beverage</li> <li>• Profits able to be invested directly into the assets</li> <li>• External funding opportunities as site owners</li> </ul>	<ul style="list-style-type: none"> <li>• Entire financial risk sits with the Council</li> <li>• Increased costs of TUPE</li> <li>• Financial impact of Council commitments to: living wage; pensions; use of in house contracting services (e.g. cleaning, IT)</li> <li>• Loss of NNDR advantages (unless CBC sets up a Trust)</li> <li>• Loss of expertise of current expertise of facility management</li> <li>• Need to create a new management structure with experience of running leisure facilities in order to maintain income and expenditure budgets</li> <li>• Doesn't address early intervention/prevention objectives of CBC</li> <li>• Doesn't address issues of ageing leisure buildings</li> <li>• Possible reputation risk should transfer not run smoothly</li> </ul>

**Members of the Task Group** did not consider this option the best model. Although it would allow the Council to regain control of its leisure facilities, and benefit from external funding opportunities, it did not address the Council's early intervention/prevention objectives.



### Option 3 appraisal

Invite other providers to tender for the contract under a new operating provision with objectives in-line with early intervention principles and outcome based performance.	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Demonstrates value for money</li> <li>• Competitive tender market</li> <li>• Time to develop new specification</li> <li>• Can build in agreed early intervention/prevention objectives</li> <li>• Partner support for early intervention</li> <li>• Commercial approach to management and revenue generation</li> <li>• Contractor has greater management experience of running leisure facilities</li> <li>• Potential to renegotiate existing contract</li> <li>• Financial risk split between CBC and the contractor (although CBC might incur increased costs for early intervention/prevention objectives)</li> </ul>	<ul style="list-style-type: none"> <li>• More expensive procurement process (than Option1)</li> <li>• New management relationships required (should an alternative provider to Active Nation be awarded the contract)</li> <li>• In house team can focus on early intervention and prevention agenda and not facility management</li> <li>• Some cost to introducing early intervention and prevention agenda (e.g. modifying equipment, developing new programmes)</li> <li>• Potential loss of income should a less commercial approach be adopted</li> <li>• Early intervention/prevention objectives constrained by the age/layout of existing buildings</li> <li>• More difficult for partnership working when delivery is the responsibility of a third party</li> <li>• Doesn't address issues of ageing leisure buildings</li> </ul>

**Members of the Task Group** considered that this option was the safest option of all. The new operational model would allow the Council to invite tenders based on early intervention/preventions objectives. However, it did not address issues of ageing buildings.

## Option 4 appraisal

Bring the provision back in-house and design a model which targets the health and well-being needs of the residents of Chorley and is linked to our ambition for future operating models of partnership and collaborative approaches and requires little/no capital investment	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Reduction in charges currently in place to cover central costs (Active Nation core support costs)</li> <li>• Full control of day-to-day operations</li> <li>• Allows for integrated working</li> <li>• Allows for delivery of some early intervention and well-being agenda</li> <li>• Partner support for early intervention</li> <li>• Potential for CBC to set up a trust model to benefit from NNDR advantages</li> <li>• Savings generated from the existing management fee</li> <li>• Potential to increase secondary spend by maximising the opportunities available through food and beverage</li> <li>• External funding opportunities as site owners</li> </ul>	<ul style="list-style-type: none"> <li>• Entire financial risk sits with the Council</li> <li>• Increased costs of TUPE (compared with Option 2 –more redundancies and further recruitment) Loss of NNDR advantages (unless CBC sets up a Trust)</li> <li>• Loss of expertise leisure management expertise</li> <li>• Need to create a new management structure with experience of running leisure facilities</li> <li>• Additional support costs required for back of house function</li> <li>• Some cost to introducing early intervention and prevention agenda (e.g. modifying equipment, developing new programmes)</li> <li>• Early intervention/prevention objectives constrained by the age/layout of existing buildings</li> <li>• Possible higher reputation risk should transfer not run smoothly</li> </ul>

**Members of the Task Group** did not consider this option to be the best model for Chorley as the disadvantages were too great.

## Option 5 appraisal

Bring the provision back in-house and design a model which targets the health and well-being needs of the residents of Chorley and is linked to the ambition for future operating models of partnership and collaborative approaches and requires significant capital investment	
Advantages	Disadvantages
<ul style="list-style-type: none"> <li>• Reduction in charges currently in place to cover central costs (Active Nation core support costs)</li> <li>• Provides a “fit-for-purpose” facility for integrated working</li> <li>• Fits Council’s strategic priorities regarding “ambition”</li> <li>• Potential to develop a facility that considers the needs of a wide range of potential partners</li> <li>• Current occupy significant areas of land which might be used for development</li> <li>• Potential to develop a financially sustainable model</li> <li>• Maximises early intervention/prevention agenda</li> <li>• External redevelopment funding opportunities as site owners</li> <li>• Savings generated from the existing management fee</li> </ul>	<ul style="list-style-type: none"> <li>• Investment in detail options appraisal</li> <li>• Significant capital requirement</li> <li>• Entire financial risk sits with the Council</li> <li>• Increased costs of TUPE</li> <li>• Loss of NNDR advantages (unless CBC sets up a Trust)</li> <li>• Need to create a new management structure with experience of running leisure facilities</li> <li>• Additional support costs required for back of house function</li> <li>• Loss of current expertise of leisure facility management</li> <li>• Possible reputation risk should transfer not run smoothly</li> </ul>

**Members of the Task Group** consider this option as to be the most preferred as it would deliver the Council’s vision for its leisure facilities. However more detailed analysis was required to determine the financial feasibility of contracting out or bringing the contract back in-house.

The recommendations made by Pulse Regeneration have been based on the consideration of the five broad options from an operational perspective and whilst this provides a good overview it has highlighted the need to further consider the financial impacts and opportunities regardless of the option selected.

Not highlighted but also for consideration is the potential to explore thoroughly the existing resourcing structures, roles and potentials for operational cost efficiencies across all three sites, alongside further understanding of the central core costs currently being incurred.

This will enable the preliminary decision of whether it is financially feasible to bring the contract back in house to be made before any further decisions are made. Once identified, further decisions can be made using the evaluations and appraisal options provided by Pulse Regeneration.

## **CONCLUSION**

Members of the Task Group agreed that the existing management contract was no longer fit for purpose. To allow for the Council to realise its ambition to maximise its early intervention/prevention agenda, changes to managerial arrangements needed to be made.

Although the safest model for the Council to use would be option 3 (Invite other providers to tender for the contract under a new operating provision with objectives in-line with early intervention principles and outcome based performance) it was not necessarily considered the best option for Chorley for the future. The authority would have less control over the types of services and classes provided at these facilities. There would also be an added complication if Active Nation was not awarded the new contract, in that the Council would need to develop good working relations with a new provider. This would inevitably impact on the timescale for delivering the early intervention/prevention agenda.

Option 5 (bring the provision back in-house and design a model which targets the health and well-being needs of the residents of Chorley and is linked to the ambition for future operating models of partnership and collaborative approaches and requires significant capital investment) was considered by the Task Group to be the best option for Chorley in the long term. However, it was not without its risks and financially the option may not be feasible.

Further analysis to determine the financial feasibility of contracting out or bringing the contract back in house, by specifically focussing on:

- Analysis and understanding of Active Nation central costs
- Conducting a detailed active market financial appraisal
- Determine actual anticipated impacts of on-costs
- Analysis of control and efficiencies to be gained by bringing in-house in comparison with a contracted out model

This information could be used to inform the decision required in readiness for the formal contract review period commencing in 2018.