

COUNCIL

TUESDAY, 22ND JANUARY 2019, 6.30 PM
COUNCIL CHAMBER, TOWN HALL, CHORLEY

AGENDA

APOLOGIES

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|---|------------------------|
| <p>1 MINUTES OF MEETING TUESDAY, 20 NOVEMBER 2018 OF COUNCIL</p> | <p>(Pages 3 - 10)</p> |
| <p>2 DECLARATIONS OF ANY INTERESTS</p> <p>Members are reminded of their responsibility to declare any pecuniary interest in respect of matters contained in this agenda.</p> <p>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.</p> | |
| <p>3 MAYORAL ANNOUNCEMENTS</p> | |
| <p>4 PUBLIC QUESTIONS</p> <p>Members of the public who have requested the opportunity to ask question(s) on any item(s) on the agenda will have three minutes to put their question(s) to the relevant Councillor. Members of the public will be allowed to ask one short supplementary question.</p> | |
| <p>5 EXECUTIVE CABINET</p> | <p>(Pages 11 - 16)</p> |
| <p>To consider a general report of the meetings of the Executive Cabinet held on 15 November, 13 December 2018. The report for 17 January 2019 will follow.</p> | |
| <p>6 REVENUE AND CAPITAL BUDGET MONITORING 2018/19 REPORT 2 (END OF SEPTEMBER 2018)</p> | <p>(Pages 17 - 36)</p> |
| <p>To consider and receive the report of the Chief Finance Officer.</p> | |

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| 7 | <p>OVERVIEW AND SCRUTINY COMMITTEE AND TASK AND FINISH GROUPS</p> <p>To receive and consider the general report of the Overview and Scrutiny Committee held on 11 October and 29 November 2018, the Overview and Scrutiny Performance Panel held on 20 September and 29 November and Task Group update.</p> | (Pages 37 - 44) |
| 8 | <p>GOVERNANCE COMMITTEE</p> <p>To receive and consider the general report of the Governance Committee held on 21 November 2018.</p> | (Pages 45 - 46) |
| 9 | <p>TREASURY MANAGEMENT ACTIVITY MID-YEAR REVIEW 2018/19</p> <p>To receive and consider the report of the Chief Finance Officer.</p> | (Pages 47 - 66) |
| 10 | <p>GENERAL PURPOSES COMMITTEE</p> <p>To receive and consider the general report of the General Purposes Committee held on 13 December 2018.</p> | (Pages 67 - 68) |
| 11 | <p>CHORLEY COUNCIL RESPONSE TO DRAFT RECOMMENDATIONS OF WARDING ARRANGEMENTS</p> <p>To consider and receive the report of the Director (Policy and Governance).</p> | (Pages 69 - 76) |
| 12 | <p>TO CONSIDER THE NOTICES OF MOTION GIVEN IN ACCORDANCE WITH COUNCIL PROCEDURE RULE 10</p> <p>The enclosed Notice of Motion has been submitted by Councillor Steve Holgate.</p> | (Pages 77 - 78) |
| 13 | <p>ANY URGENT BUSINESS PREVIOUSLY AGREED WITH THE MAYOR</p> | |

GARY HALL
CHIEF EXECUTIVE

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MINUTES OF COUNCIL

MEETING DATE Tuesday, 20 November 2018

MEMBERS PRESENT: Councillor Margaret Lees (Mayor), Councillor Greg Morgan (Deputy Mayor) and Councillors Aaron Beaver, Eric Bell, Martin Boardman, Alistair Bradley, Terry Brown, Paul Clark, Jean Cronshaw, Alan Cullens, John Dalton, Doreen Dickinson, Graham Dunn, Christopher France, Gordon France, Margaret France, Jane Fitzsimons, Anthony Gee, Tom Gray, Keith Iddon, Yvonne Hargreaves, Steve Holgate, Hasina Khan, Zara Khan, Paul Leadbetter, Roy Lees, Sheila Long, Adrian Lowe, Marion Lowe, June Molyneaux, Steve Murfitt, Beverley Murray, Debra Platt, Gillian Sharples, Joyce Snape, Kim Snape, Ralph Snape, John Walker, Neville Whitham, Alan Whittaker and Peter Wilson

OFFICERS: Gary Hall (Chief Executive), Chris Sinnott (Director (Early Intervention and Support)), Asim Khan (Director (Customer and Digital)), Rebecca Huddleston (Director (Policy and Governance)), Chris Moister (Head of Legal, Democratic & HR Services), Andrew Daniels (Communications and Events Manager), Phil Davies (Electoral Services Manager), Rebecca Aziz-Brook (Transformation Programme Coordinator) and Ruth Rimmington (Democratic and Member Services Team Leader)

APOLOGIES: Councillors Henry Counce, Danny Gee, Matthew Lynch, Alistair Morwood, Mark Perks and Paul Walmsley

Three members of the public

17.C.49 Minutes of meeting Tuesday, 18 September 2018 of Council

On behalf of the Council the Mayor expressed best wishes to Councillor Matthew Lynch on a speedy recovery.

Decision: That the minutes of the Council meeting held on 18 September 2018 be approved as a correct record for signature by the Mayor.

17.C.50 Declarations of Any Interests

One declaration of interest was received.

Councillor Roy Lees declared a non-pecuniary interest in item 9: Notice of Motion in relation to Chorley Community Housing.

17.C.51 Mayoral Announcements

The Mayor thanked everyone who attended one of the many Remembrance Sunday services that took place in the town and across the borough to mark the centenary the end of the First World War.

The Mayor advised Members that her next charity events are a sponsored microlight flight, Chorley's Got Soul on 2 March, a Burns Night on 26 January and the Charity Ball on 15 February.

She invited Members to give a donation of their choice to her charity appeal instead of sending Christmas cards to one another. She highlighted that Councillors are invited to Chorley FM Kids Sing Christmas - a night of festive music provided by local primary schools and the Youth Zone on 5 December.

17.C.52 Public Questions

There were no public questions for consideration.

17.C.53 Chorley Council Corporate Strategy

Councillor Peter Wilson, Executive Member (Resources) presented the report of the Director (Policy and Governance) seeking approval to the refresh of the Council's Corporate Strategy for 2018/19 – 2020/21.

The report provides a summary of the performance of the Corporate Strategy in 2017/18 and the changes proposed as part of the Corporate Strategy refresh for 2018/19.

The Corporate Strategy for 2017/18 delivered improvements for core service provision such as streetscene services, neighbourhood working and housing. It also drove key development projects through to completion to make improvements to services across the borough and transforming the way the Council operates to ensure the best provision for the residents of Chorley.

This year, the construction of Primrose Gardens, completion of the Youth Zone and the development of Market Walk provide examples of activity by the Council to boost the wider economy and ensure sustainable future provision for people of all ages in Chorley.

For 2018/19 – 2020/21, the Corporate Strategy vision and long term outcomes have been refreshed to reinforce the Council's commitment to supporting all residents in both rural and urban areas, and ensuring access to services via both traditional and digital channels.

Projects have been reviewed and refreshed to reinforce the direction of travel for the Council, some projects will continue through 2018/19. Provision of better services will also be reflected in the new projects including improvements to playing pitches and building community resilience. In addition, the delivery of the Digital Office Park and

Housing Company which balances a more commercial approach to ensure the long term sustainability of Council services with a commitment to addressing social housing needs across the borough.

The performance measures which help assess how the Council is improving and whether the Council is achieving its long term goals have also been reviewed and updated. The four key priorities remain the same.

The following projects are included within the Corporate Strategy:

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

- Develop Astley Hall and park as a visitor destination
- Support people from across the borough to be digitally included
- Develop a framework for building community resilience and delivery of identified projects (NEW)

Clean, safe and healthy homes and communities

- Deliver the Primrose Gardens retirement village
- Deliver improvements to the playing pitches in the borough (NEW)
- Deliver the Housing Company (NEW)

A strong local economy

- Bring forward key sites for development
- Deliver the Market Walk Extension
- Deliver the Digital Office Park (NEW)

An ambitious council that does more to meet the needs of residents and the local area

- Transform the way the council delivers services
- Deliver a borough wide programme of improvements to street services
- Deliver a review of our approach to partnership working (NEW)

Councillor Alan Cullens, Leader of the Opposition, queried the description of the project relating to building community resilience. Councillor Wilson explained that the project needs to be flexible to meet the individual needs of communities. The aim is to encourage groups to operate independently.

Councillor Martin Boardman, Deputy Leader of the Opposition, commented on the investment undertaken by the administration in rural areas in comparison with the town centre. Councillor Wilson highlighted that some facilities within the town centre, such as the Market Walk extension, the Youth Zone, Primrose Gardens and the Digital Office Park will serve the whole Borough. Resources had been allocated to support rural libraries, bus services, the Croston flood relief scheme and Neighbourhood Area projects throughout the Borough.

Before taking a decision on these proposals, Members considered alternative proposals put forward by the Conservative Group in the following agenda item.

a Alternative Corporate Strategy

Councillor Alan Cullens, Leader of the Opposition, presented the Conservative Group's Alternative Corporate Strategy.

Councillor Cullens reiterated the support of Conservative Group for the Youth Zone, Primrose Gardens and the Digital Office Park, but their continued opposition to the Market Walk extension.

The five themes and 22 projects of the Alternative Corporate Strategy are:

Health and Wellbeing - Making Chorley Borough a place where people 'start well, live well and age well'

- Create an additional Digital Inclusion Officer Post targeted at our Rural and
- Parish areas
- Establish a community connectivity and inclusion fund
- Develop targeted wellbeing schemes for all generations from child through to older adult
- Establish a Community Partnerships Unit with a Community Projects Leader
- Establish a strategy and fund to revitalise and re-engage young people with outdoor recreation and activities

Retail, Leisure and Tourism - Making Chorley Borough a better place to visit, shop

- Establish a Visitor and Tourism Manager post
- Establish and deliver an independent retail grants scheme focusing on local and artisan retailers throughout the Borough
- Deliver a programme of sustainable improvements to the Chorley Markets
- Improve the look and feel of the town centre streetscene
- Improve the borough-wide leisure offer for young people by creating an Outreach from our Youth Zone
- Carry out a feasibility study for developing a Borough wide accessible sports village

Education - Making Chorley Borough a better place to educate and be educated

- Undertake a needs analysis of educational requirements in Chorley Borough
- Partner with local business and education providers to develop a further education offer based in Chorley

Business - Making Chorley Borough a better place to do business

- Undertake a borough-wide land usage assessment
- Appoint an Inward Investment Business Growth Officer
- Develop and deliver a Chorley apprenticeship scheme, in partnership with established further education providers and employers
- Undertake a survey to identify which type of business operate within the Borough and where they are

Housing - Making Chorley Borough a better place to live

- Develop an action plan and programme of work to establish Lifetime Homes Standards in Chorley
- Establish a strategic housing delivery board with local stakeholders, housing providers and developers
- Review options to accelerate alternative housing delivery across the borough with a focus on the development of new build social housing
- Undertake initial feasibility work to improve borough wide connectivity

- Develop a student accommodation offer in and around the town centre, in partnership with local universities

Councillor Martin Boardman, Deputy Leader of the Opposition, supported the Alternative Corporate Strategy, in particular the projects in relation to young people and student accommodation.

Members debated the Alternative Corporate Strategy including proposals for alternative homes, student accommodation and related transport issues, the potential for a sixth form college in Chorley and the provision of adequate schools places in existing schools.

AMENDMENT

The adoption of the Alternative Corporate Strategy as set out in the report, was moved as an amendment by Councillor Alan Cullens, Leader of the Opposition, and seconded by Councillor Martin Boardman, Deputy Leader of the Opposition. The vote was **lost**.

SUBSTANTIVE MOTION

The substantive motion, as indicated in Agenda Item 5 and proposed by Councillor Alistair Bradley, the Executive Leader, and seconded by Councillor Peter Wilson, the Deputy Leader, was then put to the vote.

The vote was **carried** and it was therefore a **Decision - That the Corporate Strategy for 2018/19 – 2020/21 as submitted by the Director (Policy and Governance) be approved.**

17.C.54 Change of Working Group name

Councillor Alistair Bradley, Executive Leader of the Council, presented the report of the Director (Policy and Governance) which proposes that the name of the Local Development Framework Working Group be changed to the Local Plan Working Group.

The Local Development Framework has been superseded through national policy changes. It is appropriate to rename the Working Group to reflect this.

The Executive Leader, Councillor Alistair Bradley proposed and the Deputy Leader, Councillor Peter Wilson seconded the **Decision**

- 1. To change the name of the Local Development Framework Working Group to Local Plan Working Group.**
- 2. For the Local Plan Working Group to agree terms of reference at their first meeting.**

17.C.55 Council appointments

Councillor Alistair Bradley, the Executive Leader, proposed, Councillor Peter Wilson, the Deputy Leader, seconded the **Decision - To appoint Councillors Alistair Morwood, Yvonne Hargreaves, Steve Holgate and Greg Morgan to a Joint Overview and Scrutiny inquiry into “Our Health Our Care” with South Ribble and Preston.**

17.C.56 To consider the Notices of Motion given in accordance with Council Procedure Rule 10

Councillor Kim Snape presented the following Motion submitted in accordance with Procedure Rule 10.

Cooperative Party Charter Against Modern Slavery

That this Council will support and sign the Cooperative Party Charter Against Modern Slavery and it will promote awareness of Modern Day Slavery amongst our residents and work with officers to support survivors, as follows:

"Charter Against Modern Slavery" Chorley Borough Council will:

- 1. Train its corporate procurement team to understand modern slavery through the Chartered Institute of Procurement and Supply's (CIPS) online course on Ethical Procurement and Supply.*
- 2. Require its contractors to comply fully with the Modern Slavery Act 2015, wherever it applies, with contract termination as a potential sanction for non-compliance.*
- 3. Challenge any abnormally low-cost tenders to ensure they do not rely upon the potential contractor practising modern slavery.*
- 4. Highlight to its suppliers that contracted workers are free to join a trade union and are not to be treated unfairly for belonging to one.*
- 5. Publicise its whistle-blowing system for staff to blow the whistle on any suspected examples of modern slavery.*
- 6. Require its tendered contractors to adopt a whistle-blowing policy which enables their staff to blow the whistle on any suspected examples of modern slavery.*
- 7. Review its contractual spending regularly to identify any potential issues with modern slavery.*
- 8. Highlight for its suppliers any risks identified concerning modern slavery and refer them to the relevant agencies to be addressed.*
- 9. Refer for investigation via the National Crime Agency's national referral mechanism any of its contractors identified as a cause for concern regarding modern slavery.*
- 10. Report publicly on the implementation of this policy annually."*

Councillor Yvonne Hargreaves seconded the motion.

Following debate, Members unanimously made the **Decision - that the motion be supported.**

Councillor Roy Lees left the meeting at 7.45pm.

The Councillor Alan Whittaker presented the following Motion submitted in accordance with Procedure Rule 10.

Chorley Community Housing (CCH)

"Chorley Council notes the commitment undertaken by Chorley Community Housing (CCH) at the time of housing stock transfer from the council, to deliver 1,000 off street parking spaces which it has done. However, it also notes that CCH has accrued significant funds in excess of those anticipated from its Chorley housing stock that it has subsequently utilised in its recent growth initially as part of Adactus Housing Group and latterly as part of the Jigsaw Housing Group. Therefore the council requests that the Council Leader write formally to CCH/Jigsaw to request that they undertake to supply a further number of off street parking spaces in areas where the

legacy issues have not been resolved as anticipated. These works are to be undertaken across Chorley borough and identified and evidenced by councillors in order to recognise the specific issues in each council ward and also the significant contribution of Chorley to the wider groups finances”.

Councillor Kim Snape seconded the motion and spoke in support of it.

Following debate, Members made the **Decision - that the motion be supported.**

17.C.57 Electoral Review - Warding Arrangements: Draft Recommendations

Councillor Alistair Bradley, Executive Leader of the Council, presented the report of the Director (Policy and Governance) which presents the Local Government Boundary Commission for England's (LGBCE) draft recommendations on new warding arrangements for Chorley Council.

A formal response will be formulated by the Electoral Review of Chorley Council Committee and presented to Council on 22 January prior to submission to the LGBCE. The draft recommendations are currently out for public consultation, the deadline for which is 14 January 2019.

The LGBCE's final recommendations will be published on 26 March after which the proposed changes must be approved by Parliament. The draft Order will provide for new electoral arrangements to be implemented at the all-out elections for Chorley in 2020.

Members discussed the need for Town and Parish Councils to be aware of the electoral review and noted that the topic has been discussed at Chorley Liaison and articles included in intheboro, however, the consultation is being run by LGBCE and not the Council.

Councillor Alistair Bradley, the Executive Leader, proposed and Councillor Peter Wilson, the Deputy Leader, seconded the **Decision – that the report be noted.**

Mayor

Date

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Executive Cabinet

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

GENERAL REPORT OF THE MEETING HELD ON 15 NOVEMBER 2018**Update of Community Infrastructure Levy Regulation 123 List**

2. Gary Hall, Chief Executive, presented the report of the Director (Business Development and Growth) which informs Members about the update of the Community Infrastructure Levy (CIL) Regulation 123 List.
3. The List specifies the infrastructure projects to be funded in part by CIL in Chorley and includes schemes such as transport improvements, health facilities and education provision. An 8 week consultation was held with appropriate stakeholders asking for expression of interests, and the list of schemes requested for inclusion is set out in the report.
4. We noted that the report is not asking for funding for projects, which will be proposed in future reports, and that information and guidance on CIL is circulated to Town and Parish Councils regularly. We approved the recommendations within the report.

Control of Invasive Non-Native Species in the Borough of Chorley

5. Mark Lester, Director (Business Development and Growth), presented the report which provides information about the control of Invasive Non-Native Species (INNS) in the Borough of Chorley and suggests action plans for a number of INNS. We approved the recommendations within the report.

Chorley Council Performance Monitoring - Second Quarter 2018/19

6. Councillor Peter Wilson, Executive Member (Resources) presented the report of the Director (Policy and Governance) which sets out performance against the Corporate Strategy and key service delivery measures for the second quarter of 2018/19, 1 July – 30 September 2018.
7. Overall performance of key projects is very good, with ten (83%) of the projects rated as green or complete and two (17%) of the projects currently rated amber.
8. Performance of the Corporate Strategy indicators and key service delivery measures is good, with 67% of Corporate Strategy measures performing on or above target or within the 5% threshold and 89% of key service delivery measures performing on or above target or within the 5% threshold. Those indicators performing below target have action plans outlined with measures to be put in place to improve performance. We noted the report.

Revenue and Capital Budget Monitoring 2018/19 Report 2 (end of September 2018)

9. Councillor Peter Wilson, Executive Member (Resources) presented the report of the Chief Finance Officer which sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2018/19.
10. The Executive Member (Resources) confirmed that the proposed contribution of £50,000 to finance a procurement review of the Council's leisure contract was from in-year revenue underspends and not from the Council's reserves. We approved the recommendations within the report.

Deaccession of Stone Clock Face

11. Councillor Peter Wilson, Executive Member (Resources) presented the report of the Director (Policy and Governance) regarding the deaccession of a museum artefact from Astley Hall Museum and Art Gallery's permanent collection. We approved the recommendations within the report.

Adoption of Council's Revised Tree Policy

12. Councillor Adrian Lowe, Executive Member (Customer, Advice and Streetscene Services) presented the report of the Director (Customer and Digital) which seeks approval for the adoption of the Council's revised Tree Policy.
13. The Tree Policy sets out the Council's risk based approach to the inspection and maintenance of trees on Council-owned land. It has been revised following the internal audit report of May 2016 and appointment of a new tree officer, and reflects best practise in managing trees and better management of risk associated with trees on Council-owned land. We approved the recommendations within the report.

Adoption of Council's Memorial Stone Inspection Policy

14. Councillor Adrian Lowe, Executive Member (Customer, Advice and Streetscene Services) presented the report of the Director (Customer and Digital) which seeks approval for the adoption of the Council's memorial stone inspection policy.
15. The Stone Memorial Inspection policy sets out the Council's risk based approach to the inspection of stone memorials in the cemeteries it is responsible for, and reflects best practise in managing the risks arising from stone memorials. The policy contains details of the inspection and assessment process, which will be carried out in close liaison with Church authorities. We approved the recommendations within the report.

Central Lancashire Local Plan Review Evidence Base: Procurement of a Strategic Flood Risk Assessment (SFRA)

16. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Business Development and Growth). The report provides details of the procurement exercise associated with the appointment of consultants to undertake an update of the Central Lancashire Level 1 Strategic Flood Risk Assessment (SFRA) (2007) for the Central Lancashire Authorities, and explains the Evaluation Methodology criteria that will be used to award the contract.
17. We discussed whether this would include measures to mitigate surface water run-off, such as the planted areas damaged in the moorland fires, and noted that this will be included in future reports. We approved the recommendations within the report.

Procurement of a Highways and Transport Masterplan for Chorley

18. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Business Development and Growth), which informs Members of the proposed procurement of a Highways and Transport Masterplan for Chorley. We approved the recommendations within the report.

Approval for the Contract Award of Internet Connections for Strawberry Fields Digital Hub

19. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Customer and Digital), which seeks approval for the contract award for up to two 10GB internet connections to provide connectivity to the Digital Hub. We approved the recommendations within the report.

Approval for the Contract Award Procedure for the Procurement of Internal Networking For Strawberry Fields Digital Hub

20. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Customer and Digital), which seeks approval for the contract award procedure for the internal networking for Strawberry Fields Digital Hub, advises of the tender procedures being used to procure the networking, and seeks to obtain authority for the use of the criteria intended to award the contract. We approved the recommendations within the report.

Council Tax Local Discounts & Exemptions Policy

21. Councillor Peter Wilson, Executive Member (Resources) presented the confidential report of the Director (Customer and Digital) which seeks approval to consult on the proposed changes to the Council Tax Local Discounts and

Exemptions Policy from 1 April 2019 outlined in the report. We approved the recommendations within the report.

Cotswold Supported Housing and Primrose Gardens Concierge Service Contract

22. Councillor Peter Wilson, Executive Member (Resources) presented the confidential report of the Director (Early Intervention and Support) which provides details of the procurement exercise being undertaken to renew the contract for the delivery of the concierge service for Cotswold Supported Housing and Primrose Gardens, including the evaluations criteria which will be used to award the contract. We approved the recommendations within the report along with an additional recommendation to grant the Executive Member for Resources delegated authority for awarding the contract in due course.

Review of Pest Control Services

23. Chris Sinnott, Director (Early Intervention and Support) presented the confidential report which outlines the options for the delivery of Pest Control Services within Chorley. We approved the recommendations within the report.

Dog Warden Service Review

24. Chris Sinnott, Director (Early Intervention and Support) presented the confidential report which outlines the review the Council's policy on the return of stray dogs, the transfer of ownership and rehoming policy, and the delivery of the out of hours stray dog collection service. We approved the recommendations within the report.

Regulatory Services Restructure Proposals

25. Chris Sinnott, Director (Early Intervention and Support) presented the confidential report which outlines the proposed changes to the structure and provision of services currently offered by the Regulatory Service Team alongside decisions specifically detailing the Pest Control and Stray Dogs Service. We approved the recommendations within the report.

Housing Solutions Restructure Proposals

26. Councillor Jane Fitzsimons, Executive Member (Homes and Housing) presented the confidential report of the Director (Early Intervention and Support) which presents a proposal to amend the structure for the Housing Solutions Team which aims to provide additional resources and align the existing structure to provide a staffing resource for Primrose Gardens Extra Care Scheme and 10 general needs properties. We approved the recommendations within the report.

GENERAL REPORT OF THE MEETING HELD ON 13 DECEMBER 2018

Market Walk Building Contract

27. Councillor Peter Wilson, Executive Member (Resources) presented the confidential report of the Chief Executive, which provides an update on the current status of the project and a proposed contract sum to carry out the works. We approved the recommendations within the report.

Alker Lane - Delivery Options

28. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Business Development and Growth), which informs Members of the delivery options, next steps and key issues available to the Council to bring forward employment premises on the Alker Lane site. We approved the recommendations within the report.

Approval for the Contract Award Procedure for the Procurement of Furniture Fit Out for the Strawberry Fields Digital Hub

29. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Business Development and Growth), which seeks approval for the contract award procedure, the tender procedures, and the criteria to award the contract for the furniture fit out for Strawberry Fields Digital Hub. We approved the recommendations within the report.

Approval for the Procurement of Consultants to Secure an Outline Planning Consent for the Shady Lane Site

30. Councillor Alistair Bradley, Executive Member (Economic Development and Public Service Reform) presented the confidential report of the Director (Business Development and Growth), which seeks approval for the procurement approach including the award procedure, evaluation methodology and criteria for the engagement of consultants for securing a deliverable outline planning consent for the Shady Lane site. We approved the recommendations within the report.

Approval for the contract award procedure and evaluation criteria for the provision of skips and removal of Streetscene waste from Bengal Street depot

31. Councillor Peter Wilson, Executive Member (Resources) presented the confidential report of the Director (Customer and Digital), which seeks approval for the contract award procedure and evaluation criteria for the two year contract to provide skips, remove and dispose of waste from the Bengal Street depot. We approved the recommendations within the report.

Approval for the contract award procedure and evaluation criteria for trade waste from council buildings

32. Councillor Peter Wilson, Executive Member (Resources) presented the confidential report of the Director (Customer and Digital), which seeks approval for the contract award procedure and evaluation criteria for the two year contract

to undertake trade waste collections from Council buildings. We approved the recommendations within the report.

Use of Special Urgency procedure

33. When the Council uses the Special Urgency procedure under Regulation 11 of the Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 this must be reported to Council.

34. The Executive Member (Resources) took a decision on 25 September 2018 to agree Chorley Council should participate in the bid by Lancashire local authorities to be a 75% business rates retention pilot in 2019/20 and to confirm support for the three-stage approach to allocation of extra funding within the pool. The decision was taken following the consideration of a report of the Chief Finance Officer. Notice of this key decision was not published 28 days before the decision was expected to be made because the deadline for submitting an application from Lancashire councils to the Government is 25 September. The use of delegated powers to take this decision was approved at Council on 18 September.

Recommendation

35. To note the report.

COUNCILLOR ALISTAIR BRADLEY
EXECUTIVE LEADER

PB



Report of	Meeting	Date
Chief Finance Officer (Introduced by the Executive Member for Resources)	Executive Cabinet	15 November 2018

REVENUE AND CAPITAL BUDGET MONITORING 2018/19 REPORT 2 (END OF SEPTEMBER 2018)

PURPOSE OF REPORT

1. This report sets out the provisional revenue and capital outturn figures for the Council as compared against the budgets and efficiency savings targets set for the financial year 2018/19.

RECOMMENDATION(S)

2. Note the full year forecast position for the 2018/19 revenue budget and capital investment programme.
3. Note the forecast position on the Council's reserves.
4. Request Executive Cabinet approval for the contribution of £50,000 from in-year revenue underspends to finance a procurement review of the Council's leisure contract.
5. Request Council note the capital programme to be delivered in 2018/19 to 2020/21.
6. Request Council approve the budget changes to the capital programme outlined in paragraph 44.

EXECUTIVE SUMMARY OF REPORT

7. The projected revenue outturn currently shows a forecast underspend of £118,000 against budget. No action is required at this stage in the year.
8. The forecast excludes any variation to projected expenditure on investment items included in the budget in 2018/19. These projects are forecast to fully expend in 2018/19 and should there be any balances remaining at year end they will be transferred into specific reserves and matched to expenditure in future years.
9. In the 2018/19 budget the expected net income from Market Walk after deducting financing costs is £1.005m.
10. The forecast of capital expenditure in 2018/19 is £34.209m
11. The Council's budget for 2018/19 included a savings target of £200k from management of the staffing establishment. The full savings of £200k have already been achieved.
12. The Council's Medium Term Financial Strategy proposed that working balances are to reach £4.0m over the 3 year lifespan of the MTFs to 2018/19 due to the financial risks facing the

Council. As reported to Executive Cabinet in June, the target of £4m has been achieved as at 31 March 2018. Should the recommendations in this report be accepted, the forecast level of balances at 31 March 2019 will be around £4.068m. It should be noted however that there may be further call for the use of general balances throughout 2018/19.

Confidential report Please bold as appropriate	Yes	No
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Key Decision? Please bold as appropriate	Yes	No
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Reason 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)

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

ALTERNATIVE OPTIONS CONSIDERED AND REJECTED

- 14. None

CORPORATE PRIORITIES

- 15. 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

- 16. The current net revenue budget for 2018/19 is £16.864m. This has been amended to include approved slippage from 2017/18 and any transfers to/from reserves.
- 17. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2018/19.
- 18. A full schedule of the investment budgets carried forward from 2017/18 and the new (non-recurrent) investment budgets introduced in the 2018/19 budget are shown in Appendix 2 together with expenditure to date against these projects (for capital items see Appendix 4).
- 19. The Council’s approved revenue budget for 2018/19 included target savings of £200k from management of the staffing establishment. The full savings of £200k have been achieved for the year.

20. Following the recommendations made in the June 2018 budget monitoring report, in-year revenue underspends have been set aside to fund the following items:
- £200,000 to the Business Rates Retention Equalisation Reserve
 - £90,000 for the commissioning of a Highways and Transport Strategy
 - £10,000 to assess the need for additional schools in Chorley.
21. Set out in Appendix 1 is the provisional outturn position for the Council based upon actual spend in the first six months of the financial year and adjusted for future spend based upon assumptions regarding vacancies and service delivery.
22. The latest forecast of capital expenditure in 2018/19 is £34.209m. The latest capital forecast is detailed in Appendix 4 based upon actual expenditure during the first six months of the financial year and adjusted for future spending based upon the latest timescales for project delivery.

SECTION A: CURRENT FORECAST POSITION – REVENUE

23. The projected outturn shown in Appendix 1 forecasts an underspend compared to budget of around £118,000. The significant variances from the cash budget are shown in the table 1 below.

ANALYSIS OF MOVEMENTS

Table 1 – Forecasted Significant Variations from the Cash Budget

Note: Overspends/shortfalls in income are shown as ().

	£'000	£'000
Expenditure:		
Staffing Costs	<u>123</u>	123
Income:		
Electoral Registration Funding	15	
Sale of Replacement Bins	(29)	
Bulky Waste Collection	10	
Planning Application Income	(55)	
Integrated Home Improvement Service	20	
Hire of Community Centres	<u>15</u>	(24)
Other:		
Other minor variances	<u>12</u>	12
Net Movement		111
Quarter 1 Net Forecast Underspend		7
Total Forecast Underspend at Quarter 2		118

Expenditure

24. The additional savings on staffing costs of £123,000 shown in table 1 above reflects the changes from the position reported to the end of June in the last monitoring report. The main changes are predominantly as a result of vacant posts, a number of which have remained vacant pending the introduction of new departmental structures.
25. The forecast variations profiled above make assumptions regarding the start dates of staff to vacant posts, these assumptions are monitored on a monthly basis. The main savings from quarter 2 are predominantly from the Customer and Digital directorate from ICT Services and Customer Transformation.

Income

26. In previous years the Council has received funding from the Cabinet Office in the form of section 31 grants to contribute to the additional costs of transferring to Individual Electoral Registration (IER). It was anticipated that 2017/18 would be the final year of funding but in July of this year the Cabinet Office announced a further allocation for 2018/19 and that the Council would receive a grant of £14,596.
27. The Council's income budget for the sale of refuse bins was increased for 2018/19 following the introduction of charges for replacement bins and the addition of grey bins for garden waste recycling. However, income levels have remained similar to 2017/18, largely due to difficulties in proving who is at fault for the loss or damage. As a result, the anticipated income for the year is forecast to be £29,000 lower than budgeted. It should be noted however that from 1st April 2019, in-cab technology will provide video evidence of the waste disposal process and help alleviate current issues around who should pay for the replacement bin.
28. The Council's charges for the removal of bulky waste items were increased for 2018/19 and it was envisaged that demand would likely reduce as a result. This has not proved to be the case and demand has slightly increased for this service for the year to date resulting in additional income of around £10,000 forecast for the year. The cost of providing this service is built into the Waste and Recycling contract with Veolia.
29. Previous planning income forecasts included £181k relating to the Botany Bay applications for reserved matters consent that are anticipated to be submitted following the grant of outline planning permission. This has been removed from 2018/19 income forecasts at the request of the Planning Services Manager who believes the applications are more likely to be received during 2019/20. In the last couple of months we have received a couple of major applications not relating to Botany amounting to £90k.
30. Planning Applications for the first six months are down on similar periods in previous years. Likely reasons being the Council's success in defending a decision to refuse planning permission for a housing development on Safeguarded Land has dissuaded land owners and house builders from submitting similar applications. In addition, at this stage in the Development Plan process the majority of housing sites are either under construction or already have the benefit of planning permission. The Development Plan is currently being reviewed. This has resulted in a revised income forecast of around £525,000 for the year, £135k below budget and £55k less than reported in June.
31. The Council had previously entered into a collaboration agreement with Lancashire County Council for the Integrated Home Improvement Service (IHIS). The arrangement provides a handy person and mobility care service which first came into effect from 1 July 2015 and replaced the previous Supporting People funding. The initial IHIS contract expired on 31

March 2018 and therefore the Council's budgets for 2018/19 included the assumption that the funding from LCC would cease. However, LCC have since agreed to a 1 year extension to the funding arrangement to 31 March 2019 and this should result in surplus income of around £20,000 for the year.

32. Additional income is also forecast in 2018/19 from hire charges for the Council's community centres. Budgeted income from the 6 community centres was £61,000 for the current year, based on actual income for 2017/18 plus an inflationary increase in charges. Block booking invoices for hire of the centres are issued 6 months in advance and charges for October to March have recently been issued so the current income levels should be in line with the final outturn figures for 2018/19. Current income is around £76k giving a surplus of around £15k for the year. The majority of this has come from Lancaster Way Community Centre in Buckshaw Village which is now becoming more established as a local community venue.

Requests from Underspends

33. The current contract with Active Nation UK Ltd for managing the Council's leisure centres ends in 2020. Work was commissioned and undertaken around 12 months ago to broadly review the options available to the council in the future management of the council's leisure centres. Additional support is now required for the technical aspects of creating a procurement approach and specification, including undertaking a basic options appraisal and shadow bid and analysis and estimate of likely contract costs. It is proposed therefore that a sum of £50k is set aside from this year's revenue underspends to provide this external support.

MARKET WALK

34. The budgeted net rental income from Market Walk after taking account of financing costs in 2018/19 is £1.005m.

Table 2: Market Walk Expenditure/(Income) 2018/19

	2018/19 Budget £	2018/19 Outturn £	2018/19 Variance £
Rental & Insurance Income	(1,774,100)	(1,743,853)	(30,247)
Operational Costs (excluding financing)	148,550	118,303	30,247
Net Income (excluding financing)	(1,625,550)	(1,625,550)	0
Financing Costs	619,730	619,730	0
Net Income (including financing)	(1,005,820)	(1,005,820)	0
Income Equalisation Reserve (Annual Contribution)	50,000	50,000	0
Asset Management Reserve (Market Walk)	50,000	50,000	0
Net Income	(905,820)	(905,820)	0

Income

35. Income is expected to be £30k short of the budget in 2018/19 due to two units becoming vacant during the year and no assumed replacement tenants in 2018/19.

Expenditure

36. The shortfall in income can be offset by expected underspends in the expenditure budgets, these include underutilised maintenance and professional fees budgets. The expenditure forecasts include the council's liabilities for NNDR and service charges on the vacant units.

Reserves

37. The table below summarises that the expected balances at year end in the MW income equalisation and MW asset maintenance reserves are £350k and £49k respectively. There is no assumed use of the income equalisation reserve however the £24k committed in 2017/18 for the upgrading of the covered market lighting will be committed in 2018/19.
38. In order to meet demand for car parks whilst works are being carried out to create additional Town Centre parking approval was given to develop additional temporary parking provision on the Flat Iron car park in support of delivering the Market Walk Extension scheme. The additional temporary spaces will be split between short stay public spaces and long stay staff parking spaces for Market Walk tenants and will be funded through the Market Walk maintenance reserve at a cost of approximately £124k.

Summary of Market Walk Reserves

	Income Equalisation £	Asset Maintenance Market Walk £
Opening Balance 2018/19	300,366	146,970
2018/19 contribution to reserves	50,000	50,000
Upgrading of covered market lighting		(24,000)
Use of reserve to fund works to Flat Iron Car Park		(124,000)
Forecast Closing Balance 2018/19	350,366	48,970

GENERAL FUND RESOURCES AND BALANCES

39. With regard to working balances, and as per Appendix 1, the Council started the year with a balance of £4.000m. The approved MTFS proposes that working balances are to reach £4.0m over the 3 year lifespan of the MTFS to 2018/19 given the budgetary challenges facing the Council. The current forecast to the end of September shows that the General Fund closing balance could be around £4.118m.
40. Should the recommendations in this report be accepted, the forecast level of balances at 31 March 2019 will be around £4.068m as detailed in table 3 below. It should be noted however that there may be further call for the use of general balances throughout 2018/19.

Table 3 – Movement in General Fund Balance

General Balances	£m
Opening Balance 2018/19	4.000
Forecast revenue budget underspend	0.118
Initial General Fund Closing Balance 2018/19	4.118
Procurement of leisure contract review	(0.050)
Forecast General Fund Closing Balance 2018/19	4.068

41. Appendix 3 provides further information about the specific earmarked reserves and provisions available for use throughout 2018/19.

SECTION B: CURRENT FORECAST POSITION – CAPITAL

42. The approved capital budget as per the revenue and capital outturn report approved on 21 June 2018 is as follows:

	2018/19 £m	2019/20 £m	2020/21 £m	Total £m
Approved Budget	34.020	4.441	1.096	39.557
Q1 Adjustment	0.101	(0.101)	0.000	0.000
Q2 Adjustment	0.087	0.983	2.606	3.676
Revised Budget	34.209	5.323	3.702	43.233

43. The quarter 2 budgets adjustments consist of removing the budgets for the purchase of refuse bins – as the council charges for bins these budgets are moved to a revenue cost centre. £72k is now included for the works to the Muslim Burial Shelter and is funded £20k from Chorley Council and £52k from the Chorley Muslim Trust. This was approved by a delegated Executive Member decision on 17th August 2018 as per the report to Executive Cabinet on 15th February 2018. It also includes the budget and borrowing requirements of the housing company model approved by Full Council on 18th September 2018.
44. The specification of the **Digital Office Park** have been amended to provide enhanced fire protection to improve the safety of the site as well as ensuring the safety of any developments on the neighbouring site. The increase in the cost to the project is £60k. This will be funded through an unused revenue reserve identified in 2017/18 for any revenue implications of bringing forward the Digital Office Park.
45. The funding for the **Digital Office Park** has also changed. Funding from ERDF was reduced by £300k and this has been replaced by prudential borrowing. There were delays to the start on site while issues encountered with developers on the neighbouring site were resolved. To keep the project within the agreed timescales additional costs of redesigning the scheme and accelerating the current contract have been incurred, this has resulted in an additional £300k to the project. Although this could be absorbed within the project budget, this additional cost was not deemed eligible for ERDF funding. As such the ERDF funding towards the total project budget has reduced with prudential borrowing being used to replace the funding. There is however no impact on the revenue model from this change as the MTFS had included borrowing costs for £400k of furniture fit out that was not part of the original ERDF bid. Through negotiations with ERDF this is now included in the model and is now eligible for ERDF funding.
46. The distribution of the **Market Walk Extension** budget has been amended with £200k from the original Brunswick Street improvements budget being transferred to Market Walk Extension development budget. The specification for the Brunswick has changed resulting in a lower forecast cost for these works.
47. The distribution of the **Steeley Lane** capital budget has been amended.
- An EMD on 5th October 2018 approved a £50k virement from the Steeley Lane capital project to fund the Brunswick Street Highway Scheme. The scheme will

improve the pedestrian linkages between Clifford Street and Friday Street as well as Chorley station and its south bound platform.

- An EMD on 29th September 2018 approved a £50k virement from the Steely Lane capital project to fund Park Road Parking Scheme.

Customer & Digital - £746k

48. The **Bank Hall** restoration project has committed £1.174m, including £508k in 17/18, of HLF funding towards the project. The works are making good progress with grant claim 12 of 15 having been received. Specifications and materials have been agreed for all key areas and the target for completion of the structural repairs remains at December 2018 with the fit out works (which are non-grant eligible) to commence thereafter. There may be some slight slippage in the programme but this will still be within the HLF imposed target end date for the completion of 28 February 2019.

Policy & Governance - £140k

49. The 2018/19 project budget for **Astley 2020** is £547k. This budget includes £200k match funding toward a bid to the HLF for a total allocation of £2.1m. As per the advice of the HLF, the bid has been re-written and submitted in August 2018 with a likely response in December 2018. The budget also includes £82k for the improvements to Hallgate car park that have now been completed and £100k for the Garden of Reflection that is also complete and was funded through a grant from the Armed Forces Covenant. There remains a budget of £140k in the programme for footpath lighting.

Early Intervention - £374k

50. The total allocation for Chorley Council's **DFG** in 2018/19 is £717k, spend to date is £371k.

Business, Development and Growth - £9.682m

51. Total expenditure on the **Market Walk Extension** project in 2018/19 is £1.830m, this predominantly relates to the demolition of Oak House site and the works regarding the decked parking on Friday Street car park.
52. All works at **Harpers Lane Recreation Ground** are complete including upgraded path network, refurbished railings and gates, new railings to the bowling green, improved community building and toilets, the construction of a pump track and artificial grass multi use games area and £70k playground.
53. Phase 1 works to **Coronation Recreation Ground** are also complete; these include refurbished railings, gates, footpaths, walls and tennis court. Phase 2 works are well underway with the £150K toddler play almost complete and works have started on the construction of the £170K MUGA, fitness zone and play equipment for 8+ which is expected to be complete for Christmas.
54. The construction of **Primrose Gardens** continues to progress well with £3.847m spent in 2018/19. All ground floor apartments are plastered and roof works completed, ground and first floor windows are fitted and the first show room is now available for viewings. Works are on schedule to be completed by the 15th March 2019.

- 55. Enabling works at the **Digital Office Park** site are now complete and the main build has begun with spend in 2018/19 of £3.848m. Internal works have commenced including M&E and works to raised access flooring. There remains a budget of £900k in the capital programme for the enabling works relating to the larger site.
- 56. The **Asset Improvement Budget** for 2018/19 is £554k with commitments totalling £502k including works to PALS Memorial, Astley cottage roof, town centre CCTV and the covered markets.

CAPITAL PROGRAMME FINANCING 2018/19

Fund	Original Budget 2018/19 £m	Quarter 1 2018/19 £m	Quarter 2 2018/19 £m	Change £m
External Contributions	10.107	10.107	10.195	0.088
Grants	8.685	8.685	8.319	(0.366)
New Homes Bonus	0.400	0.400	0.355	(0.045)
Earmarked Reserves	2.314	2.314	2.374	0.060
Revenue	0.023	0.023	0.023	0.000
Capital Receipts	0.981	0.981	1.036	0.055
Borrowing	11.511	11.612	11.907	0.295
Capital Financing 2018/19	34.020	34.122	34.209	0.087

- 57. The changed from quarter 1 are the result of the changes outlined in paragraphs 43 to 45. In addition, contributions from RSLs have been received towards home adaptations, these contributions have replaced previously forecast use of DFG.

IMPLICATIONS OF REPORT

- 58. 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

- 59. The financial implications are contained within this report

COMMENTS OF THE MONITORING OFFICER

- 60. No Comment

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
David Bond/James Thomson	5488/5025	17/07/18	***

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	(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
General Fund Revenue Budget Monitoring 2018/19 Forecast to end of September 2018	Original Cash Budget	Impact of Council Restructure	Agreed Changes (Directorates)	Agreed Changes (Other)	Amended Cash Budget	Contribution to Corp. Savings (Staffing)	Contribution to Corp. Savings (Other)	Current Cash Budget	Forecast Outturn	Variance	Variance
	£	£	£	£	£	£	£	£	£	£	%
Customer & Digital	6,666,680	-	(45,450)	(58,060)	6,563,170	(100,000)	-	6,463,170	6,423,210	39,960	0.6%
Policy & Governance	4,421,030	-	(800)	290,730	4,710,960	-	-	4,710,960	4,700,730	10,230	0.2%
Early Intervention	2,443,870	-	55,710	227,240	2,726,820	(100,000)	-	2,626,820	2,582,810	44,010	1.7%
Business Development & Growth	739,610	-	(9,460)	663,680	1,393,830	-	-	1,393,830	1,398,520	(4,690)	-0.3%
Directorate Total	14,271,190	-	-	1,123,590	15,394,780	(200,000)	-	15,194,780	15,105,270	89,510	0.6%
Budgets Excluded from Directorate Monitoring:											
Pensions Account	220,000	-	-	-	220,000	-	-	220,000	220,000	-	-
Pensions Deficit Recovery (Fixed Rate)	840,500	-	-	-	840,500	-	-	840,500	840,500	-	-
Benefit Payments	(59,350)	-	-	(75,000)	(134,350)	-	-	(134,350)	(137,000)	2,650	-2.0%
Market Walk	(1,750,850)	-	-	-	(1,750,850)	-	-	(1,750,850)	(1,750,850)	-	-
Transition Fund	115,000	-	-	72,470	187,470	-	-	187,470	171,470	16,000	8.5%
Primrose Gardens Retirement Living	92,950	-	-	(920)	92,030	-	-	92,030	92,030	-	-
Corporate Savings Targets											
Management of Establishment	-	-	-	(200,000)	(200,000)	200,000	-	-	-	-	-
Total Service Expenditure	13,729,440	-	-	920,140	14,649,580	-	-	14,649,580	14,541,420	108,160	0.7%
Non Service Expenditure											
Contingency - Management of Establishment	(200,000)	-	-	200,000	-	-	-	-	-	-	-
Investment Properties	(67,490)	-	-	-	(67,490)	-	-	(67,490)	(67,490)	-	-
Revenue Contribution to Capital	450,000	-	-	-	450,000	-	-	450,000	450,000	-	-
Net Financing Transactions (general capital expenditure)	413,510	-	-	(75,000)	338,370	-	-	338,370	337,980	390	-
Net Financing Transactions (Market Walk)	822,060	-	-	-	822,060	-	-	822,060	822,060	-	-
Parish Precepts	671,460	-	-	-	671,460	-	-	671,460	671,460	-	-
Total Non Service Expenditure/Income	2,089,540	-	-	125,000	2,214,400	-	-	2,214,400	2,214,010	390	
Total Expenditure	15,818,980	-	-	1,045,140	16,863,980	-	-	16,863,980	16,755,430	108,550	0.6%
Financed By											
Council Tax	(7,495,240)	-	-	-	(7,495,240)	-	-	(7,495,240)	(7,495,240)	-	-
Revenue Support Grant	(299,430)	-	-	-	(299,430)	-	-	(299,430)	(299,430)	-	-
Retained Business Rates	(2,819,440)	-	-	-	(2,819,440)	-	-	(2,819,440)	(2,819,440)	-	-
Business Rates Pooling	(676,140)	-	-	-	(676,140)	-	-	(676,140)	(676,140)	-	-
Government S31 Grants (Small Business Rate Relief)	(1,030,920)	-	-	-	(1,030,920)	-	-	(1,030,920)	(1,040,309)	9,389	-
Government S31 Grants (Other Grants)	(58,630)	-	-	-	(58,630)	-	-	(58,630)	(58,690)	60	-
Business Rates Retention Reserve	(370,580)	-	-	200,000	(170,580)	-	-	(170,580)	(170,580)	-	-
New Homes Bonus	(2,989,380)	-	-	-	(2,989,380)	-	-	(2,989,380)	(2,989,380)	-	-
New Burdens Grant	(40,000)	-	-	-	(40,000)	-	-	(40,000)	(40,000)	-	-
Collection Fund (Surplus)/Deficit	(58,480)	-	-	-	(58,480)	-	-	(58,480)	(58,480)	-	-
Use of Earmarked Reserves - capital financing	-	-	-	-	-	-	-	-	-	-	-
Use of Earmarked Reserves - revenue expenditure	(546,580)	-	-	(1,195,000)	(1,741,580)	-	-	(1,741,580)	(1,741,580)	-	-
Conts in CGUA Reclassified as Revenue	-	-	-	-	-	-	-	-	-	-	-
Budgeted Contribution to General Balances	-	-	-	-	-	-	-	-	-	-	-
In-Year Contribution to General Balances	-	-	-	-	-	-	-	-	-	-	-
Total Financing	(15,818,980)	-	-	(1,045,000)	(16,863,980)	-	-	(16,863,980)	(16,873,429)	9,449	-0.1%
Net Expenditure										117,999	
General Balances Summary Position				Target	Forecast	Less use of in-year underspend					
				£	£	Leisure Contract Review					
General Fund Balance at 1 April 2018				4,000,000	4,000,000						
Budgeted contribution to General Balances					0						
In-year contribution to General Balances					0						
Provisional (Over)/Under Spend					67,999						
Forecast General Fund Balance at 31 March 2019				4,000,000	4,067,999	Forecast Underspend 2018/19				67,999	

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Investment Projects 2018/19

Investment Area (Revenue)	Investment Budgets c/fwd to 2018/19	Investment Agreed 2018/19	Total Budget 2018/19	Expenditure to Date	Committed to Date	2018/19 Balance	Forecast Outturn 2018/19	Forecast Balance Remaining
North West in Bloom	-	20,000	20,000	10,268	4,465	5,267	20,000	-
Support to the VCFS Network	-	15,000	15,000	-	-	15,000	15,000	-
Support the food bank	-	15,000	15,000	7,500	7,500	-	15,000	-
Supporting communities to access grant funding	-	4,500	4,500	4,500	-	-	4,500	-
Chorley Public Service Reform Board work plan	24,500		24,500	-	16,000	8,500	24,500	-
Disabled and dementia online venue access guides	4,620	5,000	9,620	-	-	9,620	9,620	-
Develop Chorley's town and rural tourism economy	6,010		6,010	1,997	263	3,750	6,010	-
Connecting Communities through food	5,690		5,690	-	-	5,690	5,690	-
Empty Homes Officer	6,540		6,540	-	-	6,540	-	6,540
Mediation service for Anti-Social Behaviour disputes	1,030	14,000	15,030	1,340	-	13,690	2,000	13,030
Development and delivery of community action plans	174,250		174,250	-	26,974	147,276	174,250	-
Public Space Protection Orders	9,130		9,130	899	-	8,231	9,130	-
Community development and volunteering (Spice)	-	40,000	40,000	19,288	712	20,000	40,000	-
16/17 year old drop in scheme	-	15,000	15,000	7,500	7,500	-	15,000	-
Accommodation Finding Service	-	30,000	30,000	7,287	-	22,713	30,000	-
Employability Support Programme	-	65,000	65,000	1,053	186	63,761	65,000	-
Investigate opportunities to expand Chorley Markets	3,620		3,620	-	-	3,620	3,620	-
Town Centre & Steeley Lane Pilot Action Plans	6,070		6,070	-	-	6,070	6,070	-
Support the expansion of local businesses (BIG grant)	102,380		102,380	9,169	49,149	44,062	102,380	-
Business Start-up (Grant and Loan)	14,440		14,440	10,588	1,578	2,274	14,440	-
Choose Chorley Grants	182,150		182,150	-	52,645	129,505	182,150	-
Inward Investment delivery (Euxton Lane - Digital Health)	24,160		24,160	-	-	24,160	24,160	-
Vulnerable families employment project	3,250		3,250	-	-	3,250	3,250	-
Furthering Key Employment Sites	42,850		42,850	16,250	-	26,600	42,850	-
Choose Chorley Campaign	32,480		32,480	5,981	-	26,499	32,480	-
TOTALS	643,170	223,500	866,670	103,620	166,972	596,079	847,100	19,570

Note: Committed to Date includes grant approvals and other future committed expenditure that is not necessarily yet raised on the finance system

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Analysis of Reserves and Provisions 2018/19

Reserves	Forecast Balance 01/04/18 £	Other Transfers 2018/19 £	Forecast Use in 2018/19 £	Forecast Balance 31/03/19 £	Notes
General Fund Balance	4,000,000	6,809	0	4,006,809	(1)
Change Management Reserve	412,132		(412,132)	0	
VAT Shelter Income - Capital/revenue financing	9,281			9,281	
Non-Recurring Expenditure - Revenue resources for capital financing	1,925,456		(1,682,105)	243,351	(2)
Market Walk - Income Equalisation Reserve	300,366	50,000		350,366	
Market Walk - Asset Management	146,970	50,000	(148,000)	48,970	(8)
Market Walk - Project Work funded through Service Charge	119,046	38,600		157,646	(8)
Section 31 Grant - Empty property/small business rate relief	32,495		(10,945)	21,549	
Business Rates Retention - Surplus on levy payment	813,871	200,000	(370,580)	643,291	(3)
Investment Fund - Invest-to-earn Projects	712,000		(300,000)	412,000	
LCC Transition Fund	14,470		(14,470)	0	
Chorley Employment Inclusion Programme	295,390		(295,390)	0	
Non-Directorate Reserves	4,781,477	338,600	(3,233,622)	1,886,455	
Policy & Governance					
Investment Projects	10,630		(10,630)	0	(4)
British Army Civil Engagement Grant	16,902		(5,000)	11,902	
Communications & Events	27,532	0	(15,630)	11,902	
Slippage Items	5,950		(5,950)	0	(5)
Transformation Challenge funding	46,620		(46,620)	0	
Public Service Reform funding	24,500		(24,500)	0	(4)
Transformation Co-ordinator	32,300		(20,430)	11,870	
Digital Access & Inclusion	25,960		(25,960)	0	
Performance & Partnerships	135,330	0	(123,460)	11,870	
Slippage Items	43,230		(43,230)	0	(5)
Elections	90,000		(29,000)	61,000	
GDPR Staffing Reserve	16,140		(16,140)	0	
Boundary Commission Electoral Review	50,000		(19,160)	30,840	
Legal, Democratic & H.R.	199,370	0	(107,530)	91,840	
Slippage Items	50,260		(50,260)	0	(5)
SFS Apprentice Reserve	0	10,000		10,000	
Shared Financial Services	50,260	10,000	(50,260)	10,000	
Policy & Governance	412,492	10,000	(296,880)	125,612	
Business Development & Growth					
Community Infrastructure Levy (CIL Admin)	134,511		(90,000)	44,511	(6)
Local Development Framework	50,000		(50,000)	0	
Slippage Items	6,510		(6,510)	0	(5)
Primrose Gardens Retirement Living	13,810		(13,810)	0	
Funding for new Project Director post	60,000		(60,000)	0	
Development & Regeneration	264,831	0	(220,320)	44,511	
Retail Grants Programme	114,420		(60,000)	54,420	(4)
Investment Projects	466,290		(466,290)	0	(4)
Digital Office Park	51,080		(51,080)	0	
Employment Skills & Business Support	631,790	0	(577,370)	54,420	
Investment Projects	9,690		(9,690)	0	(4)
Slippage Items	11,560		(11,560)	0	(5)
Markets & Town Centre	21,250	0	(21,250)	0	
Asset Maintenance Fund	347,452		(347,452)	0	
Redevelopment Fund - Oak House Site	615,850		(585,850)	30,000	(7)
Property Services	963,302	0	(933,302)	30,000	
Business Development & Growth	1,881,173	0	(1,752,242)	128,931	
Customer & Digital Services					
Single Front Office Apprentices 2016/17 to 2017/18	52,400		0	52,400	
Council Tax Summons/Liability Order Bad Debts	89,020		(89,020)	0	
Land Charges litigation - legal costs	15,820		(15,820)	0	
Slippage Items	24,000		(24,000)	0	(5)

Analysis of Reserves and Provisions 2018/19

Reserves	Forecast Balance 01/04/18 £	Other Transfers 2018/19 £	Forecast Use in 2018/19 £	Forecast Balance 31/03/19 £	Notes
Customer Transformation	181,240	0	(128,840)	52,400	
Slippage from earlier years	46,860			46,860	(5)
Slippage from 2016/17	30,000			30,000	
ICT Projects	108,190			108,190	
ICT Infrastructure Reserve	155,170		(155,170)	0	
ICT Infrastructure Reserve (Capital)	0			0	
ICT Services	340,220	0	(155,170)	185,050	
Maintenance of Grounds	14,367	10,000	(20,000)	4,367	
Yarrow Meadows Project, Environment Agency grant	10,000		(10,000)	0	
Garden Waste Subscription Service	57,130		(57,130)	0	
Streetscene Training	43,100		(43,100)	0	
Waste & Streetscene Services	124,597	10,000	(130,230)	4,367	
Planning Appeal Costs	35,733		(30,000)	5,733	
New Burdens Grants - S31 Government Grants	35,485		(35,485)	0	
Planning Services	71,218	0	(65,485)	5,733	
Customer & Digital Services	717,275	10,000	(479,725)	247,550	
Early Intervention					
Investment Budgets	45,690		(45,690)	0	(4)
External Funding	23,390			23,390	
Home Improvements - Housing Affordable Warmth Grant	45,926			45,926	
Home Improvements - Handyperson Scheme	41,390		(41,390)	0	
Home Improvements - Disabled Facility Contribution	33,990		(24,660)	9,330	
Buckshaw Youth Development Grants	1,367			1,367	
Health and Wellbeing	191,753	0	(111,740)	80,013	
Investment Budgets	45,540		(45,540)	0	(4)
Regulatory Services	45,540	0	(45,540)	0	
Neighbourhood Working (pump priming)	63,090			63,090	
Investment Budgets	198,410		(198,410)	0	(4)
Dog Fouling Campaign	5,300			5,300	
Neighbourhoods	266,800	0	(198,410)	68,390	
New Burdens Grant - Homelessness Reduction	19,940		(19,940)	0	
Slippage Items	5,600		(5,600)	0	(5)
Housing Options and Support	25,540	0	(25,540)	0	
Early Intervention	529,633	0	(381,230)	148,403	
Directorate Reserves	3,540,572	20,000	(2,910,077)	650,495	
Earmarked Reserves	8,322,049	358,600	(6,143,699)	2,536,950	
Total Reserves - General and Earmarked	12,322,049	365,409	(6,143,699)	6,543,759	
Provisions					
Insurance Provision - Potential MMI clawback	14,333		(14,333)	0	
Total Provisions	14,333	0	(14,333)	0	

Notes

- (1) Forecast Outturn as at 31 March 2019.
- (2) Capital Financing - Forecast includes £956k for Market Walk Extension, £105k Recreation Strategy, £140k Astley and £128k Asset Improvements
- (3) Equalisation reserve is used to smooth the impact of fluctuations in the level of business rates retained year-on-year
- (4) Investment projects are often budgeted over a number of years and therefore carried forward in reserves. Full details are given in Appendix 2
- (5) Slippage of £177,110 (£72,320 from 2016/17 plus £104,790 from 2017/18)
- (6) The Council is permitted to set aside 5% of the CIL income charged to developers. This income covers expenditure the Council incurs in administering the CIL charges.
- (7) Premium received relating to Royal Oak Public House from the former tenant, reserve to be utilised to fund Market Walk Extension Public Realm
- (8) £24k upgrading of covered market lighting & £124k works to Flat Iron car park.

Appendix 4 - Capital Monitoring 2018/19

	Actual 2018/19	18/19 Budget	Qtr. 1 Approved Adjustments	Qtr. 2 Approved Adjustments	18/19 Budget	19/20 Budget	Qtr. 1 Adjustments	Qtr. 2 Adjustments	19/20 Budget	20/21 Budget	PRIOR YEARS SPEND	TOTAL BUDGET
Customer & Digital												
Recycling receptacles	0	45,000	0	(45,000)	0	30,000	0	(30,000)	0	0	0	0
Recycling receptacles - Garden Waste	0	69,190	0	0	69,190		0		0	0	0	69,190
Puffin Crossing Collingwood Rd	0	47,820	0	0	47,820		0		0	0	0	47,820
ICT Modernisation	78,565	358,336	0	0	358,336		0		0	0	391,664	750,000
Bank Hall Restoration	666,358	1,693,798	0	0	1,693,798		0		0	0	506,202	2,200,000
Reservoir Improvement Works	0	0	0	0	0		0		0	0	0	0
Path Works to Cemeteries	1,930	167,534	0	0	167,534		0		0	0	50,043	217,576
Muslim Burial Shelter	0	0	0	72,000	72,000		0		0	0	0	72,000
	746,853	2,381,678	0	27,000	2,408,678	30,000	0	(30,000)	0	0	947,909	3,356,587
Policy & Governance												
Astley 2020	140,591	547,390	0	0	547,390		0		0	0	49,609	596,999
	140,591	547,390	0	0	547,390	0	0	0	0	0	49,609	596,999
Early Intervention												
Chorley Adaptation Grant (Formerly DFG)	371,268	933,902	0	0	933,902	665,945	0		665,945	665,945	0	2,265,792
Leisure Centres Improvements	3,295	70,028	0	0	70,028	100,000	0		100,000	100,000	0	270,028
Delivery of CCTV 15/16 - 17/18	0	26,768	(26,768)	0	0		0		0	0	0	0
Housing Company	0	0	0	0	0		0	1,013,200	1,013,200	2,635,600	0	3,648,800
	374,563	1,030,698	(26,768)	0	1,003,930	765,945	0	1,013,200	1,779,145	3,401,545	0	6,184,620
Regeneration & Inward Investment												
Asset Improvements	37,593	527,597	26,768	0	554,365	300,000	0		300,000	300,000	0	1,154,365
Market Walk Extension & Public Realm Works	335,800	9,107,312	(2,365,074)	200,000	6,942,238	3,345,000	(101,021)		3,243,979	0	3,912,686	14,098,904
Oak House Car Park	395,928	(163,204)	535,270	0	372,065		0		0	0	163,204	535,270
Decked Parking	1,040,134	(55,889)	1,660,470	0	1,604,581		0		0	0	55,889	1,660,470
Arley Street Car Park	59,086	(680)	70,680	0	70,000		0		0	0	0	70,000
Brunswick Street Improvements	0	0	200,000	(150,000)	50,000		0		0	0	0	50,000
Steeley Lane Gateway	0	160,000	0	(100,000)	60,000		0		0	0	120,136	180,136
Yarrow Meadows	525	107,704	0	0	107,704		0		0	0	63,397	171,102
Buckshaw Village Rail Station	0	695,907	0	0	695,907		0		0	0	0	695,907
Eaves Green Play Development	0	53,195	0	0	53,195		0		0	0	0	53,195
Play, Recreation and Open Space Projects	302,253	2,053,794	0	0	2,053,794		0		0	0	0	2,053,794
Rangletts Recreation Ground	0	10,945	0	0	10,945		0		0	0	0	10,945
Recreation Strategy	0	105,000	0	0	105,000		0		0	0	0	105,000
Primrose Retirement Village	2,949,608	6,648,976	0	0	6,648,976		0		0	0	3,942,555	10,591,531
Westway Playing Fields Sports Campus	31,955	948,540	0	0	948,540		0		0	0	11,460	960,000
Digital Office Park	3,847,954	7,249,204	0	60,000	7,309,204		0		0	0	871,046	8,180,250
Digital Office Park Enabling	0	900,000	0	0	900,000		0		0	0	0	900,000
Buckshaw Bus Stops	0	40,000	0	0	40,000		0		0	0	0	40,000
Properties for Refugees	686,834	1,672,000	0	0	1,672,000		0		0	0	0	1,672,000
Park Rd Car Parking	0	0	0	50,000	50,000		0		0	0	0	50,000
	9,687,668	30,060,401	128,114	60,000	30,248,515	3,645,000	(101,021)	0	3,543,979	300,000	9,140,374	43,232,869
TOTAL	10,949,675	34,020,167	101,346	87,000	34,208,513	4,440,945	(101,021)	983,200	5,323,124	3,701,545	10,137,892	53,371,075

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REPORT OF THE OVERVIEW AND SCRUTINY COMMITTEE

1. This report summarises the business considered at the meeting of the Overview and Scrutiny Committee held on 11 October and 29 November, the Overview and Scrutiny Performance Panel held on 20 September and 29 November and includes an update on the task group review.

OVERVIEW AND SCRUTINY COMMITTEE – 11 OCTOBER**Notice of Executive Decisions**

2. Members considered the Notice of Executive Decisions and noted that a report relating to the control of Invasive Non-Native Species is due to be considered at the Executive Cabinet meeting on 15 November. We noted the Notice of Executive Decisions.

Absence Policy

3. The Chair welcomed Jane McDonnell, HR Services Manager, and Hollie Walmsley, HR and OD Consultant, to the meeting to give a presentation. We noted that the target the Council has set itself is challenging and that Chorley is 6 out of 32 for the days lost per employee for 2017/18 across Councils in the surrounding area. Recent changes to the Policy have been made in consultation with Senior Management Team, the Union and staff. Staff have undertaken training on the revised Policy and positive feedback has been received. Monitoring information will be undertaken on a quarterly basis at Executive Cabinet.
4. We discussed that the Absence Policy is used in conjunction with the Emotional Wellbeing Policy to assist in managing stress. This is a holistic approach and takes into account issues outside of work. Staff can be referred to Occupation Health for assistance and can also attend funded six counselling sessions. Cognitive Behaviour Therapy can also be accessed and the Big White Wall which is a support network for emotional health. It was clarified that industrial injuries are not be dealt with under this Policy.
5. There are five members of staff within the Policy at the current time and as the revised Policy was only implemented in September it is too early to tell if the revisions are having a positive impact. We noted the presentation.

Impact of Garden Waste Charging

6. Asim Khan, Director (Customer and Digital), presented a report which updated Members on the impact of changes to garden waste collections. A charge of £30 per bin was introduced on 1 May 2017 for residents who wished to participate in the council's garden waste collection service. Prior to that date collections had been free at point of use if residents wished to participate in the scheme.
7. Currently there are 23,386 grey bin subscriptions generating an income of £702,616. Participation in the scheme for those properties with gardens is around 55%. We noted that the recycling rate has reduced by 5% since the change to garden waste collections, but that there has been no increase in fly tipping of garden waste following the introduction of a charge for this service.

8. We noted that the waste authority are monitoring the recycling figures and that there is some work to be done to improve recycling rates. The new contractor for waste collection will be introducing WEE collections and bulky waste collections.
9. We noted the report and requested an update on the the plans for the mobilisation of the new contract at the meeting in January.

Overview and Scrutiny Task Group - Rollout of Superfast Broadband - Monitoring report

10. Gill Barton, Economic Development Officer, and Mark Lester, Director (Business, Development and Growth), presented a report which updated the Committee on the implementation of the recommendations made by the inquiry which was reported to Executive Cabinet in August 2017.
11. The Council is investigating an online digital skills platform and is looking for volunteers to test this. Councillors gave positive feedback on the training delivered by Simon Charnock, the Council's Digital Transformation Officer. There are now four digital hubs in Council owned community centres. An additional nine access points takes the total number across the Borough up to 26, including the more rural areas of Mawdesley and Charnock Richard.
12. We noted that the broadband is now considered the fourth utility that residents rely on. Difficulties arise when it is not commercially advantageous for providers. The Council has submitted a bid to the Government in relation to LFFN- Local Full Fibre Network which aims to address some of the areas of poor broadband coverage in Chorley.
13. There is now a Senior Business Engagement Officer (Digital), who will be based at the Digital Office Park, to give advice to businesses. We noted the report.

Overview and Scrutiny Task Group - Child Sexual Exploitation - Monitoring report

14. The Director (Policy and Governance) presented the report of the Director (Early Intervention and Support) which updated the Committee on progress made in responding to the recommendations made by the Overview And Scrutiny Task and Finish Group on tackling Child Sexual Exploitation (CSE).
15. We considered the action plan and noted that training is ongoing for officers and Members in relation to CSE. There is extensive work with partners on this issue. We noted the report.

Health Scrutiny

16. Councillor Alistair Morwood invited Councillor Steve Holgate to update the Committee, as he had been at a conference during the last meeting. Councillor Holgate explained that a presentation had been given by the "Our Health Our Care" at Lancashire Teaching Hospitals NHS Foundation Trust. South Ribble Borough Council has invited Chorley and Preston Councils to be involved in a joint scrutiny of "Our Health Our Care".
17. We supported the principle of participating in a joint scrutiny of "Our Health Our Care" and to appointing representatives at the next Council meeting.

SPECIAL OVERVIEW AND SCRUTINY COMMITTEE – 29 NOVEMBER 2018**Crime and Disorder Scrutiny**

18. I introduced Chief Inspector Gary Crowe from Lancashire Constabulary to the meeting. The Crime and Disorder (Overview and Scrutiny) Regulations 2009 state that “A crime and disorder committee shall meet to review or scrutinise decisions made, or other action taken, in connection with the discharge by the responsible authorities of their crime and disorder functions as the committee considers appropriate but no less than once in every twelve month period”.
19. CI Crowe advised that he is usually an Inspector at South Ribble, but has temporarily been promoted due to the secondment of Chief Inspector Mike Adamson. He has 20 years’ experience in the Police, including neighbourhood policing and special ops. He has also had a career break in private industry.
20. CI Crowe outlined the different functions of Lancashire Constabulary and that uniformed officers previously undertook emergency response or neighbourhood policing. Previously resources have been prioritised by risk and this has worked to a point. Resources are stretched and the police are becoming involved in cases outside of crime. Roughly 20% of resources are spend on crime and 80% on vulnerable people who slip through the cracks of other services. This means that emergency response has overflowed into neighbourhood policing.
21. This has impacted in neighbourhood policing and the Assistant Chief Constable has commissioned a review. As a result some of the constables who had previously been engaged in neighbourhood policing have been moved to emergency response. There are no savings arising from the review, just a realigning of resources.
22. Over the last six months several Community Beat Managers (CBM) haven’t been replaced and neighbourhood policing is now moving to a new model of six CBM’s rather than 12. This has no impact on the PCSO’s. There has been an investment in an additional 50 call handlers and officers who undertake special investigations, for example, cybercrime. This includes assistant investigators who are not necessarily police officers. The amount of cybercrime had been greatly underestimated. We noted 19 PCSO’s are currently employed, this includes those engaged on early intervention. There is currently one vacancy on the team, but a new intake is expected in December. CI Crowe undertook to confirm this following the meeting.
23. CI Crowe advised that the force has learned a lot over the last few years about how to best use Special Constables. There is now a dedicated officer responsible for Special Constables. Once the review has finished there will be a recruitment exercise for Special Constables.
24. Members discussed the solutions in place for visiting football fans and the need to continue the positive joint working. The Police have to be agile and responsive, both in terms of a presence on match days and in taking actions against the minority who cause trouble. A meeting has taken place with the Chairman of Chorley Football Club as they have the power to exclude certain fans from the ground using an Acceptable Behaviour Contract.
25. CI Crowe outlined the process when processing information received from the public. Information must be corroborated, and the source tested. Information is invaluable when establishing a pattern and although the Police cannot act on all information it does contribute to the wider picture. The Police will focus on taking out the top tier of criminals.

26. Members noted that the fear of knife crime is an issue both nationally and elsewhere in the region, but CI Crowe said that locally the figures have not shown increases in the same way as some areas. The stop and search power was discussed and CI advised that this is a useful power, when based on intelligence. There has to be grounds for the use of stop and search and it has to be quality assured by a supervisor. In the wider UK there is a higher proportion of stopping certain groups and it is used more in high crime areas.
27. Members queried the relationship with the Police and Crime Commissioner (PCC) and noted that the high-level priorities are set by the PCC, such as protecting vulnerable people.
28. Members reported that the communication tool “intheknow” and support for Neighbourhood Watch has not been as active in recent times. CI Crowe undertook to investigate this following the meeting. Members queried how the Police force has changed since CI Crowe joined the force 20 years ago. CI Crowe explained that being a Police officer, for him, is a vocation. The force has changed with the demands of the community it serves, with an increased focus on vulnerable people.
29. CI Crowe explained that there is currently a focus on cross border burglaries. ANPR technology is an effective tool. There is a need to educate residents to lock their homes and cars to protect themselves. Thanked CI Crowe for his attendance.

OVERVIEW AND SCRUTINY PERFORMANCE PANEL - 20 SEPTEMBER

Performance Focus - Early Intervention and Support

30. I welcomed Councillor Bev Murray, Executive Member (Early Intervention and Support), Chris Sinnott and Deputy Chief Executive and Director (Early Intervention and Support). The report of the Director (Policy and Governance) set out contextual information on performance relating to the Early Intervention and Support Directorate.
31. Health and Wellbeing: We discussed the Neighbourhood Priorities and plans to work in a partnership approach with Parish Councils to make best use of any Community Infrastructure funding. The new post of Neighbourhood Priorities Officer will oversee delivery and support reporting and communicating of progress on neighbourhood priorities.
32. Members noted work relating to “barriers to employment” and that “Chorley Works” is aimed at assisting adults into work, rather than young people. Proposals will be presented to a future Executive Cabinet on the future direction of “Chorley Works”.
33. We discussed apprenticeships and noted that money can be drawn down from the Government to assist with apprentices. Eric Wright and Wilmott Dixon both have apprenticeship schemes.
34. Members discussed bed blocking and the positive impact the Disabled Facilities Grants (DFGs) can have. This is a significant issue for hospitals in Central Lancashire. Officers have been able to utilise Occupational Therapists from within the Integrated Wellbeing Service to reduce waiting times for DFGs. DFG’s can eliminate the need for a social care package as the person returns to their own home.
35. Housing Solutions: We queried the performance for “% rent collected at Cotswold Supported Housing” and noted that this relates to the timing of housing benefits payments.

36. Regulatory Services: We were advised that a “proactive housing inspection” occurs when the Council write to tenants (mainly housing benefit claimants) and ask if they would like their home to be inspected. This was a recommendation from an Overview and Scrutiny inquiry and aims to give tenants another option to address any issues, without having to go through their landlord. Councillors can request these inspections on behalf of tenants.
37. Members requested the mix of private rented and registered providers and how the tenants are selected. It was suggested this would be helpful at the commencement of a tenancy.
38. Integrated Wellbeing Service: The Service is a partnership between Chorley Council and Lancashire Care NHS Foundation Trust involving around 170 members of staff. The teams within the Early Intervention and Support directorate work alongside teams from LCFT including, Mindsmatter, Community Restart, Community Therapies, Learning Disabilities and the 0 to 19 service with an aim of changing how we deliver services to improve prevention and early intervention and reduce demand on public services.
39. There are no current performance indicators and it is difficult to measure the lack of future contact averted through early actions undertaken. We requested performance indicators be developed for quarterly performance monitoring undertaken by Executive Cabinet.
40. There are plans to look at a refernet in the future – there is a need to look at the bigger picture in terms of helping vulnerable people, often with complex needs. The work done through PIVOT can greatly assist vulnerable people who have contact with a number of agencies.
41. We noted the report and I thanked Councillor Bev Murray and the officers for their attendance.

Progress update Business Planning 18/19

42. Rebecca Aziz-Brook, Transformation Programme Coordinator, presented the report of the Director (Policy and Governance) which provides an update on the progress of delivery for the service level projects outlined in the service business plans.
43. We requested that the projects be rated with a RAG status for future reports. The review of the “Householder Pre-application Process” is required as changes have been made in what planning permission is required for. We noted that the Chorley Flower Show event was insured. We noted the report.

OVERVIEW AND SCRUTINY PERFORMANCE PANEL - 29 NOVEMBER

Performance Focus - Policy and Governance

44. I welcomed Councillor Peter Wilson, Executive Member (Resources) and Rebecca Huddleston, Director (Policy and Governance).
45. The Policy and Governance Directorate incorporates a number of services: Legal, Democratic and HR; Shared Financial Services; Performance and Partnerships; and Communications and Events. This report focuses on two specific areas of the work of the directorate; increasing digital inclusion in line with the Digital Strategy, and the improvement programme for Astley Hall and Park.

46. The work undertaken with young people includes code clubs, developing websites and creating animations and actively encourages girls to invest in skills for future jobs within the digital sector. Councillor Peter Wilson noted the success of the Digital Hubs and the potential to increase these in the future if required.
47. Members noted that residents are increasingly migrating onto digital channels when communicating with the Council, but that the contacts via face to face and the telephone have not reduced. Simon Charnock, Digital Transformation Officer, is working with Age UK to deliver training on how to use video calling and smart speakers with tailored and adapted sessions. Simon can give assistance with applications for Blue Badges and other online applications, either at one of the Digital Hubs, or other locations on request.
48. Rebecca Huddleston outlined the section of the report which relates to Astley Hall and Park. Members queried the plan in the event that the Heritage Lottery Fund (HLF) bid is unsuccessful and noted that some of the planned work will go ahead in phases. The outcome of the bid will be known mid-December.
49. The spend on the Hall and Park is greater than other parks, such as Yarrow Valley, but Yarrow Valley has benefitted from improvement works to the car park and flood defences. Other play areas have also benefitted from improvement works, such as Coronation Rec and Harpers Lane Rec.
50. Members queried the performance target for the annual target of visitors to the Hall. Events such as Astley Illuminated have proven to be extremely popular, not just with Chorley residents, but people outside of the Borough as well. There are plans for a dog walk facility, which will be progressed in the New Year.
51. Turning to the performance indicators for the Directorate we noted poor performance against the target for payment of invoices within 30 days. This is due to issues with long term sickness within the team. We noted the report.

Chorley Council Performance Monitoring - Second Quarter 2018/19

52. Councillor Peter Wilson, Executive Member (Resources) presented the report of the Director (Policy and Governance) which sets out the performance against the delivery of the Corporate Strategy and key performance indicators during the second quarter of 2018/19, 1 July – 30 September 2018.
53. We queried the target for the indicator relating “Number of projected jobs created through Chorley Council support or intervention” and noted that the current target is fair given the current uncertainty.
54. The Streetscene Modernisation project is currently rated amber but is a three-year project. The Council is progressing appointments to vacant posts and focusing on activity to support the procurement of replacement small sweepers which are no longer fit for purpose.
55. Members noted the impact of the Youth Zone on the “The number of young people supported through council health and wellbeing opportunities”. The success of the Youth Zone was commended. We noted the report.

OVERVIEW AND SCRUTINY TASK GROUPS

Overview and Scrutiny Task Group - Quality of housing provided by social landlords

56. The results of the tenant's survey were presented to the Registered Providers and the Task Group in October. The draft final report will be considered on 23 January 2019.

Recommendation

57. That the report be noted.

COUNCILLOR JOHN WALKER
CHAIR OF THE OVERVIEW AND SCRUTINY COMMITTEE

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REPORT OF GOVERNANCE COMMITTEE

1. This report summarises the business transacted at the Governance Committee meeting held on 21 November 2018.

Audit Progress and Update

2. The External Auditor, Grant Thornton, presented the Audit Progress Report and Sector Update for information. The audit of the Council's 2017/18 financial statements is completed and the audit opinion, including value for money conclusion and certificate of audit closure was issued on the 31 July 2018. This includes an unqualified opinion on the Council's financial statements and an unqualified value for money conclusion on the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.
3. Grant Thornton have begun the planning processes for the 2018/19 financial year audit and the plan will be presented to the meeting of Governance Committee in January. Detailed work and audit visits will take place in February and March 2019. The current focus of work relates to the certification the Council's annual Housing Benefit Subsidy claim in accordance with procedures agreed with the DWP.
4. We noted the Audit Progress Report and Sector Update.

Chorley Borough Council Annual Audit Letter 2018

5. The External Auditor, Grant Thornton, presented the Chorley Borough Council Annual Audit Letter 2018. The Letter provides a commentary on the results of work undertaken for the Council and external stakeholders, and highlights issues that Grant Thornton wish to draw to the attention of the public, of which there are none.
6. Grant Thornton gave an unqualified opinion on the Council's financial statements on 31 July 2018, a Value For Money (VFM) conclusion and have certified completion of the audit of the accounts of the Council in accordance with the requirements of the Code of Audit Practice.
7. We noted the Chorley Borough Council Annual Audit Letter 2018.

Internal Audit Interim Report as at 28 September 2018

8. Janice Bamber, Interim Audit and Risk Manager, presented the report of the Head of Shared Assurance Services which advises the Committee of the work undertaken in respect of the Internal Audit Plans for Chorley Council and Shared Services for the period April 2018 to September 2018.
9. Work is currently in progress on the risk registers and the team is supporting a number of key projects for the Council. We noted the report and that an update report will be presented to the next meeting

General Data Protection Regulations (GDPR) Update

10. Chris Moister, Monitoring Officer, presented the report of the Director (Policy and Governance) which informs the Committee of the implementation of the General Data Protection Regulations.

11. The General Data Protection Regulations came into force on 25 May 2018. The aim of the Regulations is to give control to individuals over their personal data and provide a simplified regulatory regime. As a local authority, Chorley Council has been compliant with both Data Protection and Freedom of Information legislation for many years. There are already strong policies and processes in place which demonstrate how the Council discharges its obligations.
12. It has been challenging to ensure the identified differences with the old legislation were communicated properly with staff and to embed new roles within the organisation and ensure an understanding of the new responsibilities that went with them. The role of the SIRO (Senior Information Risk Owner) is retained and the responsibilities attached to that role continue. The Council have appointed the Monitoring Officer to the role of Data Protection Officer.
13. Data Controllers have been identified within services and work has been done with each service to prepare an Information Asset Register which details the data held by each team, what it is used for and the period it needs to be retained. This included both digital and paper based data. No distinction was drawn between personal data caught by the Regulations and none personal data. It is entirely consistent with the Council's information management approach to reduce all unnecessary data held so the strict approaches directed by the Regulations meet the Council's priorities.
14. Training has been undertaken by staff and Councillors and this will be included on the induction programme. Compliance has been confirmed with third party contracts and processes have been introduced to enable residents to "opt in" to receive information about other Council services. The vast majority of the personal data held by the Council has been provided under legislation or in order for the Council to deliver a service.
15. We noted that it is easy for residents to "opt out" if they no longer wish to receive information. In their role Members receive a lot of personal data, but noted that as long as they are using it for the purposes it has been given and take reasonable steps to keep the information safe this is compliant.
16. Compliance will be monitored by the Data Protection Officer and performance indicators will be introduced to assist with this. The focus initially will be high risk areas, such as Customer Services. We noted the report and that a report will be presented to the next meeting with a further update.

RIPA Application Update

17. Chris Moister, Monitoring Officer, reported that no RIPA applications have been made.

Recommendation

18. To note the report.

COUNCILLOR PAUL LEADBETTER
CHAIR OF GOVERNANCE COMMITTEE

RR



Report of	Meeting	Date
Chief Executive	Governance Committee	21 November 2018

TREASURY MANAGEMENT ACTIVITY MID-YEAR REVIEW 2018/19

PURPOSE OF REPORT

1. To report on Treasury Management performance in financial year 2018/18 to the end of September.

RECOMMENDATION(S)

2. That the report be noted.
3. That Council is recommended to add Low Volatility Net Asset Value (LVNAV) Money Market Funds to the list of approved Investment Counterparties with a limit of £3m per fund.

EXECUTIVE SUMMARY OF REPORT

4. Updated Prudential Indicators will be presented in the Treasury Strategy report to Full Council on 26 February 2019. These will take account of the latest CIPFA guidance.
5. Average interest earned is 0.52% to the end of September, which is more than the target of 0.49%. As in 2017/18, cash balances have been used as a source of internal borrowing to minimise external borrowing at higher rates of interest, thereby achieving revenue budget savings.
6. Low Volatility Net Asset Value (LVNAV) Money Market Funds should be added to the list of approved Investment Counterparties. The current CNAV MMFs will convert to LVNAV in early 2019, so their use needs to be approved so that the council can continue placing cash sums in MMFs.

Confidential report Please bold as appropriate	Yes	No
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CORPORATE PRIORITIES

7. 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

8. Special Council of 27 February 2018 approved the Treasury Management Policy Statement; Treasury Management Practices; Prudential Indicators for 2018/19 to 2020/21; the Treasury Management Strategy and Treasury Indicators for 2018/19; the Annual Investment Strategy 2018/19; and the Annual Minimum Revenue Provision (MRP) Policy for 2018/19.
9. The Treasury Management Annual Report for 2017/18 was presented to Governance Committee of 25 July 2018.
10. The Code of Practice for Treasury Management requires Councils to review their treasury strategies and activities half yearly. This report satisfies that requirement.

NEW CIPFA PRUDENTIAL CODE GUIDANCE

11. In 2017 the Chartered Institute of Public Finance and Accountancy (CIPFA) revised its Prudential Code for Capital Finance in Local Authorities, in particular to take account of the increased commercialisation of local authorities. In September 2018, CIPFA published its Guidance Notes for Practitioners on the Prudential Code.
12. During October 2018, CIPFA issued a statement on Borrowing in Advance of Need and Investment in Commercial Properties. The statement indicated that CIPFA will issue more guidance about the practice of borrowing to invest in commercial property, and reminded local authorities to have regard to the Statutory Investment Guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG).
13. CIPFA have indicated that the current guidance in support of the Prudential Code will be augmented and strengthened to ensure that assistance is provided to local authorities.
14. The revised Prudential Indicators for 2018/19 and those for 2019/20 onwards will take account of the latest CIPFA guidance available.

TREASURY ACTIVITY

15. Investment activity up to the end of September 2018 is summarised in the following table.

Table 1 - Investment Activity	Average Daily Investment £000	Earnings to 30 September 2018 £	Average Rate %
Fixed Term Deposits	-	-	-
Call Accounts	1,845	4,617	0.50
Money Market Funds	4,355	11,494	0.53
Total	6,200	16,111	0.52

As in 2017/18, the average balance available to invest has remained relatively low, and no sums have been invested as fixed term deposits. This is because cash balances are generally available only for short periods, and therefore need to be held in highly liquid accounts, which pay lower rates of interest than term deposits.

A full list of investments as at 30 September 2018 is shown below.

Table 2 - Investments as at 30 September 2018				
Counterparty	Type	Amount £	Invested date	Maturity date
BlackRock	MMF	2,900,000	Various	On call
Bank of Scotland	Call account	2,000,000	Various	On call
Barclays BPA	Call account	866,006	Various	On call
Total		5,766,006		

16. To qualify as a professional investor under MiFID II requirements, the council needs to invest at least £10m, as well as meeting other requirements. The £10m threshold was exceeded on a number of days in August and September in the first half of the year, the maximum sum being £11.685m on 10 September 2018.
17. The average interest earned of 0.52% exceeds the target of 0.49% (being the average LIBID 7-day rate plus 15%). However, to date the average interest earned has not exceeded the Link Asset Services suggested earnings rate of 0.75% for 2018/19 (see Table 3 below). This is because the Link rate is based on 3-month term deposits, whereas this council's deposits have been placed only in call accounts and money market funds. It is unlikely that Link's suggested earnings rate will be achieved during 2018/19.
18. As explained in Appendix A, which presents advice from Link Asset Services, it is necessary to add Low Volatility Net Asset Value (LVNAV) Money Market Funds (MMFs) to the list of approved Investment Counterparties. The Constant NAV MMFs used by the council to date have to convert to LVNAV status as a result of EU requirements. The updated list of Investment Counterparties is presented as Appendix B.

19. No new long-term borrowing has been taken to the date of preparing this report. Financing of the 2018/19 Capital Programme requires long-term borrowing, and the interest payable has been included in the revenue budget for the year. Savings arising from the rephasing of borrowing have been taken into account in revenue budget monitoring.

TREASURY CONSULTANTS' ADVICE

20. Appendix C presents the advice of Link Asset Services in respect of economic matters and interest rates in the first half of 2018/19.
21. In addition, a detailed comparison of interest rate forecasts is presented as Appendix D. Bank rate and PWLB borrowing rate forecasts are given from December quarter 2018 through to March quarter 2022.
22. The next increase in Bank Rate from 0.75% to 1.00% is now expected in the June quarter of 2019. When this year's Treasury Strategy was prepared, it was expected that Base Rate would reach 1.00% in this current quarter.
23. Link's suggested budgeted investment earning rates for investments up to about three months duration in each financial year are as follows:

Table 3 - Average Earnings in each financial year			
	Revised November 2018	Revised August 2018	Original February 2018
2018/19	0.75%	0.75%	0.60%
2019/20	1.00%	1.00%	0.90%
2020/21	1.50%	1.50%	1.25%
2021/22	1.75%	1.75%	1.50%
2022/23	1.75%	1.75%	1.75%
2023/24	2.00%	2.00%	2.00%
Later years	2.50%	2.75%	2.75%

24. The most recent estimate is compared to the estimated earnings rate available at the time the Treasury Management Strategy was presented for approval in February 2018, and Link's update in August 2018. The suggested earnings rates have increased from 0.60% to 0.75% in this financial year. It is unlikely to be achievable because this council cannot commit cash for term deposit investments and the highly liquid accounts used pay a lower rate of interest than the Link target.
25. Compared to the previous interest rates forecast, PWLB borrowing rates are currently a little lower than expected when the Treasury Strategy for 2018/19 onwards was prepared. Gradually increases through to March quarter of 2020 are still forecast. Should rates begin to increase more steeply, it may become advisable to take additional borrowing sooner rather than later to achieve longer term savings.

IMPLICATIONS OF REPORT

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

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

COMMENTS OF THE STATUTORY FINANCE OFFICER

27. This report complies with the statutory requirement to review treasury strategies and activities half yearly.

COMMENTS OF THE MONITORING OFFICER

28. The Monitoring Officer has no comments.

GARY HALL
CHIEF EXECUTIVE

There are no background papers to this report.

Report Author	Ext	Date	Doc ID
Michael Jackson	5490	12 November 2018	Treasury Management Activity Mid-Year Review 2018-19.docx

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Money Market Fund Reform

Link Asset Services have provided the following advice in respect of Money Market Fund reform.

Background

In July 2017 the Money Market Fund Regulation was published in the EU Official Journal. This formally began the compliance process for new and existing funds. The Regulation came into force on 21 July 2018, which immediately affected any new funds created. For existing funds, they will have to be compliant, as described in Article 44 of the Regulation, by no later than 21 January 2019.

The Regulation provides investors with an option for investing their short-term cash in two types of Money Market Funds (“MMFs”):

- **Short-term MMFs** - Funds that maintain the existing conservative investment restrictions currently provided under the European Securities and Market Authorities (ESMA) Short-Term Money Market Fund definition, including a maximum Weighted Average Maturity (WAM) of 60 days (inclusive of Floating Rate Note interest rate reset days) and maximum Weighted Average Life (WAL) of 120 days (inclusive of Floating Rate Note maturity dates);
- **Standard MMFs** – Funds that reflect the existing ESMA Money Market Fund definition - maximum WAM of 6 months and maximum WAL of one year.

In addition, there are three structural options:

- **Public Debt Constant Net Asset Value (“CNAV”) MMFs** - must invest 99.5% of their assets into government debt instruments, reverse repos collateralised with government debt, cash, and are permitted to maintain a constant dealing NAV. This Fund is already in existence and there is no change proposed to the current structure;
- **Low Volatility NAV (“LVNAV”) MMFs** - permitted to maintain a constant dealing NAV provided that certain criteria are met, including that the market NAV of the Fund does not deviate from the dealing NAV by more than 20 basis points (bps). This is a more stringent approach, as currently on a CNAV Fund they have a 50bps collar. Funds will have amortised cost accounting for investments out to 75 days. This means that they can value such investments at par, thus these investments should not affect the underlying Fund’s NAV;
- **Variable NAV (“VNAV”) MMFs** – Funds which price their assets using market pricing and therefore offer a fluctuating dealing NAV. No change to the current approach.

Credit analysis/rating and stress testing:

The Regulation requires that MMF managers perform a rigorous internal credit quality assessment of money market instruments, as well as implementing a prudent stress testing regime. Moreover, such credit analysis is to be undertaken by individuals separate from the team responsible for the day-to-day management of the MMF portfolio. Given our understanding of the market, via detailed

discussions with existing fund managers, we do not believe that this change will materially alter current investment approaches.

There was a proposal to abolish MMFs from obtaining an external fund rating. This has not been approved and MMFs may continue to carry external fund ratings which must be disclosed in the prospectus and marketing materials.

Liquidity fees and redemption gates:

Similar to existing rules and practices in Europe, liquidity gates and redemption fees are put in place to protect investors in public debt CNAV and LVNAV structures in times of stress. Under the new rules, the application of a fee/gate would be optional if weekly liquidity falls below 30% and net redemptions from the fund exceed 10% in one day. However, if weekly liquidity falls below 10%, some form of action (either a gate or a fee) would be mandatory. Note that fees and gate mechanisms are already in place for the majority of Money Market Fund structures. These were previously brought in by funds to cater for the move in European money market rates to below 0%. It is important to stress that these changes are there to come into action under “extreme” market circumstances, rather than during more “normal” situations. They are there to help ensure that all investors are treated in the same manner, not to penalise investors.

Portfolio diversification and transparency:

The new rules strengthen requirements for portfolio diversification and transparency for all MMFs, providing for weekly disclosure of portfolio information and formalised reporting to regulators.

Implementation period:

As highlighted above, new funds will have to be compliant from 21 July 2018, while existing funds will have to be compliant no later than 21 January 2019. As a result, the approved changes will not have an immediate impact on MMFs.

Summary:

The Money Market Fund sector is now in the last stages of introducing new regulations. These will see existing non-government Constant Net Asset Value (CNAV) funds convert to Low Volatility Net Asset Value (LVNAV) pricing. Note that government-type funds will remain as “CNAV” funds under the new regulations.

This change is expected to occur in the very early stages of 2019. As such, if you have not done so already, you will need to update your current TMSS to incorporate the use of LVNAV funds. This update needs to be done for the 2018-19 TMSS, due to the timing of the change.

Timetable for conversion

MMF	Shareholder vote?	Date of shareholder vote	Conversion Date
Aviva	No	N/A	3rd September 2018
Insight	Yes	EGM 16th Nov	26th November 2018
BNP	No	N/A	30th November 2018
Northern Trust	No	N/A	30th November 2018
JP Morgan	Yes	Done	3rd December 2018
LGIM	Yes	Done	3rd December 2018
UBS	No	N/A	7th January 2019
Federated	No	N/A	11th January 2019
Aberdeen	No	N/A	11th January 2019
Fidelity	Yes	Q4 2018	11th January 2019
Blackrock	No	N/A	14th January 2019
Deutsche	Yes	In November	14th January 2019
Goldman Sachs	Yes	Done	14th January 2019
Invesco	No	N/A	14th January 2019
Morgan Stanley	yes	Done	14th January 2019
HSBC	Yes	Tuesday 13th November	16th January 2019
SSGA	No	N/A	January – exact date tbc
Amundi	No	N/A	by 21st January 2019
CCLA	No	N/A	Q1 2019

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Investment Counterparties 2018/19

Category	Institutions	LAS Colour Code	Maximum Period	Limit per Institution
Banks & Building Societies: Call Accounts /Term Deposits / Certificates of Deposit (CDs)				
Government related/guaranteed entities	DMADF (DMO)	Yellow	6 months	Unlimited
	UK Local Authority	Yellow	1 year 2 years	£3m per LA £2m per LA; £4m in total
UK part-nationalised institutions	Royal Bank of Scotland group	Blue	1 year	£4m per group
UK-incorporated Institutions	UK banks and building societies of high credit quality	Orange Red Green	1 year 6 months 3 months	£3m per group (or institution if independent)
Money Market Funds				
Money Market Funds (CNAV and LVNAV) **	MMFs of high credit quality - AAA rated		Instant access	£3m per fund

Changes from the Investment Counterparties approved by Council on 27/2/18 are in **bold**.

** MMFs used by the council in 2017/18 were BlackRock, Federated, and Standard Life.

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Economics and interest rates

Economics update

UK. The first half of 2018/19 has seen UK **economic growth** post a modest performance, but sufficiently robust for the Monetary Policy Committee, (MPC), to unanimously (9-0) vote to increase **Bank Rate** on 2nd August from 0.5% to 0.75%. Although growth looks as if it will only be modest at around 1.5% in 2018, the Bank of England's August Quarterly Inflation Report forecast that growth will pick up to 1.8% in 2019, albeit there were several caveats – mainly related to whether or not the UK achieves an orderly withdrawal from the European Union in March 2019.

Some MPC members have expressed concerns about a build-up of **inflationary pressures**, particularly with the pound falling in value again against both the US dollar and the Euro. The Consumer Price Index (CPI) measure of inflation rose unexpectedly from 2.4% in June to 2.7% in August due to increases in volatile components, but is expected to fall back to the 2% inflation target over the next two years given a scenario of minimal increases in Bank Rate. The MPC has indicated Bank Rate would need to be in the region of 1.5% by March 2021 for inflation to stay on track. Financial markets are currently pricing in the next increase in Bank Rate for the second half of 2019.

As for the **labour market**, unemployment has continued at a 43 year low of 4% on the Independent Labour Organisation measure. A combination of job vacancies hitting an all-time high in July, together with negligible growth in total employment numbers, indicates that employers are now having major difficulties filling job vacancies with suitable staff. It was therefore unsurprising that wage inflation picked up to 2.9%, (3 month average regular pay, excluding bonuses) and to a one month figure in July of 3.1%. This meant that in real terms, (i.e. wage rates higher than CPI inflation), earnings grew by about 0.4%, near to the joint high of 0.5% since 2009. (The previous high point was in July 2015.) Given the UK economy is very much services sector driven, an increase in household spending power is likely to feed through into providing some support to the overall rate of economic growth in the coming months. This tends to confirm that the MPC were right to start on a cautious increase in Bank Rate in August as it views wage inflation in excess of 3% as increasing inflationary pressures within the UK economy. However, the MPC will need to tread cautiously before increasing Bank Rate again, especially given all the uncertainties around Brexit.

In the **political arena**, there is a risk that the current Conservative minority government may be unable to muster a majority in the Commons over Brexit. However, our central position is that Prime Minister May's government will endure, despite various setbacks, along the route to Brexit in March 2019. If, however, the UK faces a general election in the next 12 months, this could result in a potential loosening of monetary policy and therefore medium to longer dated gilt yields could rise on the expectation of a weak pound and concerns around inflation picking up.

USA. President Trump's massive easing of fiscal policy is fuelling a (temporary) boost in consumption which has generated an upturn in the rate of strong growth which rose from 2.2%, (annualised rate), in quarter 1 to 4.2% in quarter 2, but also an upturn in inflationary pressures. With inflation moving towards 3%, the Fed increased rates another 0.25% in September to between 2.00% and 2.25%, this being four increases in 2018, and indicated they expected to increase rates four more times by the end of 2019. The dilemma, however, is what to do when the

temporary boost to consumption wanes, particularly as the recent imposition of tariffs on a number of countries' exports to the US, (China in particular), could see a switch to US production of some of those goods, but at higher prices. Such a scenario would invariably make any easing of monetary policy harder for the Fed in the second half of 2019.

EUROZONE. Growth was unchanged at 0.4% in quarter 2, but has undershot early forecasts for a stronger economic performance in 2018. In particular, data from Germany has been mixed and it could be negatively impacted by US tariffs on a significant part of manufacturing exports e.g. cars. For that reason, although growth is still expected to be in the region of 2% for 2018, the horizon is less clear than it seemed just a short while ago.

CHINA. Economic growth has been weakening over successive years, despite repeated rounds of central bank stimulus; medium term risks are increasing. Major progress still needs to be made to eliminate excess industrial capacity and the stock of unsold property, and to address the level of non-performing loans in the banking and credit systems.

JAPAN - has been struggling to stimulate consistent significant GDP growth and to get inflation up to its target of 2%, despite huge monetary and fiscal stimulus. It is also making little progress on fundamental reform of the economy.

Interest rate forecasts

The Council's treasury advisor, Link Asset Services, has provided the following forecast:

Link Asset Services Interest Rate View														
	Dec-18	Mar-19	Jun-19	Sep-19	Dec-19	Mar-20	Jun-20	Sep-20	Dec-20	Mar-21	Jun-21	Sep-21	Dec-21	Mar-22
Bank Rate View	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%	1.25%	1.25%	1.50%	1.50%	1.75%	1.75%	1.75%	2.00%
3 Month LIBID	0.80%	0.90%	1.00%	1.10%	1.20%	1.30%	1.40%	1.50%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%
6 Month LIBID	0.90%	1.00%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%
12 Month LIBID	1.10%	1.20%	1.30%	1.40%	1.50%	1.60%	1.70%	1.80%	1.90%	2.00%	2.10%	2.20%	2.30%	2.40%
5yr PWLB Rate	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.80%
10yr PWLB Rate	2.50%	2.50%	2.60%	2.60%	2.70%	2.80%	2.90%	2.90%	3.00%	3.00%	3.10%	3.10%	3.20%	3.20%
25yr PWLB Rate	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%	3.40%	3.40%	3.50%	3.50%	3.60%	3.60%
50yr PWLB Rate	2.70%	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%	3.20%	3.20%	3.30%	3.30%	3.40%	3.40%

See also Appendix D comparing the February 2018 forecast with the August and November 2018 forecasts.

The flow of generally positive economic statistics after the end of the quarter ended 30 June meant that it came as no surprise that the MPC came to a decision on 2 August to make the first increase in Bank Rate above 0.5% since the financial crash, to 0.75%. However, the MPC emphasised again, that future Bank Rate increases would be gradual and would rise to a much lower equilibrium rate, (where monetary policy is neither expansionary or contractionary), than before the crash; indeed they gave a figure for this of around 2.5% in ten years' time but they declined to give a medium term forecast. We do not think that the MPC will increase Bank Rate in February 2019, ahead of the deadline in March for Brexit. We also feel that the MPC is more likely to wait until August 2019, than May 2019, before the next increase, to be followed by further increases of 0.25% in May and November 2020 to reach 1.5%. However, the cautious pace of even these limited increases is dependent on a reasonably orderly Brexit.

The balance of risks to the UK

- The overall balance of risks to economic growth in the UK is probably neutral.
- The balance of risks to increases in Bank Rate and shorter term PWLB rates, are probably also even and are broadly dependent on how strong GDP growth turns out, how slowly inflation pressures subside, and how quickly the Brexit negotiations move forward positively.

Downside risks to current forecasts for UK gilt yields and PWLB rates currently include:

- Bank of England monetary policy takes action too quickly over the next three years to raise Bank Rate and causes UK economic growth, and increases in inflation, to be weaker than we currently anticipate.
- A resurgence of the Eurozone sovereign debt crisis, possibly Italy, due to its high level of government debt, low rate of economic growth and vulnerable banking system, and due to the election in March of a government which has made a lot of anti-austerity noise. This is likely to lead to friction with the EU when setting the target for the fiscal deficit in the national budget. Unsurprisingly, investors have taken a dim view of this and so Italian bond yields have been rising.
- Austria, the Czech Republic and Hungary now form a strongly anti-immigration bloc within the EU while Italy, this year, has also elected a strongly anti-immigration government. In the German general election of September 2017, Angela Merkel's CDU party was left in a vulnerable minority position as a result of the rise of the anti-immigration AfD party. To compound this, the result of the Swedish general election in September 2018 has left an anti-immigration party potentially holding the balance of power in forming a coalition government. The challenges from these political developments could put considerable pressure on the cohesion of the EU and could spill over into impacting the euro, EU financial policy and financial markets.
- The imposition of trade tariffs by President Trump could negatively impact world growth. President Trump's specific actions against Turkey pose a particular risk to its economy which could, in turn, negatively impact Spanish and French banks which have significant exposures to loans to Turkey.
- Weak capitalisation of some European banks.
- Rising interest rates in the US could negatively impact emerging countries which have borrowed heavily in dollar denominated debt, so causing an investor flight to safe havens e.g. UK gilts.
- Geopolitical risks, especially North Korea, but also in Europe and the Middle East, which could lead to increasing safe haven flows.

Upside risks to current forecasts for UK gilt yields and PWLB rates

- President Trump's fiscal plans to stimulate economic expansion causing a significant increase in inflation in the US and causing further sell offs of government bonds in major western countries.
- The Fed causing a sudden shock in financial markets through misjudging the pace and strength of increases in its Fed. Funds Rate and in the pace and strength of reversal of QE, which then leads to a fundamental reassessment by investors of the relative risks of holding bonds, as opposed to equities. This could lead to a major flight from bonds to equities and a sharp increase in bond yields in the US, which could then spill over into impacting bond yields around the world.

- The Bank of England is too slow in its pace and strength of increases in Bank Rate and, therefore, allows inflation pressures to build up too strongly within the UK economy, which then necessitates a later rapid series of increases in Bank Rate faster than we currently expect.
- UK inflation, whether domestically generated or imported, returning to sustained significantly higher levels causing an increase in the inflation premium inherent to gilt yields.

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	Bank Rate %			PWLB Borrowing Rates % (including 0.20% certainty rate adjustment)											
				5 year			10 year			25 year			50 year		
	Nov 18	Aug 18	Feb 18	Nov 18	Aug 18	Feb 18	Nov 18	Aug 18	Feb 18	Nov 18	Aug 18	Feb 18	Nov 18	Aug 18	Feb 18
Dec-18	0.75	0.75	1.00	2.00	2.00	2.10	2.50	2.50	2.70	2.90	2.90	3.10	2.70	2.70	2.90
Mar-19	0.75	0.75	1.00	2.10	2.10	2.20	2.50	2.50	2.70	2.90	3.00	3.20	2.70	2.80	3.00
Jun-19	1.00	0.75	1.00	2.20	2.20	2.30	2.60	2.60	2.80	3.00	3.10	3.20	2.80	2.90	3.00
Sep-19	1.00	1.00	1.00	2.20	2.20	2.30	2.60	2.70	2.80	3.10	3.10	3.30	2.90	2.90	3.10
Dec-19	1.00	1.00	1.25	2.30	2.30	2.40	2.70	2.70	2.90	3.10	3.20	3.30	2.90	3.00	3.10
Mar-20	1.25	1.00	1.25	2.30	2.30	2.40	2.80	2.80	3.00	3.20	3.30	3.40	3.00	3.10	3.20
Jun-20	1.25	1.25	1.25	2.40	2.40	2.50	2.90	2.90	3.00	3.30	3.30	3.50	3.10	3.10	3.30
Sep-20	1.25	1.25	1.50	2.50	2.50	2.50	2.90	2.90	3.10	3.30	3.40	3.50	3.10	3.20	3.30
Dec-20	1.50	1.50	1.50	2.50	2.50	2.60	3.00	3.00	3.10	3.40	3.50	3.60	3.20	3.30	3.40
Mar-21	1.50	1.50	1.50	2.60	2.60	2.60	3.00	3.10	3.20	3.40	3.50	3.60	3.20	3.30	3.40
Jun-21	1.75			2.60			3.10			3.50			3.30		
Sep-21	1.75			2.70			3.10			3.50			3.30		
Dec-21	1.75			2.80			3.20			3.60			3.40		
Mar-22	2.00			2.80			3.20			3.60			3.40		

The Feb 2018 forecasts were included in the Treasury Strategy 2018/19 to 2022/23
 Link Asset Services provided updated forecasts in August and November 2018.

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REPORT OF GENERAL PURPOSES COMMITTEE

1. This report summarises the business transacted at the General Purposes Committee meeting held on 13 December 2018.

Market Walk Building Contract – Budget

2. I invited the Executive Member (Resources), Councillor Peter Wilson, to introduce the confidential report of the Chief Executive and answer any queries from Members.
3. Councillor Peter Wilson explained that the report relates to the confidential Market Walk Building Contract item discussed at the Executive Cabinet meeting the same evening. The report was considered by the cross-party Market Walk Steering Group and seeks approval of an increase in the budget for the Market Walk Extension and ancillary works.
4. On 23 January 2018 Council resolved to proceed with the Market Walk extension development and allocated a budget. The costs associated with the building contract and the ancillary works have increased by a combined sum of £312,433 with the total works costs now being £16,727,076. This is due to an increase in the price of steel, the need to find an alternative company to source the cladding from, works to the former Oak House site and works to the Chorley PALS memorial. The terms of the building contract were agreed at Executive Cabinet just prior.
5. The contract has a fixed price, but there may be future costs relating to specific tenant requests. Some contribution to costs, relating to highways works, have been requested from Lancashire County Council.
6. Councillor John Dalton queried the reasons for the delay in signing the contract. The Executive Leader, Councillor Alistair Bradley, responded with the consent of the Chair. Enabling works have been ongoing for several months which have provided essential information to facilitate the fixed price contract. This approach was agreed by the Council as it was considered the least risky.
7. Councillor Greg Morgan queried the number of tenants with signed contracts. Marks and Spencers Food and Reel cinema are the only two tenants with signed contracts, but there are a number of potential tenants in advanced discussions.
8. Councillor Peter Wilson highlighted the wish to follow the correct procedure with all aspects of the project given the size of the budget and impact on the Town Centre. Members spoke in favour of the project and the proposal.
9. We agreed that the budget approved by Council on 23 January 2018 for the delivery of the Market Walk extension and ancillary works be increased to £16,727,076.

Recommendation

10. To note the report.

COUNCILLOR GORDON FRANCE
CHAIR OF THE GENERAL PURPOSES COMMITTEE

RR



Report of	Meeting	Date
Director of Policy and Governance	Council	22 January 2019

CHORLEY COUNCIL RESPONSE TO DRAFT RECOMMENDATIONS OF WARDING ARRANGEMENTS

PURPOSE OF REPORT

1. To consider a response to the Local Government Boundary Commission for England's (LGBCE) draft recommendations on new borough warding arrangements for Chorley.

RECOMMENDATION(S)

2. To approve:
 - a) support for the LGBCE's draft recommendations on the new boundary arrangements for the following borough wards -.
 - Adlington & Anderton
 - Buckshaw & Whittle
 - Chorley East
 - Chorley East, Brindle & Hoghton
 - Chorley North
 - Chorley North East
 - Chorley North West
 - Chorley South East
 - Chorley South West
 - Clayton West & Cuerden
 - Coppull
 - Euxton
 - b) the boundary changes proposed to the LGBCE's draft recommendations as detailed in Option 1 (paragraph 18) for the following wards –
 - Croston & Mawdesley
 - Eccleston, Charnock Richard and Euxton South

3. To approve the proposed new borough ward names as follows:

LGBCE ward names	Preferred ward names
Adlington & Anderton	No change
Buckshaw & Whittle	No change
Chorley East	No change
Chorley North	Chorley North & Astley
Chorley North East	Chorley Rural North East
Chorley North West	No change
Chorley South East	Chorley South & Heath Charnock
Chorley South West	No change

Clayton East, Brindle & Hoghton	No change
Clayton West & Cuerden	No change
Coppull	No change
Croston & Mawdesley	No change
Eccleston, Charnock Richard and Euxton South	Chorley Rural West
Euxton	No change

EXECUTIVE SUMMARY OF REPORT

- On 6 November, the LGBCE published its’ draft recommendations on new warding arrangements for Chorley.
- The Electoral Review of Chorley Council Committee has since held two meetings to discuss the draft recommendations and formulated a response to the LGBCE which is detailed in this report.

Confidential report Please bold as appropriate	Yes	No
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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

- The electoral review of Chorley Council by the LGBCE is now well over half-way through the two stage process which consists of:
 - Stage one – Decision on the Council Size
 - Stage two – new ward patterning arrangements
- At the council meeting on 10 April 2018, and in response to stage one of the review; members agreed, by majority decision, to propose a reduction in council size from 47 to 42 members and to continue to elect its membership by thirds. As a consequence of holding elections by thirds, the LGBCE stipulates that each new ward consist of three members, to allow for voter equality in that each voter will be entitled to vote at each election.
- On 26 June 2018, that LGBCE announced that it was minded to approve the council’s proposal for a reduction in its membership to 42. Therefore if the proposal is adopted the number of wards will automatically be reduced by 30% (from 20 to 14 wards). This decision brought stage one of the electoral review to a close.
- The 26 June was also the day the LGBCE triggered stage two of the electoral review with the launch of its public consultation into new warding arrangements. The aim of the consultation was to identify 14 new borough wards with broadly the same electorate in each (6,439 electors per ward). Those taking part in the consultation were encouraged to identify neighbouring areas of the borough that shared common identities and/or linkages which would be suitable to be included in a new borough ward.

11. After considering the responses received from the first consultation, the LGBCE published its' draft recommendations on new warding arrangements on 6 November and launched a second public consultation which expired on 14 January 2019. Chorley Council has been granted an extension to submit its response to allow this report to be debated at the council meeting on 22 January.
12. Although the draft recommendations published by the LGBCE have been based largely on the council's submission, proposals from other consultees have also been incorporated. All 14 wards of the draft recommendations are within the +/- 10% variance tolerance to the mean and demonstrate elector equality for years to come based on resident projections.
13. Since the draft recommendations were published, the Electoral Review of Chorley Council Committee has met on two occasions (13 November 2018 and 8 January 2019) to debate the proposals in more detail. From that debate a proposed response to the LGBCE is detailed below.

COUNCIL'S RESPONSE

14. Altogether the LGBCE has proposed 14 new borough wards which the Electoral Review of Chorley Council Committee considered when drafting its response.

Wards approved by the committee

15. The committee supports the LGBCE's draft recommendation (including ward names) for the following wards, which it considers to be fair and reasonable: -
 - Adlington and Anderton
 - Buckshaw and Whittle
 - Chorley East
 - Chorley North West
 - Chorley South West
 - Clayton East, Brindle and Hoghton
 - Clayton West and Cuerden
 - Coppull
 - Euxton

Proposed changes to ward names

16. Although the formulation of the following wards are considered fair and reasonable, the committee considered that the proposed names did not properly reflected the ward and suggests alternative names:-

LGBCE ward names	Preferred ward names
Chorley North	Chorley North and Astley
Chorley North East	Chorley Rural North East
Chorley South East	Chorley South East and Heath Charnock

Ward arrangements being objected to

17. The LGBCE's proposal to include the village of Heskin in the Croston and Mawdesley ward was not considered appropriate. Members of the committee felt that Heskin would be more suited to the Eccleston, Charnock Richard and Euxton South ward due to its close connections with Eccleston (ie residents living in the village of Heskin have to visit Eccleston to attend schools, doctors' appointment, chemists and places of worship for

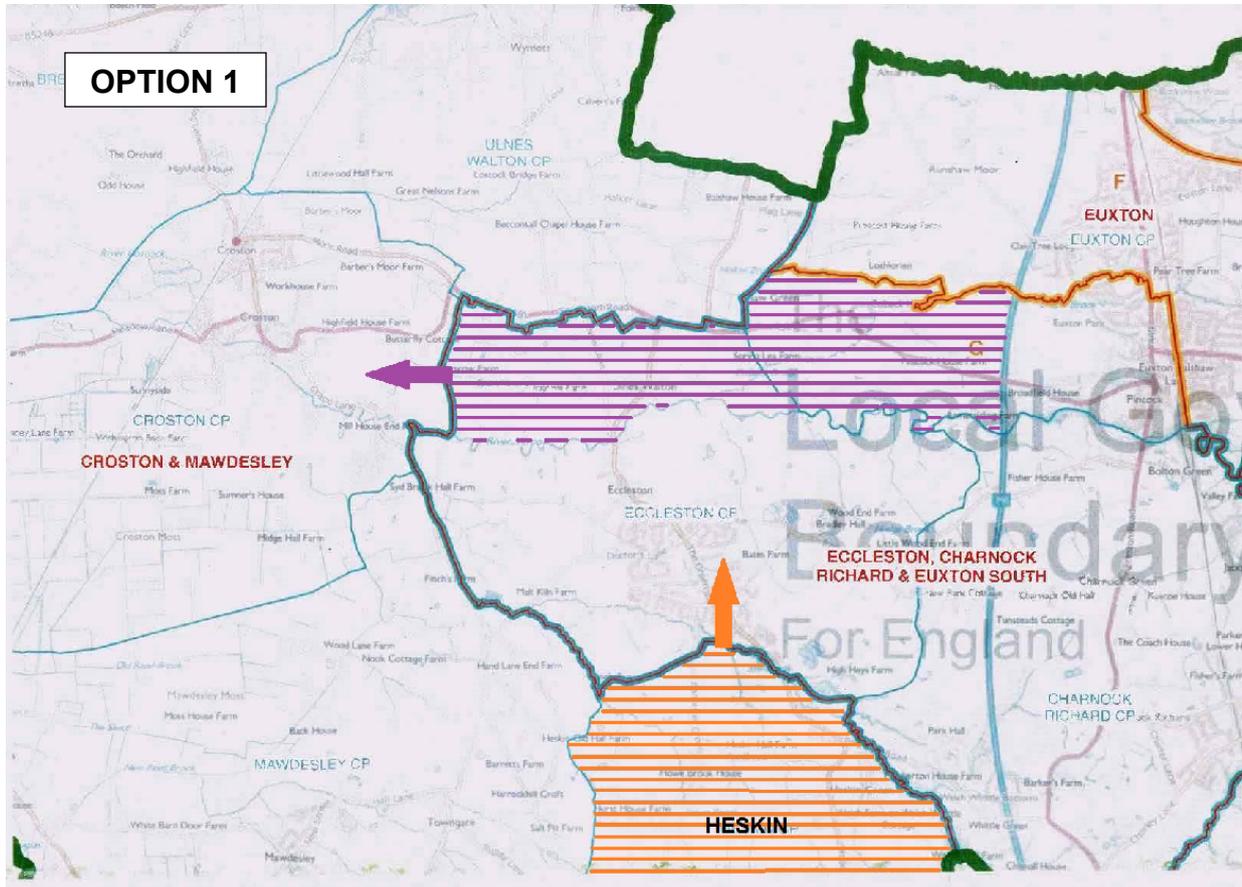
example. In addition the main road from Heskin runs through Eccleston). However, by simply moving the village of Heskin into the Eccleston, Charnock Richard and Euxton South ward would cause both wards to greatly exceed the variance tolerance level beyond the LGBCE's +/- 10% tolerance requirement.

18. At its meeting on 8 January 2019, the committee considered a number of alternative proposals which would accommodate the village of Heskin moving from the Croston and Mawdesley ward to the Eccleston, Charnock Richard and Euxton South ward. During debate, the committee decided on two alternative options that it wanted the LGBCE to consider, with its preferred option being Option 2 (below) which was proposed at the meeting itself subject to the impact it would have on the variance figures.

19. **Option 1:**

- move Heskin (730 electors) from the Croston and Mawdesley ward to the Eccleston, Charnock Richard and Euxton South ward;
- move part of Eccleston, Charnock Richard and Euxton South ward (284 electors) into Croston and Mawdesley ward (north of the River Yarrow to the new Euxton boundary and east of the (Croston and Mawdesley) boundary to the M6).

IMPACT		
Ward	Electorate	% of the mean (6,439)
Croston and Mawdesley	5, 478	-14.92
Eccleston, Charnock Richard and Euxton South	7,013	+8.92

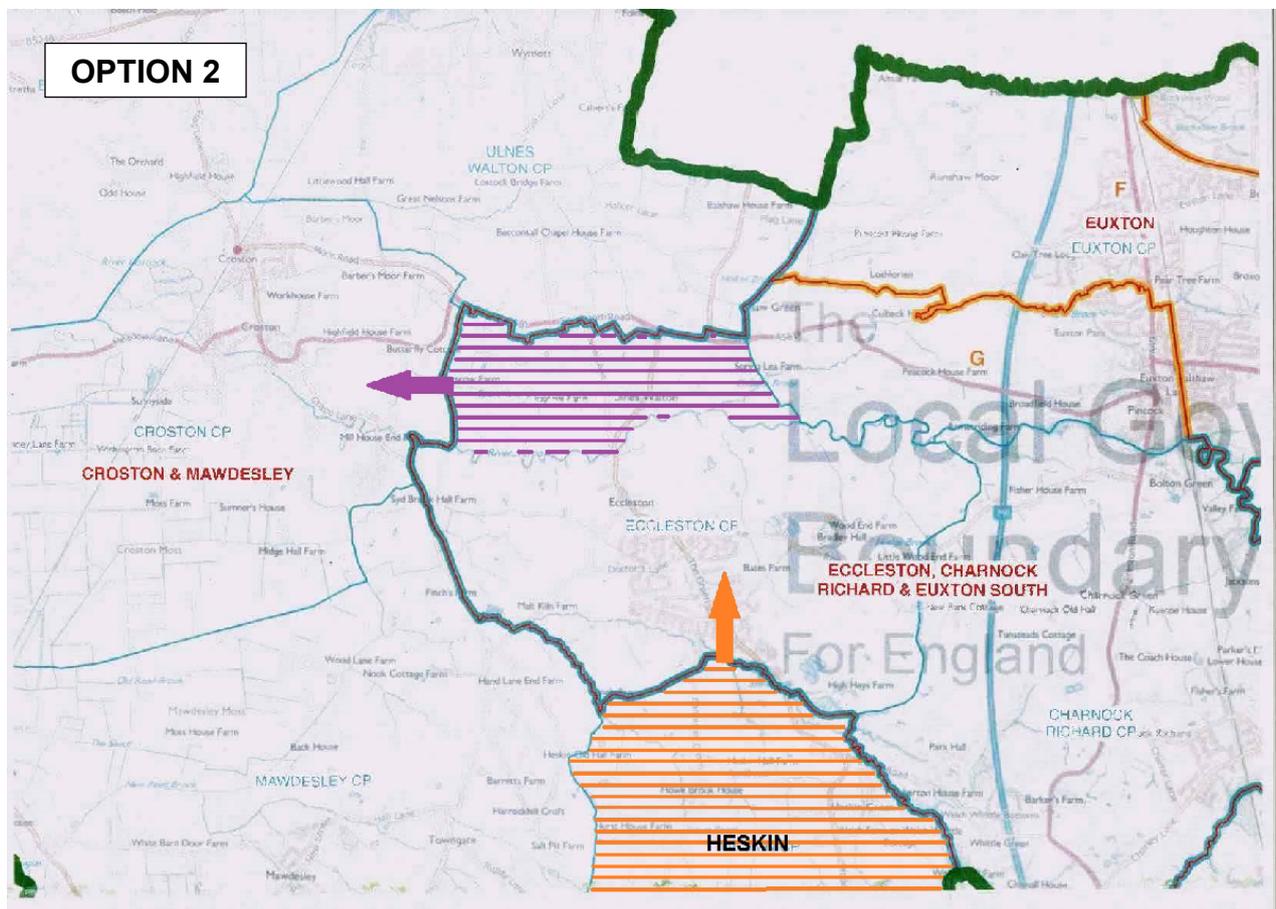


20. **Option 2*:**

- move Heskin (730 electors) from the Croston and Mawdesley ward to Eccleston, Charnock Richard and Euxton South ward;
- move part of Eccleston, Charnock Richard and Euxton South ward (178 electors) into Croston and Mawdesley ward (north of the River Yarrow to the Euxton Parish boundary).

IMPACT		
Ward	Electorate	% of the mean (6,439)
Croston and Mawdesley	5, 372	-16.57
Eccleston, Charnock Richard and Euxton South	7,191	+11.68

* The figures detailed in option 2 were unavailable at the meeting.



21. At the meeting, members of the committee voted for option 2 as their preferred option, subject to satisfactory variance to the mean tolerance levels. However, as the figures for both wards have resulted in the tolerance levels to fall outside the +/- 10% requirement, it is felt that this proposal is less attractive and members should consider option 1 as their preferred option.

22. At the meeting, members of the committee further proposed that the ward name be amended to Chorley Rural West to better reflect the villages and communities therein.

IMPLICATIONS OF REPORT

23. 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	

24. By not responding to the draft recommendations will not indicate support or otherwise to the LGBCE's proposals, and could result in an alternative, unfavourable proposals being imposed on the council without additional consultation.

COMMENTS OF THE STATUTORY FINANCE OFFICER

25. The revenue budget implications of reducing the total number of members will be brought into the budget as and when final approval of these changes is made.

COMMENTS OF THE MONITORING OFFICER

26. As the report states the proposed consultation responses increase the departure from the 10% tolerance. However this can be justified where there are good reasons for doing so. This can include ensuring that community links are retained, as is the situation here.

REBECCA HUDDLESTON
DIRECTOR OF POLICY AND GOVERNANCE

Background Papers			
Document	Date	File	Place of Inspection
Electoral Review	5 October 2017	https://democracy.chorley.gov.uk/documents/s79211/Electoral%20Review.pdf	Executive Cabinet agenda
Electoral Review Update	23 January 2018	https://democracy.chorley.gov.uk/documents/s82429/Report.pdf	Council agenda
The Electoral Review of Chorley Council Committee	27 February 2018	https://democracy.chorley.gov.uk/documents/s83882/Electoral%20Review%20Committee.pdf	Council agenda
Electoral Review of Chorley Council – Draft Council Size submission	10 April 2018	https://democracy.chorley.gov.uk/documents/s85271/Electoral%20Review%20of%20Chorley%20Council%20-%20Draft%20Council%20Size%20Submission.pdf	Council agenda
Draft minutes	15 August 2018	https://democracy.chorley.gov.uk/ieListDocuments.aspx?CategoryId=906&Mid=6896	Electoral Review of Chorley Council Committee meeting

		&Ver=4	
Electoral Review – Ward Arrangements Proposal	18 September 2018	http://mod/documents/s89709/Electoral%20Review%20-%20Ward%20Arrangements%20Proposal.pdf	Council agenda
Draft minutes	13 November 2018	https://democracy.chorley.gov.uk/documents/g7016/Printed%20minutes%2013th-Nov-2018%2018.45%20Electoral%20Review%20of%20Chorley%20Council%20Committee.pdf?T=1	Electoral Review of Chorley Council Committee meeting
Response to LGBCE draft recommendations on warding arrangements	8 January 2019	https://democracy.chorley.gov.uk/documents/s93909/Response%20and%20alternative%20proposal%20to%20the%20electoral%20review%20of%20Chorley%20Council.pdf	Electoral Review of Chorley Council Committee meeting

Report Author	Ext	Date
Cathryn Filbin	5123	11/01/19

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Notice of Motion to Chorley Borough Council

Permitted Development Permitted development is the part of planning law that allows people to carry out improvements on their home or property such as loft conversions, putting up a fence, adding a small conservatory or putting up a garden shed without having to apply to the Council for planning permission.

The government is now proposing that exploratory drilling for shale gas (Fracking) should also be considered as permitted development.

Building what can be up to a 1.5 Hectare fracking well pad without the consent of local people and by-passing the local planning process is an assault on our local democracy.

This Council instructs our chief executive to write on behalf of the Council to the Minister informing him that we are totally opposed to the government using permitted development legislation as a means of fast tracking shale gas exploration and thereby leading to the industrialisation of our countryside.

Proposed by Cllr Steve Holgate

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