



William J Taylor M.B.E
Chief Executive

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24 November 2010

TO: COUNCILLORS: **O'TOOLE, GRICE, MRS BLAKE, COYLE ,
CROPPER, MRS EVANS, FUREY, GARTSIDE,
HANLON, HENNESSY, MAWDSLEY, MORAN,
NOLAN, R A PENDLETON, POPE, PRATT,
G M ROBERTS, TATTERSALL**

Dear Councillor,

A meeting of the **EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE** will be held in the **COUNCIL CHAMBER, 52 DERBY STREET, ORMSKIRK, WEST LANCASHIRE, L39 2DF** on **2 DECEMBER 2010** at **07:30PM** at which your attendance is requested.

Yours faithfully,

A handwritten signature in black ink, appearing to be 'William J Taylor', written over a horizontal line.

William J Taylor
Chief Executive

A G E N D A
(Open to the Public)

1. APOLOGIES

2. MEMBERSHIP OF THE COMMITTEE

To be apprised of any changes to the membership of the Committee in accordance with Council Procedure Rule 4.

3. URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN

Note: No other business is permitted unless, by reason of special circumstances, which shall be specified at the meeting, the Chairman is of the opinion that the item(s) should be considered as a matter of urgency.

4. DECLARATIONS OF INTEREST

If a member requires advice on Declarations of Interest, he/she is advised to contact the Council Secretary and Solicitor in advance of the meeting. (For the assistance of members a checklist for use in considering their position on any particular item is included at the end of this agenda sheet.)

Page(s) 263 to 264

5. DECLARATIONS OF PARTY WHIP

In accordance with Overview and Scrutiny Committee Procedure Rule 16, Members must declare the existence of any Party Whip, and the nature of it, when considering any matter in the following categories:

- The review of any decision of the Cabinet or
- The performance of any Member of the Cabinet

N.B. The Secretary of State believes whipping is incompatible with Overview and Scrutiny.

6. MINUTES

To receive as a correct records the minutes of the meeting held on 30 September 2010. **Page(s) 265 to 272**

7. CALLED IN ITEM

The following item has been called in:

7(a) ARTICLE 4 DIRECTION - ORMSKIRK, AUGHTON AND WESTHEAD

To consider the report of the Council Secretary and Solicitor. **Page(s) 273 to 286**

8. KEY DECISION FORWARD PLANS - 1 NOVEMBER 2010 - 31 MARCH 2011

There are no items under this heading.

9. RELEVANT MINUTES OF CABINET

To scrutinise the minutes of the Cabinet meeting held on 16 November 2010. **Page(s) 287 to 296**

10. REVENUE BUDGET MID-YEAR REVIEW

To consider the report of the Council Secretary and Solicitor. **Page(s) 297 to 304**

11. REVISED CAPITAL PROGRAMME AND MID YEAR REVIEW 2010/11

To consider the report of the Council Secretary and Solicitor. **Page(s) 305 to End**

We can provide this document, upon request, on audiotape, in large print, in Braille and in other languages.

FIRE EVACUATION PROCEDURE: Please see attached sheet.

MOBILE PHONES: These should be switched off at all meetings.

For further information, please contact:-

Cathryn Jackson on 01695 585017

or email cathryn.jackson@westlincs.gov.uk

FIRE PRECAUTIONS ACT 1971
FIRE EVACUATION PROCEDURE FOR MEETINGS WHERE OFFICERS ARE
PRESENT
(52 DERBY STREET, ORMSKIRK)

PERSON IN CHARGE: Most Senior Officer present
FIRE MARSHAL: Member Services Officer / Lawyer
DOOR WARDEN(S) Usher / Caretaker

IF YOU DISCOVER A FIRE

1. Operate the nearest **FIRE CALL POINT** by breaking the glass.
2. Attack the fire with the extinguishers provided only if you have been trained and it is safe to do so. **Do not** take risks.

ON HEARING THE FIRE ALARM

1. Leave the building via the **NEAREST SAFE EXIT**. **Do not stop** to collect personal belongings.
2. Proceed to the **ASSEMBLY POINT** on the car park and report your presence to the **PERSON IN CHARGE**.
3. **DO NOT** return to the premises until authorised to do so by the **PERSON IN CHARGE**.

NOTES:

Officers are required to direct all visitors regarding these procedures i.e. exit routes and place of assembly.

The only persons not required to report to the Assembly Point are the Door Wardens.

CHECKLIST FOR PERSON IN CHARGE

1. Advise other interested parties present that you are the person in charge in the event of an evacuation.
2. Make yourself familiar with the location of the fire escape routes and inform any interested parties of the escape routes.
3. Make yourself familiar with the location of the assembly point and inform any interested parties of that location.
4. Make yourself familiar with the location of the fire alarm and detection control panel.
5. Ensure that the fire marshals and door wardens are aware of their roles and responsibilities.
6. Arrange for a register of attendance to be completed (if considered appropriate / practicable).

IN THE EVENT OF A FIRE, OR THE FIRE ALARM BEING SOUNDED

1. Ensure that the room in which the meeting is being held is cleared of all persons.
2. Evacuate via the nearest safe Fire Exit and proceed to the **ASSEMBLY POINT** in the car park.
3. Delegate a person at the **ASSEMBLY POINT** who will proceed to the **WARDENCALL SECTION** in Westec House in order to ensure that a back-up call is made to the **FIRE AND RESCUE SERVICE**.

4. Delegate another person to ensure that **DOOR WARDENS** have been posted outside the relevant Fire Exit Doors.
5. Ensure that the **FIRE MARSHAL** has reported to you on the results of his checks, i.e. that the rooms in use have been cleared of all persons.
6. If an Attendance Register has been taken, take a **ROLL CALL**.
7. Report the results of these checks to the **FIRE AND RESCUE OFFICER IN CHARGE** on arrival and inform them of the location of the **FIRE ALARM CONTROL PANEL**.
8. Authorise return to the building only when it is cleared to do so by the **FIRE AND RESCUE OFFICER IN CHARGE**. Inform the **DOOR WARDENS** to allow re-entry to the building.

NOTE:

The Fire Alarm system will automatically call the FIRE AND RESCUE SERVICE. The purpose of the 999 back-up call is to meet a requirement of the Fire Precautions Act to supplement the automatic call.

CHECKLIST FOR FIRE MARSHAL

1. Carry out a physical check of the rooms being used for the meeting, including adjacent toilets, kitchen.
2. Ensure that **ALL PERSONS**, both officers and members of the public are made aware of the **FIRE ALERT**.
3. Ensure that **ALL PERSONS** evacuate **IMMEDIATELY**, in accordance with the **FIRE EVACUATION PROCEDURE**.
4. Proceed to the **ASSEMBLY POINT** and report to the **PERSON IN CHARGE** that the rooms within your control have been cleared.
5. Assist the **PERSON IN CHARGE** to discharge their duties.

It is desirable that the **FIRE MARSHAL** should be an **OFFICER** who is normally based in this building and is familiar with the layout of the rooms to be checked.

INSTRUCTIONS FOR DOOR WARDENS

1. Stand outside the **FIRE EXIT DOOR(S)**
2. Keep the **FIRE EXIT DOOR SHUT**.
3. Ensure that **NO PERSON**, whether staff or public enters the building until **YOU** are told by the **PERSON IN CHARGE** that it is safe to do so.
4. If anyone attempts to enter the premises, report this to the **PERSON IN CHARGE**.
5. Do not leave the door **UNATTENDED**.

DECLARATION OF INTEREST - CHECKLIST FOR ASSISTANCE OF MEMBERS – 2007 OVERVIEW AND SCRUTINY

Name: Councillor

Overview and Scrutiny Committee:

Date:

Item No: Item Title:

Nature of Interest:

A Member with a personal interest in any business of the Council must disclose the existence and nature of that interest at commencement or when interest apparent except:

- Where it relates to or is likely to affect a person described in 8(1)(a)(i) or 8(1)(a)(ii)(aa), you need only disclose the existence and nature when you address the meeting on that business.
- Where it is a personal interest of the type mentioned in 8(1)(a)(viii), you need not disclose the nature or existence of that interest to the meeting if the interest was registered more than three years before the date of the meeting.
- Where sensitive information relating to it is not registered in the register, you must indicate that you have a personal interest, but need not disclose the sensitive information.

A Member with a prejudicial interest must withdraw, **either** immediately after making representations, answering questions or giving evidence where 4 or 6 below applies **or** when business is considered and must not exercise executive functions in relation to that business and must not seek to improperly influence a decision.

Please tick relevant boxes

Notes

	Overview and Scrutiny only		Notes
1.	I have a personal interest* but it is not prejudicial.	<input type="checkbox"/>	<i>You may speak and vote</i>
2.	I have a personal interest* but do not have a prejudicial interest in the business as it relates to the functions of my Council in respect of:		
(i)	Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease.	<input type="checkbox"/>	<i>You may speak and vote</i>
(ii)	school meals, or school transport and travelling expenses where I am a parent or guardian of a child in full time education, or are a parent governor of a school, and it does not relate particularly to the school which the child attends.	<input type="checkbox"/>	<i>You may speak and vote</i>
(iii)	Statutory sick pay where I am in receipt or entitled to receipt of such pay.	<input type="checkbox"/>	<i>You may speak and vote</i>
(iv)	An allowance, payment or indemnity given to Members	<input type="checkbox"/>	<i>You may speak and vote</i>
(v)	Any ceremonial honour given to Members	<input type="checkbox"/>	<i>You may speak and vote</i>
(vi)	Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/>	<i>You may speak and vote</i>
3.	I have a personal interest* and it is prejudicial because it affects my financial position or the financial position of a person or body described in 8 overleaf and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest or it relates to the determining of any approval consent, licence, permission or registration in relation to me or any person or body described in 8 overleaf and the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 4 or 7 below</i>
4.	I have a personal and prejudicial interest in the business but I can attend to make representations, answer questions or give evidence as the public are also allowed to attend the meeting for the same purpose	<input type="checkbox"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>
5.	I must regard myself as having a personal and prejudicial interest in the business because it relates to a decision made (whether implemented or not) or action taken by the Cabinet or another of the Council's committees or sub-committees and, at the time the decision was made or action was taken, I was a member of the Cabinet, committee or sub-committee and I was present when that decision was made or action was taken	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you are a Cabinet member attending under section 21(13) of the LGA 2000 when you may speak to answer questions</i>

6.	I must regard myself as having a personal and prejudicial interest in the business because it relates to a decision made (whether implemented or not) or action taken by the Cabinet or another of the Council's committees or sub-committees and, at the time the decision was made or action was taken, I was a member of the Cabinet, committee or sub-committee and I was present when that decision was made or action was taken, however I am attending the meeting for the purpose of making representations, answering questions or giving evidence relating to the business as the public are also allowed to attend the meeting for this purpose, whether under a statutory right or otherwise	□	<i>You may make representations, answer questions or give evidence but must leave the room once you have finished and cannot vote</i>
7.	A Standards Committee dispensation applies.	□	<i>See the terms of the dispensation</i>

* **“Personal Interest”** in the business of the Council means either it relates to or is likely to affect:

- 8(1)(a)(i) any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) any body -
- (aa) exercising functions of a public nature;
 - (bb) directed to charitable purposes; or
 - (cc) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union),
- of which you are a member or in a position of general control or management;
- (iii) any employment or business carried on by you;
- (iv) any person or body who employs or has appointed you;
- (v) any person or body, other than a relevant authority, who has made a payment to you in respect of your election or any expenses incurred by you in carrying out your duties;
- (vi) any person or body who has a place of business or land in your authority's area, and in whom you have a beneficial interest in a class of securities of that person or body that exceeds the nominal value of £25,000 or one hundredth of the total issued share capital (whichever is the lower);
- (vii) any contract for goods, services or works made between your authority and you or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi);
- (viii) the interests of any person from whom you have received a gift or hospitality with an estimated value of at least £25;
- (ix) any land in your authority's area in which you have a beneficial interest;
- (x) any land where the landlord is your authority and you are, or a firm in which you are a partner, a company of which you are a remunerated director, or a person or body of the description specified in paragraph (vi) is, the tenant;
- (xi) any land in the authority's area for which you have a licence (alone or jointly with others) to occupy for 28 days or longer.

or

A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a relevant person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

“a relevant person” means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 8(1)(a)(i) or (ii).

“body exercising functions of a public nature” means

Regional and local development agencies, other government agencies, other Councils, public health bodies, council-owned companies exercising public functions, arms length management organisations carrying out housing functions on behalf of your authority, school governing bodies.

A Member with a personal interest who has made an executive decision in relation to that matter must ensure any written statement of that decision records the existence and nature of that interest.

NB Section 21(13)(b) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.

EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE HELD: 30 SEPTEMBER 2010

Start: 7.30pm

Finish: 10.05pm

PRESENT:

Councillor: O'Toole (Chairman)

Councillors: Mrs Atherley Hennessey
Mrs Blake Mawdsley
Coyle Moran
Cropper Nolan
Evans R A Pendleton
Furey Pope
Gartside Pratt
Grice Tattersall
Hanlon

In attendance:

Councillors: Cotterill (Leader of the Labour Group)
Grant (Leader)
Fowler (Portfolio Holder Community Services and Health)
Owens (Portfolio Holder Regeneration and Estates)
Westley (Portfolio Holder Finance and Performance Management)

Officers:

Executive Manager Housing and Property Maintenance Services
(Mr B Livermore)
Executive Manager Regeneration and Estates (Mrs J Traverse)
Head of Leisure and Cultural Services (Mr J Nelson)
Deputy Treasurer (Mr M Kostrzewski)
Legal Services Manager (Mr T P Broderick)
Principal Overview and Scrutiny Officer (Mrs C A Jackson)

In attendance:

Chairman of West Lancashire Community Leisure Ltd. (Mr J Bullock)
Contracts Manager, West Lancashire Community Leisure Ltd. (Mr M Snaylam)

13. APOLOGIES

There were no apologies for absence.

14. MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, Members noted the termination of membership of Councillor G M Roberts and the appointment of Councillor Mrs Atherley for this meeting only, thereby giving effect to the wishes of the Political Groups.

15. URGENT BUSINESS

There were no items of urgent business.

16. DECLARATIONS OF INTEREST

It is noted that the Code of Conduct in relation to personal and prejudicial interests of Cabinet Members when they have a decision is overridden by Section 21(13) of the Local Government Act 2000.

1. Councillor Grice declared a personal and prejudicial interest in item no. 7 (Leisure Trust Update) in view of him being appointed by Council to serve on the Leisure Trust Board and left the Chamber during the discussion of this item.
2. Councillor Cotterill declared a personal interest in item 7 (Leisure Trust Update) in relation to references to Homestart West Lancs. as he is a member of their management committee.
3. Councillors Mrs Atherley, Mrs Blake, Cotterill, Cropper, Mrs Evans, Fowler, Gartside, Grant, Pope, Pratt and Westley declared personal interests in relation to relevant lines in the budget in respect of item 14 (Capital Programme Outturn 2009/10) in view of their (or their spouse's) membership of Parish Councils.
4. Councillors Cropper and Westley declared a personal interest in item 8(a) (Called-in item - Sponsorship of Roundabouts and Other Parts of the Highway Infrastructure) in view of his membership of Lancashire County Council.

17. DECLARATIONS OF PARTY WHIP

There were no declarations of a party whip.

18. MINUTES

RESOLVED: That the minutes of the last meeting of the Committee held on 1 July 2010 be approved as a correct record and signed by the Chairman.

19. LEISURE TRUST UPDATE

Consideration was given to the presentation by John Bullock, Chairman and Mark Snaylam, Contracts Manager of West Lancashire Community Leisure as contained on pages 249 to 262 of the Book of Reports. The presentation included:

- An introduction from the Chairman of the Trust
- The trustees and a profile of their responsibilities
- Activities and initiatives undertaken during 2009/10
- An overview of the contract which runs until March 2020
- Facilities at Nye Bevan, Park Pool, Skelmersdale, Burscough and Banks Leisure Centre and the membership/user numbers
- Income and patronage – a 6% increase in income and 4% patronage increase in patronage for 2009. 21% increase in patronage from 2004 to 2009.

- Operational Highlights including – increased in patronage year on year from 2004, closer links with the PCT; community based special events; closer links to National Governing Bodies, Partnership working with Young People’s Service (YPS) to help reduce instances of juvenile nuisance around Skelmersdale; External H & S audits improvements in scores; Investment in Burscough & Nye Bevan Gyms of £300k; partnership working with local clubs and organisations; attracting additional funding into West Lancashire; Improved Quest scores; closer links with local schools and generating an operational surplus resulting in a surplus share of 2009
- Challenges including – Managing energy costs; increasing patronage with a down turn in the market; moving the operation from good to great; “skills pledge”; positive difference to communities; engagement with partners and stakeholders; “slow-down” of Skelmersdale town centre development.
- Opportunities including – investment in facilities; web centric marketing; 5 hour offer for sport funding through Sport England and Lottery; Maximising PCT links and the wider health agenda; enhancing “value for money” offering; reduction of environmental impact

In concluding the presentation the Operations Manager indicated that the way forward for the Trust would be to: increase patronage; continually improve the facilities with a capital investment of £¾ million for 2010-2011; continue to develop staff and work closer with partners and community groups, and to offer more participation opportunities through Trust funding.

Comments and questions were raised in respect of the following:

- Current levy of subsidy and how calculated
- Tendering opportunities in relation to the proposed Skelmersdale Sports Centre
- The GP Referral Scheme and links as GP commissioning develops
- Club/Schools Sports Development and opportunities
- Concessions for the over 60’s, for example free swimming sessions
- Cost and usage of large inflatables at Nye Bevan and Ormskirk Pools.
- Improving the entrance to Nye Bevan Pool
- Swimming concessions particularly for youngsters
- Relationship between Council, Trust and Serco
- The future of the Trust
- Membership packages to encourage use of leisure facilities
- Opportunities linked to Olympics 2012
- Income breakdown – percentage from charges and income via retail
- Investment of capital
- Long term plans for Skelmersdale Sports Centre and Digmoor Community Centre
- Asbestos and air monitoring at Skelmersdale Sports Centre
- The quality benchmark QUEST and the assessment processes.

The Contracts Manager and Head of Leisure & Cultural Services provided responses to the comments and questions raised.

In further discussion reference was made to:

- The increase in usage since 2005
- The work of the volunteers
- Impact on the communities accessing leisure facilities
- The link to the 2012 Olympics and getting communities involved.
- Some of the new initiatives introduced during 2009/10, for example the Schools Triathlon
- Impact on usage figures linked to the closure during the period of Wigan Pool and retention rate when that facility reopened.

On behalf of the Committee the Chairman thanked the representatives from the Leisure Trust for their attendance and the informative presentation.

RESOLVED: A. That the representatives from the Leisure Trust be thanked for their presentation and attendance.

B. That the presentation and comments raised be noted.

20. CALLED IN ITEMS

Consideration was given to the following called in items, as circulated and contained on pages 123 to 167 of the Book of Reports.

21. CALLED IN ITEM - SPONSORSHIP OF ROUNDABOUTS AND OTHER PARTS OF THE HIGHWAY INFRASTRUCTURE

Consideration as given to the report of the Council Secretary and Solicitor advising that a decision of Cabinet in relation to the above item (minute 50 refers) had received a call in requisition signed by five Members of the Committee. The report set out the reason given for the call in, together with the alternative decision put forward by the five Members concerned on the requisition notice.

Further clarification was sought as it was felt that the report of the Executive Manager Regeneration and Estates did not cover the possible unintended consequences of the proposed scheme in sufficient detail.

In the ensuing discussion the following comments/questions were noted:

- Clarification of the Borough Council's input into the scheme and impact of delaying a decision
- Advertisement consents applications and confirmation that these applications are matters for consideration by the Planning Committee
- Type of business expected to sponsor roundabouts
- Protection of roundabouts with established landscaping and artwork
- Concerns regarding unauthorised signs, safety and anti-social nuisance issues.

The Executive Manager Regeneration and Estates responded to questions and following an invitation from the Chairman the Portfolio Holder for Regeneration and Estates explained that the scheme was something that would be new for the Borough but had worked successfully elsewhere. The Executive Manager Regeneration and Estates agreed to prepare a Members' Update.

During the discussion a Member sought information in relation to the maintenance of artwork on roundabouts in Skelmersdale, particularly the "Light Box" which it was stated had not been working for some time and the Executive Manager Regeneration and Estates undertook to raise the issue with colleagues in the Planning Division.

RESOLVED: That the Committee does not seek a different decision.

22. MID LANCASHIRE MULTI AREA AGREEMENT/LOCAL INVESTMENT PLANS/LOCAL ENTERPRISE PARTNERSHIPS

Consideration as given to the report of the Council Secretary and Solicitor advising that a decision of Cabinet in relation to the above item (minute 64 refers) had received a call in requisition signed by five Members of the Committee. The report set out the reason given for the call in, together with the alternative decision put forward by the five Members concerned on the requisition notice.

The Executive Manager Regeneration and Estates provided a further update on the scheme and responded to questions and, at the request of the Chairman, the Leader provided information on how the process was proceeding.

In the ensuing discussion the following comments/questions were noted:

- The options being proposed and the long term implications for West Lancashire.
- The outcome of the Mid Lancashire MAA submission and current position on emerging LEP's and LIP's
- Fragmentation of Lancashire
- Potential impact on the "smaller Boroughs"
- The wider implications for the North West region
- Emerging "localism" and transfer of Regional Development Agency responsibilities.

RESOLVED: That the Committee does not wish to ask for a different decision.

23. KEY DECISION FORWARD PLANS - 1 AUGUST 2010 - 31 JANUARY 2011

There were no items under this heading.

24. RELEVANT MINUTES OF CABINET

Consideration was given to the following minutes of meetings of Cabinet.

25. CABINET MINUTES - 21 JULY 2010

Consideration was given to the minutes of the meeting of Cabinet held on 21 July 2010.

RESOLVED: A. That the Minutes of Cabinet held on 21 July 2010 be noted.

26. CABINET MINUTES - 14 SEPTEMBER 2010

Consideration was given to the minutes of the meeting of Cabinet held on 14 September 2010. Members raised questions/comments on:

Minute 49 (Ormskirk Motor Festival) – the support for the venture but the impact on traffic and parking in the market town and clarification on the funds (£10,000) set aside for the event. In response the Chairman undertook to raise the queries with the Portfolio Holders for Community Services and Health and Planning and Transportation.

Minute 60 (The Northern Rail) - the involvement of Merseyrail or Merseytravel or both in relation to the Skelmersdale Rail Feasibility Study. In response the Executive Manager Regeneration and Planning undertook to seek clarification on this point from the Interim Head of Planning Policy & Environment.

RESOLVED: That the Minutes of the meeting of Cabinet held on 14 September 2010 be noted.

27. ITEM REFERRED FROM CABINET

The following item was referred from Cabinet to seek comments, if any, before consideration by Council on 20 October 2010.

28. AFFORDABLE HOUSING

Consideration was given to the report of the Council Secretary and Solicitor which set out the decision of Cabinet, at its meeting on 14 September 2010, in relation to an item on Affordable Housing and which sought comments, if any, of this Committee prior to consideration by Council on 20 October 2010.

The Executive Manager Housing and Property Maintenance Services in his introduction to the item drew Members attention to Section 9 on Appendix B entitled 'Property Location'.

Members made general comments in respect of the following:

- Purchasing choices including ability to purchase property elsewhere
- Imposition of restrictions
- Mechanism, particularly in relation to down-sizing
- Shortage of two-bedroom accommodation in some areas
- Area boundaries

RESOLVED: That the report be noted.

29. REVENUE OUTTURN

Consideration was given to the report of the Council Secretary and Solicitor as circulated and contained on pages 217 to 223 of the Book of Reports which provided details of the key features of the financial outturn position for the previous financial year (2009-10) in relation to the General Review and Housing Revenue Accounts.

RESOLVED: That the outturn position be noted.

30. REVENUE MONITORING

Consideration was given to the report of the Council Secretary and Solicitor as circulated and contained on pages 225 to 228 of the Book of Reports which provided an assessment of the financial position on the revenue accounts in the new financial year.

Members raised questions and comments in respect of the following:

- Employee Costs and impact of JE
- Reserves and off-setting
- Impact of economic downturn

RESOLVED: That the financial position of the Revenue Accounts be noted.

31. CAPITAL PROGRAMME OUTTURN 2009/10

Consideration was given to the report of the Council Secretary and Solicitor as circulated and contained on pages 229 to 242 of the Book of Reports which provided a summary of the capital outturn position for the 2009/2010 financial year.

Members raised questions and comments in respect of the following:

- Variance and slippage reported at paragraph 9.2

It was felt that more specific details should be reported in relation to year on year slippage in the future.

RESOLVED:A. That the final position on the Capital Programme for 2009/2010 financial year be noted.

- B. That it be recommended that in relation to approvals of capital schemes that have slipped year on year, that the details be reported to Cabinet for information.

32. CAPITAL PROGRAMME MONITORING 2010/2011

Consideration was given to the report of the Council Secretary and Solicitor as circulated and contained on pages 243 to 247 of the Book of Reports which provided an overview of the current progress on the Capital Programme.

RESOLVED: That progress on the Capital Programme be noted.

.....
Chairman



AGENDA ITEM: 7(a)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
2 December 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor M Forshaw

**Contact for further information: Mrs J Denning (Extn. 5384)
(E-mail: jacky.denning@westlancs.gov.uk)**

**SUBJECT: CALL IN ITEM – ARTICLE 4 DIRECTION – ORMSKIRK, AUGHTON
AND WESTHEAD**

Wards affected: Ormskirk, Aughton, Skelmersdale and Burscough Wards.

1.0 PURPOSE OF THE REPORT

1.1 To advise the Executive Overview & Scrutiny Committee of the reason for the call in of the decision on the above item, as set out in Minute No. 85 of the meeting of Cabinet held on 16 November 2010.

2.0 RECOMMENDATIONS

2.1 That the Committee determines whether it wishes to ask for a different decision.

2.2 That if the Committee does wish to ask for a different decision, the Committee indicates which of the options set out at paragraph 5.1 below, it wishes to pursue.

3.0 DETAILS RELATING TO THE CALL IN

3.1 The report attached as an Appendix to this report was considered at Planning Committee on 11 November and Cabinet on 16 November 2010.

3.2 The decision of Planning Committee 11 November 2010 reads as follows:

“56. ARTICLE 4 DIRECTION ORMSKIRK AND AUGHTON AND WESTHEAD

The Acting Executive Manager Planning introduced his report as contained on pages 1035 to 1044 and additional late information as contained on pages 1077 to 1079 of the Book of Reports, the purpose of which was to seek approval for the making of an Article 4 Direction to control the development of Houses in Multiple Occupation throughout Ormskirk, parts of Aughton and Westhead.

RESOLVED: That the report be noted with no additional comments.”

3.3 The decision of Cabinet 16 November 2010 reads as follows:

“85. ARTICLE 4 DIRECTION ORMSKIRK, AUGHTON AND WESTHEAD

Councillor Forshaw introduced the report of the Acting Executive Manager Planning which sought approval for the making of an Article 4 Direction to control the development of Houses in Multiple Occupation throughout Ormskirk, parts of Aughton and Westhead.

Councillor Forshaw referred to the additional information circulated by the Acting Executive Manager Planning in respect of student numbers and Minute 56 of the Planning Committee.

In reaching the decision below, Cabinet considered the details set out in the report before it and the additional information circulated and accepted the reasons contained therein.

RESOLVED: That the Acting Executive Manager Planning be given delegated authority to instruct the Council Secretary and Solicitor to make an Article 4 Direction, to withdraw permitted development rights in Ormskirk, Aughton and Westhead for development consisting of a change of use from Class C3 (dwelling houses) to Class C4 (small scale houses in multiple occupation) in accordance with paragraph 6 of the report.”

3.4 The following reason for call was given in the requisition:

“That the Article 4 Direction does not provide adequate protection for all residents of West Lancashire and will enable landlords opportunities to purchase properties in other areas of the Borough thereby potentially displacing the concentration of HMOs into other areas. West Lancashire Borough Council must implement a system that enables effective management of HMOs proactively rather than reactively.”

3.5 The requisition also provided an alternative decision which was:

“That the Acting Executive Manager Planning be given delegated authority to instruct the Council Secretary and Solicitor to make an Article 4 Direction, to withdraw permitted development rights in Ormskirk, Aughton, Westhead,

Burscough and Skelmersdale for development consisting of a change of use from Class C3 (dwelling houses) to Class C4 (small scale houses in multiple occupation).”

- 3.6 The following Members of the Executive Overview & Scrutiny Committee signed the requisition for call-in in accordance with the provisions of Overview & Scrutiny Committee Procedure Rule 15:

Councillor J Coyle
Councillor C Mawdsley
Councillor N Furey
Councillor B Nolan
Councillor I Moran

4.0 COMMENTS OF THE ACTING EXECUTIVE MANAGER PLANNING

- 4.1 Article 4 Directions enable Local Authorities to withdraw permitted development rights given under the General Permitted Development Order. Government guidance in relation to the use of Article 4 Directions is contained in Planning Circular 9/95. The Circular states that permitted development rights “...should only be withdrawn in *exceptional circumstances*. Such action will rarely be justified unless there is a *real and specific threat*, i.e. there is reliable evidence to suggest that permitted development is likely to take place which could damage interest of acknowledged importance and should therefore be brought within the full planning control in the public interest.”
- 4.2 The guidance adds that; “The boundaries of land subject of the directions should be drawn as tightly as possible having regard to the circumstances of the case. Directions covering wide areas of land will not normally be approved.”
- 4.3 The report to Cabinet set out the clear justification for the use of an Article 4 Direction in Ormskirk and the immediate surrounding areas due to the significant number of properties already within multiple ownership, the problems that were being encountered by local residents and the on-going pressure on the housing market for further future expansion of the Houses in Multiple Occupation (HMO) market in these areas. There is no such evidence available to justify the removal of permitted development rights in Burscough and Skelmersdale.
- 4.4 An Article 4 Direction requires the approval of the Secretary of State. It is my view that adding Burscough and Skelmersdale to the proposed Article 4 Direction could significantly increase the risk of the Direction not being approved by the Secretary of State.

5.0 CONCLUSION

- 5.1 Following consideration of the decision of Cabinet, the requisition for call in, and the comments of the Acting Executive Manager Planning, the Executive Overview & Scrutiny Committee can decide if it wishes to ask for a different decision. If the Committee does not wish to ask for a different decision then the decision of Cabinet takes immediate effect. If the Committee does wish to ask for a different decision, it may:

- a. refer the decision back to Cabinet (as the decision making body) for reconsideration, setting out the different decision; or
- b. refer the matter to Council. If the matter is referred to Council and Council does not object, then the decision of Cabinet will take effect immediately from that Council meeting date. If the Council does object, then the decision and the objection will be referred back to Cabinet (as the decision making body) for reconsideration.

5.2 The Secretary of State in his Guidance recommends that Overview & Scrutiny Committees should only use the power to refer matters to the full Council if they consider that the decision is contrary to the policy framework or contrary to or not wholly in accordance with the budget.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Appendices

Report of the Acting Executive Manager Planning.



AGENDA ITEM: 5(m)

**PLANNING COMMITTEE:
11 November 2010**

CABINET: 16 November 2010

Report of: Acting Executive Manager Planning

Relevant Portfolio Holder: Councillor M Forshaw

**Contact for further information: Mrs C Thomas (Extn. 5134)
(E-mail: catherine.thomas@westlancs.gov.uk)**

SUBJECT: ARTICLE 4 DIRECTION ORMSKIRK, AUGHTON AND WESTHEAD

Wards affected: Derby, Scott, Knowsley, Aughton Park, Aughton and Downholland.

1.0 PURPOSE OF THE REPORT

1.1 To seek approval for the making of an Article 4 Direction to control the development of Houses in Multiple Occupation throughout Ormskirk, parts of Aughton and Westhead.

2.0 RECOMMENDATION TO PLANNING COMMITTEE

2.1 That the Committee consider the report and refer any agreed comments to Cabinet for consideration.

3.0 RECOMMENDATION TO CABINET

3.1 That the Acting Executive Manager Planning be given delegated authority to instruct the Council Secretary and Solicitor to make an Article 4 Direction, to withdraw permitted development rights in Ormskirk, Aughton and Westhead for development consisting of a change of use from Class C3 (dwelling houses) to Class C4 (small scale houses in multiple occupation) in accordance with paragraph 6 below.

4.0 BACKGROUND

4.1 On 6th April 2010 a new class of development was introduced into the Town and Country Planning Use Classes Order. Small Houses in Multiple Occupation, with between 3 and 6 residents, were classified separately from dwelling houses. Dwelling houses fall within Class C3 of the Order and a new Class C4 was created for small houses in multiple occupancy with between three and six

residents. Planning permission was required for a change of use of a property from a Class C3 use to a Class C4 use.

- 4.2 The revisions to the Use Classes Order and the creation of a new category of development were introduced to allow Local Authorities to deal with the problems, such as increased noise and loss of community balance which can arise from high concentrations of HMOs.
- 4.3 However, this legislation was applied nationally regardless of whether there was a local need to control HMO development or not. The new Government considered that this was imposing an unnecessary regulatory burden on landlords and local authorities in areas where HMO development was not causing problems.
- 4.4 To redress this problem, the Town and Country Planning (General Permitted Development (Amendment) (England) (No2) Order 2010 was brought into force on 1st October 2010 to give permitted development rights for a change of use of a dwelling house, to use as a small scale house in multiple occupation, shared by three to six people.
- 4.5 As a result of this legislative change, planning permission is no longer required for changes of use from single dwellings to small scale HMOs.
- 4.6 The Government does however still recognise that in some areas concentrations of HMOs can cause problems. In such cases the Government suggest that Local Authorities consider the use of Article 4 Directions to control numbers of HMOs within specific areas by removing the rights granted by the change in legislation.
- 4.7 Therefore, whilst Article 3 of the Town and Country Planning (General Permitted Development) Order permits a change of use from a Class C3 dwelling to a Class C4 HMO as specified in Schedule 2 of the Order, Article 4 of the Order enables a Local Planning Authority to restrict that permission.

5.0. JUSTIFICATION FOR INTRODUCING AN ARTICLE 4 DIRECTION

- 5.1 Members will be aware that the number of students attending Edge Hill is increasing annually. As part of their recent planning application for additional car parking on the University site, a supporting planning statement indicated that in the current academic year there are approximately 25,000 students studying at Edge Hill. Although there is some purpose built student accommodation on the University campus and elsewhere within Ormskirk, much of the accommodation occupied by students is provided in the form of Houses in Multiple Occupancy.
- 5.2. The problems associated with high concentrations of HMOs have been recognized nationally by residents, organizations, the press, and by the Government. The study “Evidence Gathering- Housing in Multiple Occupation and Possible Planning Responses” carried out by Ecotec for the government in 2008 summarised the impacts as including:-
 - Anti-social behaviour;
 - Imbalanced and unsustainable communities;
 - Negative impacts on the physical environment and streetscape;

- Pressure upon car parking;
- Increased crime;
- Growth in private rented sector at the expense of owner occupation;
- Pressure upon community facilities;
- Restructuring of retail, commercial services and recreational facilities to suit the lifestyles of the predominant population.

- 5.3 In respect of recent planning applications for additional student accommodation within Ormskirk, both Members and local residents have expressed some concerns about the impact of HMOs. Problems have been felt most keenly by some long term residents in the areas where student concentrations have risen but which traditionally catered for families. Some Resident Groups and individual house owners in these areas feel that this is having a negative impact on their amenity. The stock of housing for first time buyers within Ormskirk has also reduced as small terraced properties have been bought up by landlords and converted into HMOs. In some instances there may be a number of environmental problems visible in areas with high concentrations of HMOs such as properties in disrepair, neglected gardens, and parking problems.
- 5.4 It is considered that a loss of control over changes of use from C3 to C4 will harm the sustainability of neighbourhoods with Ormskirk and the surrounding urban areas over the long term which constitutes “harm to an interest of acknowledged importance”. An increase in concentrations of HMOs in an area alters the population mix, impacts on the facilities and services that can be supported, as well as affecting residential amenity and social cohesion and these issues cannot be addressed successfully by other mechanisms such as neighbourhood management measures alone. It is considered that the evidence in Ormskirk shows that high concentrations of HMOs can have a detrimental effect on their local neighbourhood, which amounts to a compelling reason for and justifies HMOs being brought within full planning control in the public interest to ensure that concentrations of HMO developments do not cause harm to localities. This amounts to circumstances which are sufficiently exceptional as to warrant the use of an Article 4 Direction.
- 5.5 Whilst at this moment HMOs are concentrated in Ormskirk, there is a concern that the making of an Article 4 Direction for Ormskirk in isolation may push the problem to the adjacent settlements of Aughton and Westhead, which are in close proximity to the University campus. As a result it is proposed that the Direction equally apply to these settlement areas.
- 5.6 Members should be aware that should an Article 4 Direction be brought into force, it does not mean that all planning applications for a change of use to an HMO would be refused. The Council will use a Core Strategy policy (once adopted) to determine applications. This policy will not rule out further HMOs in areas where concentrations are low and there is no basis to believe the proposal will have a detrimental impact on local amenity. Until such time as the Core Strategy is in place, applications for HMOs will be assessed on their merits and in accordance with relevant policies in the West Lancashire Replacement Local Plan.

6.0 PROCEDURE FOR INTRODUCING AN ARTICLE 4 DIRECTION

- 6.1 It is proposed that an Article 4 Direction should cover the whole of Ormskirk, Aughton and Westhead. A copy of a map showing the proposed extent of the Direction is included at Appendix 1.
- 6.2 On 1st October 2010, the Town and Country Planning (Compensation) (No.3) (England) Regulations 1210 came into force. These Regulations reduce local authorities' liability to pay compensation where they make Article 4 directions in respect of HMO developments, as follows:
- where 12 months' notice is given in advance of a direction taking effect there will be no liability to pay compensation; and
 - Where directions are made with immediate effect or less than 12 months' notice, compensation will only be payable in relation to planning applications which are submitted within 12 months of the effective date of the direction and which are subsequently refused or where permission is granted subject to conditions.
- 6.3 To ensure that the Authority would have no liability for compensation claims in respect of the loss of permitted development rights, it is proposed that the Article 4 Direction will come into force in November/December 2011, giving a period of notice of 12 calendar months. Given the extent of the proposed Direction, it is considered that it would be impracticable to serve individual notices on all owners and occupiers as specified by Article 5(2) of the Town and Country Planning (General Permitted Development) Order 1995 as amended. Therefore should the Council be minded to make an Article 4 Direction, the above Order requires that a notice of the Direction be published by an advertisement in the local paper.
- 6.4 Following the consideration of any representations received as a result of the publicity, a further report will be brought before Members. Members will then be in a position to consider any representations received as a result of the publicity and make a decision as to whether to confirm the Direction, which would then be further advertised as necessary. The Direction would come into force in November/December 2011, unless the Council receives notification to the contrary from the Secretary of State.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 The aim of the Article 4(1) Direction is to control potentially harmful development and ensure the sustainability of neighbourhoods. The introduction of an Article 4 Direction would positively contribute to safeguarding communities.
- 7.2 There are no implications for the community strategy arising from this report.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 There are no financial implications arising from this report as there is no liability for compensation provided that a 12 month notice period is given prior to the imposition of an Article 4 Direction.

9.0 RISK ASSESSMENT

9.1 There are no risk assessment issues arising from this report.

Background Documents

The Town and Country Planning (General Permitted Development) Order 1995
The Town and Country Planning (General Permitted Development) (Amendment) (No.2)
(England) Order 2010

Equality Impact Assessment

A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

Appendices

Appendix 1 Map of coverage of proposed Direction

Appendix 2 Equality Impact Assessment

**Equality Impact Assessment
Initial Assessment Form**

Service Area – Planning and Development Services

1. What is the name of the proposed policy, procedure, project etc to be assessed.	
Article 4 Direction to remove permitted development rights for Houses in Multiple Occupation.	
2. What are the aims or intended outcomes of the policy to be assessed.	
To allow the Council to deal with the problems, such as increased noise and loss of community balance which can arise from high concentrations of HMOs.	
3. Is there a public or staff concern that this function, policy or proposal may have a discriminatory impact	
<u>PUBLIC</u>	<u>STAFF</u>
None	None
4. Is there any other evidence (results of consultations, monitoring data etc) to suggest that the proposals could have an adverse/differential impact on the grounds of	
<ul style="list-style-type: none"> a. <u>Race</u> <ul style="list-style-type: none"> • None b. <u>Disability</u> <ul style="list-style-type: none"> • None c. <u>Gender</u> <ul style="list-style-type: none"> • None d. <u>Age</u> <ul style="list-style-type: none"> • None 	
5. If there is no evidence are there any experts/ relevant groups who you can approach to explore their views on the issues	
<ul style="list-style-type: none"> ▪ None known of 	
6. How will the views of these groups be obtained	
Not applicable.	
7. Please detail the outcomes of these consultations	
Not applicable	

8. What are the risks (if any) associated with the policy in relation to the adverse/differential impact on the ETG's
None known of.
9. If in your judgment, the proposed service/policy etc does have an adverse impact, can that impact be justified?
Not applicable
10. What steps will you take to address any unjustified impact
Not applicable
11. How will you monitor the effect of this function, policy etc on the Equality Target Groups
Not applicable.
12. Does this policy need to be fully impact assessed? Please give reasons
No – there is no evidence of an impact on the equality target groups.

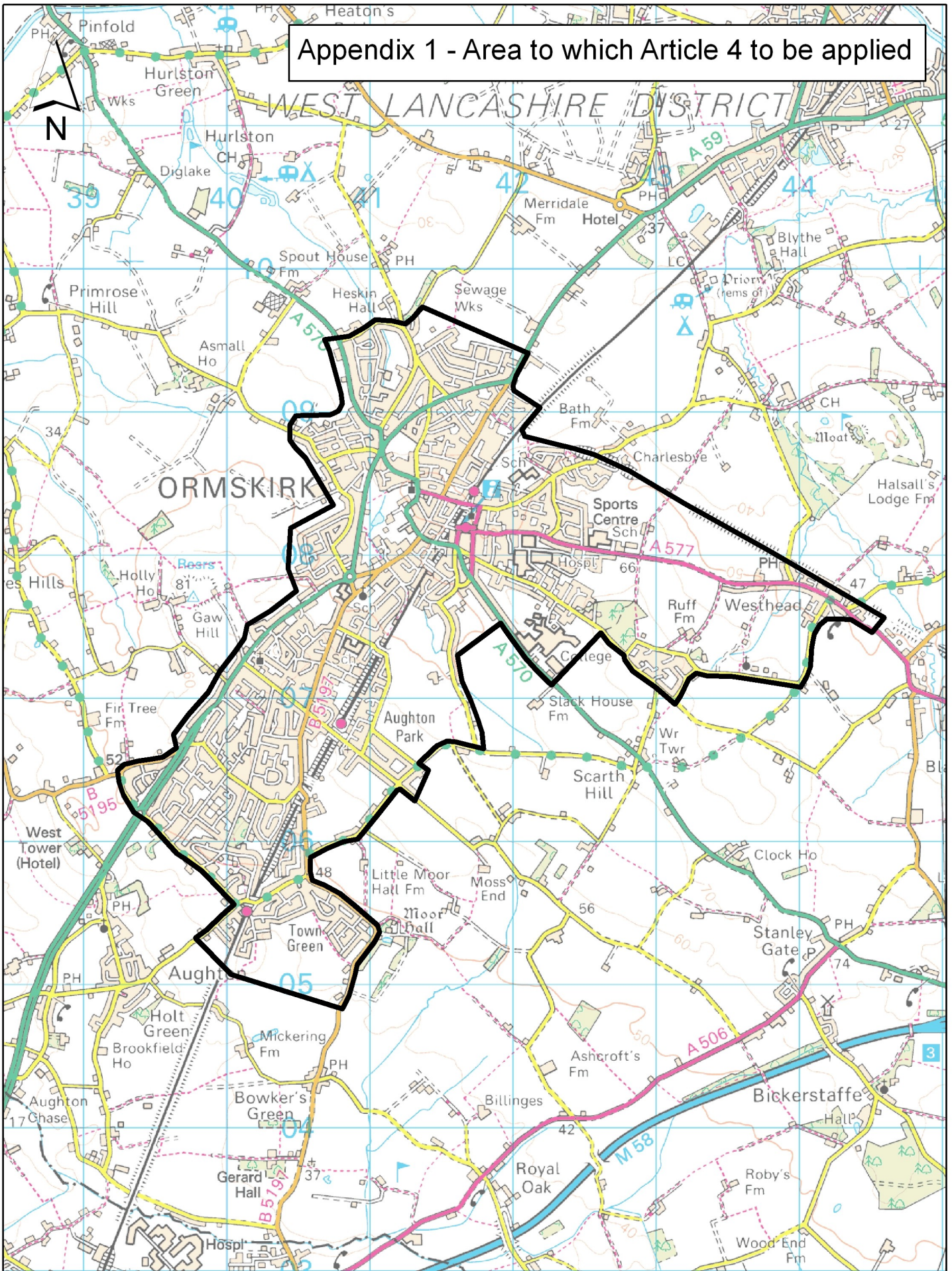
Name Catherine Thomas Service Planning and Development Services.

Signed Dated 19/10/10

Human Resources

Review/approval Date

Appendix 1 - Area to which Article 4 to be applied



CABINET

HELD: 16 NOVEMBER 2010

Start: 7.30pm

Finish: 8.40pm

PRESENT:

Councillor I Grant (Leader of the Council, in the Chair)

Councillors		<u>Portfolio</u>
I Ashcroft		Human Resources and Partnership
M Forshaw		Planning and Transportation
A Fowler		Community Services and Health
P Greenall		Street Scene Management
Mrs V Hopley		Housing
A Owens		Deputy Leader & Regeneration and Estates
D Westley		Finance and Performance Management

In attendance

Councillors:	N Furey	C Mawdsley
	P Gartside	R A Pendleton
	D McKay	

Parish Councillor: J Citarella (Standards Committee)

Officers

- Chief Executive (Mr W Taylor)
- Assistant Chief Executive (Ms K Webber)
- Executive Manager Housing and Property Maintenance Services (Mr R Livermore)
- Acting Executive Manager Planning (Mr J Harrison)
- Treasurer (Mr M Taylor)
- Legal Services Manager (Mr T Broderick)
- Procurement and Projects Manager (Mr J Ryding)
- Lead Human Resources Business Partner (Ms S Lewis)
- Access to Services and Performance Manager (Mr S Walsh)
- Commercial Safety Manager (Mr M Tasker)
- Assistant Member Services Manager (Mrs J Denning)

68. APOLOGIES

There were no apologies for absence.

69. SPECIAL URGENCY (RULE 16 ACCESS TO INFORMATION PROCEDURE RULES)/URGENT BUSINESS

There were no items of urgent business.

70. DECLARATIONS OF INTEREST

Councillor D Westley declared a personal interest in the following items:

Agenda Item	Title	Reason
5(i)	Feasibility Study for the Linear Park at Tarleton and Hesketh Bank	A Member of Lancashire County Council
5(k)	Demand Responsive Transport Service for Skelmersdale	
5(o)	Agency Staff	
5(f)	Revised Capital Programme and Mid Year Review	In respect of Parish Council matters as a Parish Councillor at Halsall Parish Council

71. MINUTES

RESOLVED: That the minutes of the meeting held on 14 September 2010 be received as a correct record and signed by the Leader.

72. MATTERS REQUIRING DECISIONS

Consideration was given to reports relating to the following matters requiring decisions as contained on pages 645 to 863 and 867 to 874 of the Book of Reports.

73. ORGANISATIONAL RE-ENGINEERING - PRIVATE SECTOR HOUSING MANAGEMENT REPORT

Councillor Westley introduced the joint report of the Assistant Chief Executive and the Executive Manager Housing and Property Maintenance Services which detailed the findings and recommendations for savings and service improvements contained within the Organisational Re-engineering (OR) Private Sector Housing (PSH) Management Report.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: That the findings and recommendations for service improvements contained within the report attached as an Appendix, be noted and agreed.

74. ORGANISATIONAL RE-ENGINEERING UPDATE

Councillor Westley introduced the report of the Assistant Chief Executive which provided an update on the completed Organisational Re-engineering (OR) projects to date, together with information regarding the progress of implementation plans. The report also detailed the level of cash and efficiency savings resulting from OR, together with the improvements to both service delivery and customer accessibility as identified as part of each project.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

- RESOLVED:
- A. That the positive progress and successful outcomes of each OR review to date, together with the subsequent cash and efficiency savings identified, be noted.
 - B. That the Assistant Chief Executive in consultation with the relevant Portfolio Holder, Treasurer, and Divisional Manager (as appropriate) be authorised to select, undertake and implement Organisational Re-Engineering Projects.

75. REVIEW OF SERVICE LEVEL AGREEMENTS - REVENUE GRANTS

Councillor Fowler introduced the report of the Council Secretary and Solicitor which detailed the recommendations of the Funding of Voluntary and Other Organisations Working Group meeting on 1 November 2010 in respect of the written submissions received from the Voluntary Organisations in relation to the monitoring and evaluation of the 3 year Service Level Agreements.

Additional exempt information in respect of Tawd Vale Lions had been circulated to Members prior to the meeting to assist in the decision making process.

In reaching the decision below, Cabinet considered the details set out in the report before it and the exempt information circulated prior to the meeting, and accepted the reasons contained therein.

- RESOLVED:
- A. That the monitoring and evaluation of the 3 year Service Level Agreements by the Funding of Voluntary and Other Organisations Working Group at its meeting held on 1 November 2010 be endorsed as detailed in the minutes of the meeting attached at Appendix 1 to the report.
 - B. That the recommendation of the Working Group, as detailed in paragraph 4.4 of the report in respect of South & West Lancashire Foodbank, to extend the offer of revenue grant to January 2011, subject to receipt of satisfactory financial statements 2009-2010; a business plan and health & safety/equal opportunities policies, be endorsed, with the understanding that that failure to submit satisfactory versions of these documents by January 2011 will result in the offer of grant being rescinded.
 - C. That the requests from Tawd Vale Lions for an inflationary allowance for 2009-2010 and 2010-2011 and for an extension of their current Service Level Agreement beyond 2011 be refused.

76. NOMINATION FOR CHAIRMAN AND VICE CHAIRMAN OF WEST LANCASHIRE LOCAL STRATEGIC PARTNERSHIP

Councillor Owens introduced the report of the Assistant Chief Executive which sought nominations for the roles of Chairman and Vice Chairman of West Lancashire Local Strategic Partnership (LSP).

The Assistant Chief Executive advised Cabinet that at paragraph 3.4 of the report Councillor Paul Cotterill's nomination should be in his capacity as Director of Bickerstaffe Children's Services rather than as a West Lancashire Borough Council Member.

In reaching the decision below, Cabinet considered the details set out in the report before it and the amendment from the Assistant Chief Executive and accepted the reasons contained therein.

RESOLVED: A. That nominations for the roles of Chairman and Vice Chairman of the LSP be agreed as follows:

(i) Nominations for the role of Chairman:

- Councillor I Grant – West Lancashire Borough Council
- P Cotterill – Director of Bickerstaffe Children's Services.

(ii) Nomination for the role of Vice Chairman:

- Councillor Mrs M Blake – West Lancashire Borough Council

B. That the call in procedure is not appropriate for this item as this matter is one where urgent action is required because the Chairman and Vice Chairman's terms of office are due to expire on 15 November and the LSP Executive will need to appoint a new Chairman and Vice Chairman at its meeting on 19 November 2010.

(Note: Councillor Owens chaired the meeting for this item.)

77. REVENUE BUDGET MID YEAR REVIEW

Councillor Westley introduced the report of the Council Secretary and Solicitor which provided a projection on the financial position on the General and Housing Revenue Accounts to the end of the financial year.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: A. That the financial position of the Revenue Accounts be noted, including the position on reserves and balances.

- B. That call in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee.

78. REVISED CAPITAL PROGRAMME AND MID YEAR REVIEW

Councillor Westley introduced the report of the Council Secretary and Solicitor which sought approval of the Revised Capital Programme 2010/2011 and provided an overview on the progress against it at the mid-year point.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

- RESOLVED:
- A. That the Revised Capital Programme, including the virements contained within it, be approved for consideration by Council.
 - B. That the progress against the Revised Capital Programme at the mid-year point be noted.
 - C. That call in is not appropriate for this item as it is being referred to Executive Overview and Scrutiny Committee and Council.

79. CORPORATE DEBT RECOVERY POLICY

Councillor Grant introduced the report of the Council Secretary and Solicitor which sought approval for a new Corporate Debt Recovery Policy and noted the current position on multiple debt cases.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

- RESOLVED:
- A. That the new Corporate Debt Recovery Policy, as set out in Appendix 1 to Appendix A and with the updates referred to at Paragraph 5 of the report, be agreed, circulated to all staff and published on the website.
 - B. That the Council Secretary and Solicitor be authorised, in consultation with the Leader, to make minor alterations to the policy for it to remain effective and relevant.

80. ANTI MONEY LAUNDERING POLICY

Councillor Westley introduced the report of the Council Secretary and Solicitor which outlined the results of a review of the Council's Anti Money Laundering Policy and Guidance and Procedure Notes.

Cabinet was advised that the report had also been considered and approved by the Audit and Governance Committee on 29 September 2010.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: That the amended Anti-Money Laundering Policy and Guidance and Procedure Notes, attached as Appendix 1 and 2 to the report, be approved and adopted.

81. FEASIBILITY STUDY FOR THE LINEAR PARK AT TARLETON AND HESKETH BANK

Councillor Forshaw introduced the joint report of the Acting Executive Manager Planning and the Executive Manager Regeneration and Estates which provided details of a Feasibility Study which had been undertaken in relation to the possibility of creating a Linear Park along the Canal and River Douglas in Tarleton and Hesketh Bank.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: A. That the Feasibility Study, attached at Appendix 1 to the report, be noted.

B. That the Acting Executive Manager Planning, or his representative, continue to attend the Steering Group Meetings

C. That, in view of staff resource issues, the Acting Executive Manager Planning request Lancashire County Council or other appropriate organisation to take the lead on this initiative.

D. That it be noted, that should this Council wish to fund the creation of a Linear Park and lead on this project, significant additional revenue and capital resources would need to be provided through the budget process, as there is only limited funding available from the Parish Councils at this present time.

82. CHOICE BASED LETTINGS POLICY

Councillor Mrs Hopley introduced the report of the Executive Manager Housing and Property Maintenance Services which detailed progress in the development of choice based lettings and sought agreement of the Choice Based Lettings Policy.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: A. That the proposed Choice Based Lettings Policy, attached as Appendix 1 to the report, be approved.

B. That the Executive Manager Housing and Property Maintenance Services be authorised, in consultation with the Housing Portfolio Holder, to make minor alterations to the scheme in order for it to remain effective and relevant.

83. DEMAND RESPONSIVE TRANSPORT SERVICE FOR SKELMERSDALE

Councillor Forshaw introduced the report of the Acting Executive Manager Planning which detailed progress made in examining the scope for a demand responsive transport system within Skelmersdale following the failure to secure 'Kick Start' funding from the Department of Transport for the 'Phoenix Bus'.

Councillor Forshaw referred to a Briefing Note that has been circulated to Cabinet which contained additional information in respect of the Burnley BEST service that could be used as a model for a future Skelmersdale scheme.

Councillor Owens wished to point out the importance of investigating other types of schemes that could be used, in particular the 'Wheels to Work' scheme.

In reaching the decision below, Cabinet considered the details set out in the report and Briefing Note before it, together with the comments from Councillor Owens and accepted the reasons contained therein.

- RESOLVED:
- A. That the progress made to date in developing an alternative Demand Responsive Transport system for Skelmersdale be noted and a further report be brought to Cabinet once a pilot scheme has been more fully developed based on the Burnley BEST model.
 - B. That other types of schemes be investigated, including the 'Wheels to Work' scheme, and a further report be brought back to a future Cabinet meeting.

84. PLANNING APPLICATION VALIDATION CHECKLIST

Councillor Forshaw introduced the report of the Acting Executive Manager Planning which advised on the new statutory national validation requirements and, in accordance with the Department of Communities and Local Government advice, set out the local validation requirements for applicants wishing to submit planning applications and other related types of applications.

A copy of Minute 55 of Planning Committee held on 11 November 2010 was circulated.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

- RESOLVED: That the Acting Executive Manager Planning, in consultation with the relevant Portfolio Holder, be given delegated authority to consult on, and decide, the local list of validation requirements in the Appendix to the report, and make subsequent modifications or replace the list in the future.

85. ARTICLE 4 DIRECTION ORMSKIRK, AUGHTON AND WESTHEAD

Councillor Forshaw introduced the report of the Acting Executive Manager Planning which sought approval for the making of an Article 4 Direction to control the development of Houses in Multiple Occupation throughout Ormskirk, parts of Aughton and Westhead.

Councillor Forshaw referred to the additional information circulated by the Acting Executive Manager Planning in respect of student numbers and Minute 56 of the Planning Committee.

In reaching the decision below, Cabinet considered the details set out in the report before it and the additional information circulated and accepted the reasons contained therein.

RESOLVED: That the Acting Executive Manager Planning be given delegated authority to instruct the Council Secretary and Solicitor to make an Article 4 Direction, to withdraw permitted development rights in Ormskirk, Aughton and Westhead for development consisting of a change of use from Class C3 (dwelling houses) to Class C4 (small scale houses in multiple occupation) in accordance with paragraph 6 of the report.

(Note: Councillors Greenall, Grant and Mrs Hopley advised that they lived in the area.)

86. NATIONAL FOOD HYGIENE RATING SCHEME

Councillor Fowler introduced the report of the Executive Manager Community Services which advised on the new National Food Hygiene Rating Scheme and the Council's successful bid for financial assistance to implement the scheme.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: A. The new National Food Hygiene Rating Scheme and this Council's successful bid to the Food Standards Agency for financial assistance to implement the scheme, be noted.

B. That the Executive Manager Community Services be authorised to implement and administer the scheme.

87. AGENCY STAFF

Councillor Ashcroft introduced the report of the Assistant Chief Executive which gave consideration to joining the Lancashire County Council/Preston City Council contract for the employment of agency staff (the 'Matrix Contract').

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

RESOLVED: That authority be delegated to the Assistant Chief Executive, in consultation with the Portfolio Holder for Human Resources and Partnerships, to enter into the Matrix Contract and to issue all appropriate guidance and instruction notes for the use of Council officers.

88. KEY DECISION FORWARD PLAN - QUARTERLY REPORT ON SPECIAL URGENCY DECISIONS - 1 JULY - 30 SEPTEMBER 2010

Councillor Grant introduced the report of the Council Secretary and Solicitor which advised that no decisions had been made during the last quarter in respect of Access to Information Procedure Rule 16 (Special Urgency).

RESOLVED: That it be noted that Access to Information Procedure Rule 16 (Special Urgency) was not exercised during the quarter ending 30 September 2010.

89. EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraphs 3 & 5 of Part 1 of Schedule 12A of that Act and as, in all the circumstances of the case, the public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

90. LAND CHARGES - PERSONAL SEARCH FEES

Councillor Grant introduced the report of the Council Secretary and Solicitor which provided details of national developments relating to the Land Charges search service and the implications for future revenue streams.

In reaching the decision below, Cabinet considered the details set out in the report before it and accepted the reasons contained in it.

- RESOLVED: A. That the decision to cease charging a fee for a personal search of the Land Charges Register with effect from 29 July 2010 and the impact on anticipated revenue streams, be noted.
- B. That the proposals contained in paragraph 5.2 of the report be approved.

THE LEADER



AGENDA ITEM: 10

CABINET: 16th November 2010

**EXECUTIVE OVERVIEW AND
SCRUTINY: 2nd December 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor D. Westley

**Contact: Marc Taylor (Extn. 5092)
(E-mail: Marc.Taylor@westlancs.gov.uk)**

SUBJECT: REVENUE BUDGET MID YEAR REVIEW

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 This report provides a projection on the financial position on the General and Housing Revenue Accounts to the end of the financial year.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the financial position of the Revenue Accounts be noted including the position on reserves and balances.

2.2 That call in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee.

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

3.1 That the financial position of the Revenue Accounts be noted.

4.0 BACKGROUND

4.1 In February 2010 the Council approved budgets for the Housing and General Revenue Accounts for the 2010-2011 financial year. It is good practice that monitoring reports are produced on a regular basis to ensure that Members are kept informed of the financial position of these accounts. This is the second monitoring report for the year and is based on information available in October 2010.

5.0 GENERAL REVENUE ACCOUNT

- 5.1 The Council has set a revenue budget of £16.420m for the financial year. In total current projections forecast that net expenditure will be around £275,000 below this target, which represents a small variance of around 1.7%.
- 5.2 The projections have been calculated on a prudent basis, and experience from past years suggests that the overall position is likely to improve over the remainder of the year. Consequently it can be confidently expected that the Council will achieve a surplus by the year end. This will continue our strong track record of managing our financial performance to ensure that the outturn position is in line with the budget.
- 5.3 While there have been a number of Government spending reductions announced in recent months these will not have a direct impact on the Council this year, as our prudent approach to financial management means that income is not recognised until it is certain that we will receive it. However the Council faces significant reductions in its funding next year and this will be addressed through the budget setting process for 2011-12.
- 5.4 Employee costs form a significant proportion of the Council's total budget and consequently are very important from a budget management perspective. The budget contains a corporate target for staff efficiency savings of £251,000. However the active management of staffing levels combined with savings from deleting the posts of the Deputy Chief Executive and his Assistant will mean that this target will be significantly exceeded, and this is the main reason for the overall favourable variance.
- 5.5 The Council budgeted for a 0.5% pay increase this year but national pay negotiations are still ongoing between the employers and the unions. Consequently developments in this area could have an effect on the final outturn position, but this is not clear at this point in time.
- 5.6 A process is currently underway to assess staff appeals against job evaluation scores. The outcome of this process is not yet known but there will be additional costs incurred as a result of successful appeals. In the current year these costs will be met from funding set aside specifically in reserves to meet potential job evaluation costs. However these additional costs will form a spending pressure that will need to be taken into account when setting the budgets for next year.
- 5.7 The external income that the Council generates can be one of the most volatile areas of the budget, with income going up and down due to factors outside our direct control. This area is particularly depressed at the moment given the state of the economy and the recession. However at the current time income levels, while under pressure, are performing close to budget in most areas.
- 5.8 The main exception to this position is in relation to planning application income which is below budget up to the end of September. This position could however improve if any large scale applications come through. Treasury Management income is also below budget target and this reflects the fact that interest rates have remained at historically low levels for a considerable period of time.

- 5.9 The Council participates in the Lancashire wide travel concession scheme for the elderly and disabled. A new set of County wide reimbursement rates for bus operators have recently been introduced and this, combined with additional grant funding from the government, will enable a significant saving to be made this year. The responsibility for travel concessions will transfer to the County Council from April 2011 and this will be a key issue to be considered in next year's budget setting process.
- 5.10 There was a significant overspend on benefits payments last year. Since the economic downturn started there has been a considerable increase in benefits expenditure, which is a demand led service that is not within the direct control of the Council.
- 5.11 While the majority of this expenditure is funded by government grant through a complex subsidy system, a small element of these payments must be picked up by the Council, and so the higher level of payments means higher costs for the Council. More significantly though, there is an increasing problem in relation to higher benefits payments in a specific category - exempt accommodation - which attract a very low rate of subsidy. These factors are expected to persist into the current year and will cause ongoing spending pressures.
- 5.12 The Appendix to this report provides further details on the performance of individual divisions.

6.0 HOUSING REVENUE ACCOUNT

- 6.1 The Council set a gross budget for the Housing Revenue Account (HRA) of £21.078m, and current projections indicate that this budget target will be achieved at the year end.
- 6.2 The main HRA income source is rental income and this is on course to achieve its budget target, and reflects the fact that Council House Right To Buy sales continue to remain low.
- 6.3 However, there have been a number of spending challenges experienced within the HRA. In particular, essential health and safety issues continue to place pressure on both Revenue and Capital budgets. No more so than in having to undertake essential work to Whitburn High Level Roofs and Cladding, upgrading fire detection equipment in communal areas to flats, meeting the increased demand for priority 1 disabled adaptations, additional costs of electrical rewiring and to meet newly identified essential structural repairs.
- 6.4 To accommodate the above capital works, funding has been sourced in the main from the utilisation of the under spend on replacement Kitchens and Bathrooms, the HRA Reserve for TV Aerials, and delaying the HRA Prior to Paint Programme for 2010/11. Further details on these changes are provided in the capital programme report elsewhere on this agenda.

7.0 RESERVES AND BALANCES

7.1 The Council is facing a very difficult medium term financial position as are all other local authorities. However the GRA has a healthy level of reserves which will enable it to deal with these challenges effectively, and the District Auditor has recently concluded that there are adequate reserves for prudent financial management.

7.2 When the HRA budget was approved it was agreed that £0.289m would be taken from reserves and balances to support it. In addition further funding will now be taken from the TV aerial reserve to support the capital works detailed in paragraph 6.2 above. However the overall level of reserves remains healthy and above the minimum required level.

8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

8.1 There are no direct sustainability implications arising from this report.

9.0 RISK ASSESSMENT

9.1 The formal reporting of performance on the General and Housing Revenue Accounts is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council.

9.2 The projected variances contained in this report reflect current estimates of the likely difference between spending / income and budget for the full financial year. These estimates are based on current data and are subject to change during the remainder of the year as new information becomes available. In particular external income levels are at risk from any further down turn in the economy.

10.0 CONCLUSIONS

10.1 Both the GRA and the HRA are on course to achieve their budget targets. The level of reserves and balances also continues to be adequate for prudent financial management. This continues the trend of strong financial performance achieved by the Council over many years. Where the financial issues that have been identified in this mid year review are expected to persist into the future they will be taken into account in the budget setting process for 2011-12.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Appendices

Appendix 1 – General Revenue Account Projected Outturn Position

**APPENDIX 1
GENERAL REVENUE ACCOUNT PROJECTED OUTTURN POSITION**

Budget area	Net Budget £000	Variance from Budget £000	Variance %
Assistant Chief Executive	2,972	-215	-7.2%
Community Services	4,599	-110	-2.4%
Housing and Property Maintenance	817	-35	-4.3%
Legal Democracy & Financial Management	2,776	-60	-2.2%
Planning	1,943	-90	-4.6%
Regeneration & Estates	-189	-15	-7.9%
Street Scene	5,776	-175	-3.0%
Divisional Subtotal	18,694	-700	-3.7%
Central Budget Items	-609	345	See note
Non Service Items	-1,665	80	4.8%
TOTAL BUDGET REQUIREMENT	16,420	-275	-1.7%

Table Notes

The budget figures for each Division have been updated to include capital accounting adjustments and the allocation of central budget items to divisions. These are technical accounting adjustments that do not affect the bottom line budget requirement, which has remained unchanged during the year at £16.420m.

Central Budget Items cover a range of corporate budgets including targets for staff and other efficiency savings. The actual savings that are made in relation to these items are contained within Divisions. Consequently savings made elsewhere will help to offset the adverse variances on this budget heading.

General

It should be recognised that some areas of the budget are within the Council's control, for example the filling of vacant posts to achieve salary savings. However other areas such as external income can be volatile where we are exposed to market forces. In addition some service areas are demand led where it can be difficult to directly control expenditure.

Assistant Chief Executive – Favourable variance £215,000

There are a number of issues giving rise to the overall favourable position. One of the major variances for the division relates to savings on salary costs resulting from the active management of staff vacancies. The other key saving that will be made is in relation to Concessionary Travel, through lower reimbursement rates being paid to bus operators and additional grant funding.

However Benefits expenditure is anticipated to be higher than budget following the same pattern as last year. This is a demand led service and whilst the overall budget was increased in 2010/11 it is still anticipated that an over spend will occur.

Community Services – Favourable variance £110,000

There is projected to be a significant favourable variance for the division with the largest single contributory factor being managed savings on staffing.

Car park income is currently on target with an anticipated favourable variance by the year end. Income from fines is anticipated to be in excess of budget and reflects the increased level of enforcement now in operation.

There are a number of projected variances in other service areas but these will not have a significant net effect on the bottom line for the division.

Housing and Property Maintenance – Favourable variance £35,000

The active management of staffing levels and vacancies has generated a significant favourable budget variance within the division, and repairs and maintenance costs are also being controlled. However there are a number of adverse variances on utility costs, particularly in relation to water and electricity bills.

Legal Democracy and Financial Management – Favourable variance £60,000

The division has achieved an overall favourable variance through a number of different means including savings on extending our insurance contracts, reduced audit fees, lower pension costs, and managed staff savings.

Income from Local Searches, which had been under pressure in previous years, has now stabilised and is on course to achieve its budget target for the year. However the Government has implemented a statutory instrument to revoke the fee for personal searches of the Local Land Charges Register. While the full effect of this development cannot yet be accurately identified it may potentially have an adverse impact, and consequently this area will be continue to be monitored closely.

Planning – Favourable variance £90,000

There is currently a projected adverse variance on development control income as a result of the recession and due to factors that are outside the Council's control, although this position could improve if any large scale applications come through in the second half of the year. Income on building control is however performing better and is broadly in line with the budget target.

This adverse variance on income is however being more than offset by managed savings on staffing that should enable the division to achieve an overall favourable variance.

Regeneration and Estates – Favourable variance £15,000

The economic climate remains difficult, however income levels on the Commercial Assets portfolio are broadly in line with budget targets. The Investment Centre income levels have diminished over recent years meaning that trading conditions are proving challenging. Staffing costs though are being carefully scrutinised and managed. Overall, as all expenditure and income is being closely controlled it is anticipated that the division will under spend by some £15,000.

Street Scene – Favourable variance £175,000

The division is performing within its budget targets and going forward it is anticipated that the overall financial performance will be favourable. The commissioning of the waste transfer station is progressing well and operational arrangements are being tailored accordingly. The budget position is being tightly monitored as the financial implications of the new facility are being fully evaluated. As such, an under spend is expected for the year and there will be developments in the second half of the year as the site becomes fully up to speed.

Non Service Items

This heading covers a range of corporate budgets including treasury management and capital charges. Interest rates continue to remain at historically low levels and this has had an adverse impact on treasury management income. There have also been additional capital charges incurred in excess of the budget provision.



AGENDA ITEM: 11

CABINET: 16 November 2010

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
2 December 2010**

COUNCIL: 15 December 2010

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor D Westley

**Contact for further information: Mrs K Samosa (Ext. 5038)
(E-mail: karen.samosa@westlancs.gov.uk)**

SUBJECT: REVISED CAPITAL PROGRAMME AND MID YEAR REVIEW 2010/2011

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To agree the Revised Capital Programme 2010/2011 and provide Members with an overview on the progress against it at the mid-year point.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the Revised Capital Programme, including the virements contained within it, be approved for consideration by Council.

2.2 That the progress against the Revised Capital Programme at the mid-year point be noted.

2.3 That call in is not appropriate for this item as it is being referred to Executive Overview and Scrutiny Committee and Council.

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

3.1 That the Revised Capital Programme and progress against it at the mid-year point be noted.

4.0 RECOMMENDATIONS TO COUNCIL

4.1 That the Revised Capital Programme, including the virements contained within it, be agreed.

- 4.2 That progress against the Revised Capital Programme at the mid-year point be noted.
-

5.0 BACKGROUND

- 5.1 The Capital Programme is set on a three-year rolling basis and the Programmes for 2010/2011, 2011/2012 and 2012/2013 were approved by Council in February, 2010.
- 5.2 In accordance with the Capital Strategy, the Capital Programme is subject to revision at the mid-year point to ensure that it is based on the latest available information and to make monitoring of the Programme more meaningful. It enables Managers to review their schemes with the most up to date information and to review the resources available. It also provides a base upon which to build future Capital Programmes.
- 5.3 Members are kept informed of the financial position of the Capital Programme through regular monitoring reports. The last such report was presented to Cabinet and Executive Overview and Scrutiny in September 2010 and reported on a Capital Programme of £11.859m for 2010/2011.

6.0 REVISED CAPITAL PROGRAMME

- 6.1 Divisional Managers have reviewed their respective schemes and have made changes as a result of more up to date information that has become available. The reviews incorporated a number of considerations including:
- re-profiling the phasing of schemes
 - changes to external funding availability
 - levels of anticipated funding required
 - anticipated levels of demand
- 6.2 Divisional Managers have also made budget virements to enable the Programme to progress and to re-align schemes to reflect spending profiles.
- 6.3 Members were advised in the previous monitoring report of additional Regional Housing Allocation funding of £0.05m that was made available to the Council after the budget was set. This funding has been used in the DFG Programme to facilitate a funding switch and has resulted in £0.05m of capital receipts being freed up. The use of these receipts, along with £0.310m identified in other schemes (detailed in Appendix A) will be considered during the Budget process for the 2011/2012 Programme. This process will also include a review of schemes that have slipped from previous Programmes and will be considered by Members in due course.
- 6.4 Members were also advised in the previous monitoring report of Council's decision not to proceed with the Abbotsford Regeneration scheme. Alternative costed schemes for the refurbishment of 52 Derby Street will be put to Members for approval in due course. This review is progressing and has not been included in the Revised Capital Programme.

- 6.5 Plans are being finalised with the Environment Agency for Flood Alleviation schemes and spending will commence once formal approval has been obtained. This could be in 2010/2011 or 2011/2012 and has been excluded from the Revised Programme. The timing of the CCTV upgrades is also uncertain but as funding for this has been allocated (see separate report elsewhere on this agenda), this has been included in the Revised Programme
- 6.6 All changes made to the 2010/2011 Programme are analysed in Appendix A and show an overall reduction of £0.846m which comprises:
- a reduction of £1.342m from approvals reprofiled into future programmes
 - an increase of £0.806m to non-capital receipt funded schemes:
 - Transfers to/from the HRA to reflect the nature of the expenditure and to fund expanded Housing Programmes
 - LSP funded CCTV scheme
 - New Outdoor Gym equipment part funded from the PCT.
 - a reduction of £0.310m from capital receipt savings identified.
- 6.7 The Revised Capital Programme totals £11.013m for 2010/2011. This is analysed by Division in Appendix B along with a summary of the revised capital resources available.

7.0 CAPITAL EXPENDITURE

- 7.1 Generally, capital schemes are profiled with relatively low spending compared to budget in the early part of the financial year with increased spending as the year progresses. This reflects the fact that many new schemes have considerable lead in times, for example, because of the need to undertake the tendering process and award contracts at the start of the scheme. Other schemes are dependant on external partner funding and schemes can only begin once their funding details have been finalised. Other schemes include contract retentions or contingencies that will only be spent some time after completion of the contract. Most schemes then progress and spend in line with their approval by the year-end.
- 7.2 This pattern has been repeated in the current year with £2.673m (24%) of expenditure having been incurred by the mid-year. This is higher than the £2.398m (19%) at the same point in 2009/2010 and compares to £3.448m (29%) in 2008/2009 and £3.678m (29%) in 2007/2008.
- 7.3 There is also currently around £0.793m of committed expenditure due to take place over the coming months. Taking this into account shows an increase in the percentage spend against the Revised Programme to 31%.
- 7.4 Appendix C provides the Divisional Managers' comments on the progress of schemes against the Revised Programme. Housing Public and Private Sector schemes represent 78% of the overall programme. Consequently, progress in these areas will largely determine the overall spending position at the year end.

8.0 CAPITAL RESOURCES

- 8.1 There are sufficient resources identified to fund the 2010/2011 Revised Capital Programme as shown in Appendix A.

- 8.2 The main area of the capital resources budget that is subject to variation is in relation to capital receipts. These are the useable proceeds from the sale of Council assets (mainly houses under Right to Buy legislation) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold.
- 8.3 Members are aware that in recent years, receipts from this source have fallen dramatically. The budget for usable capital receipts to be generated from Council House sales in the year is £0.1m from 10 sales. At the beginning of October, however, 9 sales had been completed. Consequently, it looks likely that this budget target will be exceeded.
- 8.4 In addition to receipts from council house sales, the Council has now sold 2 plots of land that have generated £0.091m of capital receipts.
- 8.5 In accordance with Council's resolution in February, a full review of expenditure plans and funding availability for future years is progressing. This is taking account of receipts from council house sales and land sale receipts that have not been utilised in the Programme. It will be considered as part of the Budget process with a view to reducing the Programme and will be managed over a medium term timescale.

9.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 9.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. Individual project plans address sustainability and Community Strategy issues and links to Corporate Priorities. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable. This report provides an updated position on project plans and shows progress against them.

10.0 RISK ASSESSMENT

- 10.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. Schemes within the Programme that are reliant on external contributions and/or decisions are not started until funding is secured and other resources that are subject to fluctuation are monitored closely to ensure availability. The capital receipts position is scrutinized on a regular basis and managed over the medium term to mitigate the risk of unfunded capital expenditure.

11.0 CONCLUSIONS

- 11.1 The Capital Programme is subject to revision around the mid-year point to ensure that it is based on the latest information available and to make monitoring of the Programme more meaningful. It provides the opportunity of reviewing available resources and a basis upon which to build future Programmes.

11.2 The Capital Programme has been revised to £11.013m for 2010/2011. Members are asked to consider and approve the Revised Capital Programme, including the virements contained within it, as a new basis against which Capital Schemes can be monitored.

11.3 Expenditure against the Revised Capital Programme at the mid-year point is £2.673m. This represents 24% of the Programme for the year which is an increase on last year's position at the same point.

11.4 It is expected that sufficient capital resources will be available to fund the current year's programme. The level of capital receipts being generated from Council House sales is being monitored closely and a full review of expenditure plans and funding availability is in progress.

Background Documents:

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

There is no evidence from an initial assessment of an adverse impact on equality in relation to the equality target groups.

Appendices:

- A Summary of Changes to 2010/2011 Capital Programme
- B 2010/2011 Revised Capital Programme Expenditure and Resource Budgets and Mid Year Performance
- C Divisional Manager Comments at Mid-Year

2010/2011 REVISED CAPITAL PROGRAMME
SUMMARY OF CHANGES

SCHEME	Reprofile to Subsequent Programmes	Capital Receipt Savings Identified	Changes to Non-Capital Receipt Funding	Virement	Total Adjustment
	£'000	£'000	£'000	£'000	£'000
Parish Capital Schemes	-35	-30			-65
Coronation Park	-15				-15
Playground Improvements	-80		7		-73
Outdoor Gym Equipment			47		47
Town Centre Management - Christmas Lights	-16				-16
CCTV (Relocation)				4	4
CCTV (Camera Upgrade)			220		220
Conservation Area Enhancement General	-30	-13			-43
Skem Town Centre Project	-30				-30
Corporate Property Investment Programme	-50	-73			-123
Office Accommodation				-4	-4
Housing Renewal Grants/Loans Financial Assistance	-825	-194			-1,019
Affordable Housing			-140		-140
Heating System Upgrades				-189	-189
Sheltered Housing Upgrades/Cat 11	-201		1		-200
Replacement UPVC Windows				-37	-37
Kitchen & Bathrooms Renewals				-150	-150
Electrical Upgrades/ReWiring			100	60	160
Re-roofing Works				3	3
Adaptations for the Disabled	-60		157	101	198
Energy Efficiency Works				-58	-58
Structural Works to Properties			225	113	338
Professional Fees			29	20	49
Communal Areas			150	23	173
Voids Contingency			10	150	160
Housing Contingency				-36	-36
	-1,342	-310	806	0	-846

2010/2011 REVISED CAPITAL PROGRAMME
EXPENDITURE AND RESOURCES BUDGET
AND MID YEAR PERFORMANCE

	Budget Approval	Actual	
	£'000	£'000	%
<u>Divisional Expenditure</u>			
Parish Capital Schemes	50	12	24%
Assistant Chief Executive	254	16	6%
Property Management	744	98	13%
Street Scene	273	267	98%
Planning	32	5	16%
Regeneration and Estates	62	42	68%
Community Services	990	267	27%
Private Sector Housing	1,528	406	27%
Public Sector Housing	7,080	1,560	22%
<u>Expenditure Total</u>	11,013	2,673	24%
<u>Financed by:</u>			
Capital Receipts	2,200		
Specific Capital Grants	1,696		
Housing Allocation	757		
Major Repairs Allowance	3,546		
Internal Contributions			
Housing Revenue Account	1,105		
General Revenue Account	835		
Internal Borrowing	874		
<u>Resources Total</u>	11,013		

REVISED CAPITAL PROGRAMME 2010/2011
DIVISIONAL MANAGER COMMENTS
AT MID YEAR POINT

Parish Capital Schemes
Savings of £30,000 have been made on Parish Capital schemes and £35,000 has been reprofiled into future programmes. This has partially been achieved through Parishes delivering projects below the costs originally anticipated. It also reflects funding being withdrawn from a number of projects that were approved some years ago but which have not been able to proceed. The progress made on delivering schemes efficiently rests with individual Parish Councils.
Assistant Chief Executive
Orders have been placed on ICT Infrastructure which is funding used to keep the Council's ICT equipment up to date and to maintain its speed, integrity, and security. Works are progressing in relation to the integration of M3PP with front office on the EDM scheme. Orders have been raised for hardware and software for the Server Visualisation and other major projects and other schemes are progressing.
Street Scene
The new wheelie bins have been purchased and have been distributed. The Vehicle Tracking Scheme will be completed towards the end of the year.
Regeneration and Estates
The Council is currently working on two separate phases of the Skelmersdale Town Centre Regeneration Project with a development partner but the economic conditions remain challenging. Consultants have now been identified and the Council is sharing these costs with the HCA. The Investing in Business Regeneration Programmes (IiB) and Council managed IiB funded projects are complete as are the Inspire Projects.

REVISED CAPITAL PROGRAMME 2010/2011
DIVISIONAL MANAGER COMMENTS
AT MID YEAR POINT

Planning

Savings of £13,000 have been identified on demand led Conservation Grant schemes and £30,000 has been reprofiled into future programmes when it is anticipated that demand will improve. It is expected that the remaining programme will be delivered within the new timeframe.

Community Services

Contaminated Land schemes are progressing and are at various stages of completion. It is anticipated that the Environmental Health System will now be completed following the OR Project.

Consultants have been employed on the implementation of the new CCTV suite and the LSP has approved PRG funding for CCTV upgrades throughout the Borough. The timing of this scheme, however, is uncertain and the budget may be moved into 2011/2012 during the budget process. Additional funding has also been secured with the PCT for the acquisition and installation of new Outdoor Gym Equipment.

Works on the various parks are progressing and an anticipated £8,000 overspend on Richmond Park will be funded from the anticipated underspend on Coronation Park. £15,000 has been reprofiled for Coronation Park for access improvements and £80,000 has been reprofiled for Tanfields Park where work will commence following consultation. A further £7,000 Play Builder funding has been secured for Manor Road Park.

New Christmas lighting equipment has been identified for 2011/2012 and this funding has been reprofiled. Minor works on Aughton Street should be complete by the end of the financial year.

The final invoice for works on Nye Bevan Roof repair is awaited and expenditure on the Leisure Trust contract continues. Funding is committed on Allotments and Chapel Gallery and WiFi provision are complete.

REVISED CAPITAL PROGRAMME 2010/2011
DIVISIONAL MANAGER COMMENTS
AT MID YEAR POINT

Housing Private Sector

Take up on the Housing Loans scheme has been slower than anticipated and funding has been returned to the Capital Pot. The remaining funding has been profiled over the remaining life of the existing contract. A funding switch in the Disabled Facility Grant Programme to utilise the Regional Housing Allocation has enabled a further £50,000 of capital receipts to be returned to the Pot as the current Programme fulfils current demand.

The Clearance Programme is subject to the completion of legal procedures and plans have been prepared for expenditure on both Affordable Housing and the Empty Homes Initiative.

Housing Public Sector

The Housing Public Sector Programme has been thoroughly reviewed to take account of new contracts awarded for the financial year. Original budgets have been moved between schemes to facilitate the implementation of the new contracts and budgets for Sheltered Accommodation and Disabled Adaptations have been reprofiled into subsequent programmes. Expenditure of a capital nature has been transferred from the HRA which has also funded expansions to several Housing Programmes. All of the adjustments are detailed in Appendix B to this report.

Expenditure on the Bin Store scheme is linked to the rollout of the Council's new wheelie bin programme and contingencies have been included for Decent Homes and Voids. The remaining programme, including the Housing ICT System, will be delivered within the new budgets allowing for some retention at the end of the year.

Corporate Property

A number of projects are currently in progress and the spend on Health and Safety works is ongoing. Following a review of the programme, £72,500 has been identified as surplus to requirements and has, therefore, been offered up as a saving.

The vast majority of work on the Office Move and Refurbishment has been completed and utilisation of the remaining resources has yet to be finalised.