

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 <u>not</u> 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	<input type="checkbox"/>	<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.	<input type="checkbox"/>	<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

AGENDA ITEM: 6

HELD: 1 JULY 2010

Start: 7.30pm

Finish:

PRESENT:

Councillor: O'Toole (Chairman)

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

In attendance:

Councillors: Cotterill (Leader of the Labour Group)
Grant (Leader)
Mrs Hopley (Portfolio Holder Housing)
Westley (Portfolio Holder Finance and Performance Management)

Officers: Executive Manager Housing and Property Maintenance Services
(Mr B Livermore)
Interim Head of Planning Policy & Environment (Mr I Gill)
Access to Services and Performance Manager (Mr S Walsh)
Legal Services Manager (Mr T P Broderick)
Principal Overview and Scrutiny Officer (Mrs C A Jackson)

1. APOLOGIES

Apologies for absence were submitted on behalf of the Councillor Forshaw, Portfolio Holder for Planning and Transportation.

2. MEMBERSHIP OF THE COMMITTEE

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

3. URGENT BUSINESS

There were no items of urgent business.

4. DECLARATIONS OF INTEREST

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

EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE HELD: 1 JULY 2010

1. Councillor Grant declared a personal and prejudicial interest in Item 7 (Call-In Item – Performance Award Grant) as Leader and Chairman of the Local Strategic Partnership (LSP) as the reason for call in made reference to the funding processes undertaken by the LSP and left the Chamber during the discussion of this item.
2. Councillor Cropper declared a personal and prejudicial interest in Item 7 as a Member of the LSP Executive Committee stating that as he had served on that Committee that had made the recommendation referred to and left the Chamber during discussion of this item.
3. Councillor Westley declared a personal interest in Item 7 as a Member of Lancashire County Council and Member of the Funding Management Group of the LSP. Councillor Westley left the Chamber during discussion of this item.
4. Councillor Cotterill declared a personal interest in Item 7 as a Member of the Funding Management Group of the LSP. Councillor Cotterill left the Chamber during discussion of this item.
5. Councillor Mrs Blake declared a personal interest in Item 7 as Vice-Chairman of the LSP.
6. Councillor O'Toole declared a personal interest in Item 7 as a Member of the LSP.
7. Councillor Hennessey declared a personal interest in Item 7 referring to her employment in the NHS and her membership of the Health & Well-Being Thematic Group.

5. DECLARATIONS OF PARTY WHIP

There were no declarations of a party whip.

6. MINUTES

RESOLVED: That the minutes of the last meeting of the Committee held on 31 March 2010 be approved as a correct record and signed by the Chairman.

7. CALLED IN ITEM

Consideration was given to the following called in item, as circulated and contained on pages 7 to 18 of the Book of Reports.

8. PERFORMANCE REWARD GRANT

Consideration was given to the report of the Council Secretary and Solicitor advising that a decision of Cabinet in relation to the above item (minute 20 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 5 Members concerned on the requisition notice.

A Member sought comments particularly on the process undertaken by the Local Strategic Partnership's Executive to recommend for Performance Reward Grant (PRG) funding the 'Supporting and Strengthening CCTV' project and the function of the Funding Management Group.

EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE HELD: 1 JULY 2010

In response the Access to Services & Performance Manager drew attention to the comments from the Assistant Chief Executive, set out at paragraph 4.1 (a) and (b) of the Call-In Report, which laid down the dissolution of the Funding Management Group, together with the suggested amendments of the role of the LSP Executive in relation to PRG following a review of the LSP Constitution.

In respect of the suggestion that a more clear transparent process for the allocation of PRG funding is needed, it was noted that the Secretariat had been devised with a view to being open, transparent and fully engaging with partners but welcomed suggestions about how the Executive could further improve the openness and transparency of the process and asked that comments, if any, be passed to them before 7 July 2010.

The Chairman reported that the Deputy Leader of the County Council had since provided an update based upon information released from Government on the whole grant system and once this was disseminated this too would help to provide a clearer picture of the position regarding PRG.

During the ensuing discussion Members raised questions/queries relating to the following items:-

- Revenue and Capital within the settlement
- Scoring Criteria
- Allocation of the CCTV monies
- Other Projects.

In response reference was made to the Minutes of a previous meeting of the LSP which had discussed the approach to allocating PRG monies and the Access to Services & Performance Manager made an undertaking to provide copies of the Minutes when these were available. However, the Committee was also reminded that due to the withdrawal of at least half of the Government funding that the LSP would again need to decide how the reduced allocation would be spent and this process would recommence at its next meeting in July.

RESOLVED: That this Committee does not wish to ask for a different decision in relation to this item.

9. KEY DECISION FORWARD PLANS - 1 MAY - 31 AUGUST, 1 JUNE - 30 SEPTEMBER & 1 JULY - 31 OCTOBER 2010

At the request of a Member of the Committee the item "A Revitalised Demand-Responsive Transport System for Skelmersdale", that had originally been listed on the 1 May and 1 June Key Decision Forward Plan (KDFP) for consideration by Cabinet at its meeting on 15 June 2010, but which, as notified to Members of the Committee, had subsequently been removed from the 1 July Plan, had been placed on the agenda for discussion.

The Interim Head of Planning Policy & Environment explained the reason why the item had been removed from the KDFP stating that match funding for the initiative (Kickstart) had not been secured. He further explained that the Transport Thematic Group had recently met to discuss how this matter should now be taken forward and that

EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE HELD: 1 JULY 2010

discussions would be taking place with Lancashire County Council (LCC) in an effort to explore other funding streams and alternative schemes. He concluded that once the latter had been undertaken a report would be brought to Cabinet.

During the ensuing discussion Members raised questions/queries relating to the following items:

- The positioning of the Business Plan.
- The availability of the “two mini-buses”
- Transport Service Tender Exercise and possible link with Dial-A-Ride
- A Transport Delivery Scheme in Skelmersdale
- Use of 106 monies to assist.

In response an explanation of the tender exercise processes and the use, safeguarding and retention of the allocated 106 monies was provided.

RESOLVED: A. That the response by the Interim Head of Planning Policy & Environment be noted.

- B. That it be noted that a report in relation to a demand responsive transport system for Skelmersdale would be submitted to Cabinet later in its cycle once the exploration of other funding alternatives and discussions, particularly with LCC, had concluded.

10. RELEVANT MINUTES OF CABINET

Consideration was given to the minutes of the meeting of Cabinet held on 16 June 2010. Members raised questions/comments on Minute 21 – Review of Graffiti Reporting and Management Arrangements in respect of:

- responsibility for delivery
- the availability of the Task Group’s report
- Single point reporting and “hot-line” facility through the web-site.
- Education and other initiatives to dissuade counter graffiti “vandalism”.

RESOLVED: That it be noted that the Executive Manager Street Scene will provide an Article on the operation of the new arrangements in relation to Graffiti Reporting and Management Arrangements.

11. CORPORATE PERFORMANCE PLAN AND SUITE OF INDICATORS 2010/11

Consideration was given to the report of the Assistant Chief Executive as contained on pages 33 to 77 of the Book of Reports which sought the views on the scope, content and strategic focus of the draft Corporate Performance Plan 2010/11 and which provided an update on the progress that had been made towards achieving the Corporate Priorities in 2009/10. The report detailed the outturns for 2009/10 and targets for the next three years and sought approval for the draft Corporate Performance Plan 2010/11 and the Suite of Performance Indicators to be adopted as the Council’s performance management framework and strategic plan for 2010/11.

Comments were received in respect of:

- Council Tax collection performance indicator
- Staff Absences (working days lost due to sickness) indicator
- Processing of “Major” and “Minor” planning applications indicators
- Previously developed land that has been vacant or derelict for more than 5 years
- Use of leisure and cultural facilities (swims and visits) indicator
- Children and young people’s satisfaction with parks and play areas indicator
- The objective for 2010/11 in relation to “. . . minimise levels of Council Tax and housing rent”
- The initiative for 2010/11 in relation to “pursuing a range of efficiency and cost cutting measures”
- The reference to alternate weekly collection “across the Radburn designed estates of Skelmersdale”.
- The target for 2010/11 referencing affordable homes in West Lancashire.

RESOLVED: A. That the contents of Appendices A and B to the report and comments raised be noted.

B. That it be noted that the contents of Appendices A and B and the progress in achieving the 2009/10 Corporate Priorities will be updated and revised before consideration of these documents by Council.

C. That subject to the revised information referred to in B above, the draft Corporate Performance Plan 2010/11 and Suite of Performance Indicators (Appendices A and B) be recommended to Council for adoption as the Council’s performance management framework and strategic plan for 2010/11.

12. THE REGULATORY FRAMEWORK FOR SOCIAL HOUSING IN ENGLAND FROM APRIL 2010

Consideration was given to the report of the Executive Manager Housing and Property Maintenance Services which advised that the Regulatory Framework became effective, subject to the necessary Statutory Instrument being made by Government on 1 April 2010. Members were informed that a further report would go to Cabinet seeking to agree the standards and any local offers, together with governance arrangements once discussions with tenants in relation to the deliver of the regulatory requirement had concluded.

Members raised questions/comments in relation to the following:

- The possibility of the abolition of the Tenants Services Authority (TSA) and the effect on the proposals coming forward.
- The work proposed to be undertaken by the Corporate Overview & Scrutiny Committee on the governance arrangements for tenant services.
- Strategic discussions via Tenants Forum meetings in terms of the “Standards” being introduced by the TSA.

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RESOLVED: That the report and comments raised be noted.

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Chairman



AGENDA ITEM: 8(a)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
30 September 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor A Owens

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

**SUBJECT: CALL IN ITEM – SPONSORSHIP OF ROUNDABOUTS AND OTHER
PARTS OF THE HIGHWAY INFRASTRUCTURE**

Wards affected: Borough wide

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. 50 of the meeting of Cabinet held on 14 September 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 Cabinet held on 14 September 2010.

3.2 The following decision of Cabinet is contained at Minute No. 50:

“50. SPONSORSHIP OF ROUNDABOUTS AND OTHER PARTS OF THE HIGHWAY INFRASTRUCTURE

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which provided details of an existing Lancashire County Council (LCC) scheme for businesses to sponsor traffic islands and the potential for opportunities for businesses in West Lancashire to sponsor other parts of the highway infrastructure and sought authorisation to enter into a partnership agreement with LCC. 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 LCC scheme for the sponsorship of roundabouts and other highway infrastructure and the opportunity to secure enhanced landscaping maintenance and other environmental improvements on such sites be noted.
 - B. That it be noted that LCC is to submit applications for advertisement consent on the 12 roundabouts listed in Appendix A.
 - C. That subject to Planning Committee approval at B above, and in the event of local companies agreeing to sponsor the roundabouts referred to, the Executive Manager Regeneration and Estates be authorised to:
 - (i) Enter into a partnership agreement with LCC to use sponsorship income to provide enhanced maintenance/improvements on the sites, the details of which would be determined by the income generated by each scheme.
 - (ii) Request LCC to secure additional sponsorship deals for other parts of the highway infrastructure in the Borough, notably gateway sites and subways, under a similar partnership agreement.
 - (ii) Approach the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas to consider the sponsorship of subways under the M58 motorway and the long term maintenance of the approved works and progress discussions with Lathom and Our Lady Queen of Peace R.C. High Schools regarding the subway that leads to the two schools.
 - D. That delegated authority be given to the Executive Manager Regeneration and Estates in consultation with the relevant Portfolio Holder to enter into all necessary agreements and to take forward individual schemes.”

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

“The report does not cover the possible unintended consequences of the proposed scheme in sufficient detail.”

3.4 The requisition also provided an alternative decision which was:

“That the Executive Manager Regeneration and Estates provide a further report covering the following possible unintended consequences and providing recommendations as appropriate:

- The possible low take-up of the sponsorship opportunities, as witnessed in other towns where similar schemes have been attempted, and the consequent detraction to visual amenity without compensating gain;*
- The relationship between this scheme and recent views expressed by government that ‘street furniture’ should be kept to a minimum (both for visual amenity and safety reasons), with the consequent danger that the scheme might run counter to government policy and need to be terminated early.*
- The possible negative impact on roundabouts where there is already a ‘charitable’ designation (e.g. Hope Island) and on roundabouts in which there has been significant investment in public art, and regarding which public consultation is desirable.*
- The possible negative impact on roundabout maintenance in the event that contracts with sponsors are insufficiently developed to ensure the maintenance of standards.”*

3.5 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 B Nolan
Councillor I Moran
Councillor C Mawdsley
Councillor N Furey
Councillor R A Pendleton

4.0 COMMENTS OF THE EXECUTIVE MANAGER REGENERATION AND ESTATES

4.1 West Lancashire Borough Council’s (WLBC) engagement in this scheme is the basis of this report. The Highway Sponsorship scheme will be delivered and implemented (subject to planning committee approvals) by Lancashire County Council (LCC) whether or not WLBC are involved. WLBC officers are wishing to

engage with LCC and Market Force to try to help the scheme be a success and to help support the local economy.

4.2 As mentioned, LCC will deliver and implement the scheme without WLBC's involvement therefore a further report would only result in delaying our input into the scheme. The following comments are therefore provided and are hoped to help alleviate any concerns raised.

- Market Force has received 11 expressions of interest from local companies, ranging from nursery schools to taxi companies to leisure organisations. One company has been particularly keen to advertise on a prominent site in Skelmersdale for some time.

Once knowledge of the scheme is more widespread, it is expected that there will be considerable interest from other local companies. WLBC officers engage with many businesses across the Borough on a regular basis and by using our contacts and networks it is hoped that we will be able to assist with the success of the scheme.

- The thrust of the comments made by Eric Pickles MP related to clutter being caused by unnecessary street furniture, such as traffic signs, railings etc.

When considering proposals for advertisement consent, local planning authorities should consider whether signs will create unacceptable clutter. The Planning Committee will have the opportunity to consider each scheme on its merits, including the particular location of the site and the presence of any other advertisements nearby.

- Market Force originally proposed to submit proposals for Hope Island, but was advised not to proceed with the scheme by WLBC officers as the siting of commercial signage on this site would detract from the artwork and the association of the roundabout with Marie Curie Cancer Care.

With regard to other roundabouts, which have benefited from investment in public art, involvement in the scheme will enable WLBC officers to liaise directly with LCC and Market Force to safeguard the benefits of such investment. Clearly, we would not wish to undermine the benefits of providing attractive public artwork.

In addition, the affect of advertisement signs on the visual amenity of a site (which could include the affect on artwork) is a material consideration in the processing of applications for advertisement consent.

- LCC has legal agreements with Market Force regarding the standard of maintenance for the signs. The maintenance of the landscaping will be a matter for WLBC Street Scene, using the funding provided from the companies that sponsor each roundabout. The extent of any additional maintenance will be limited to the funds received for each site.

5.0 CONCLUSION

- 5.1 Following consideration of the decision of Cabinet, the requisition for call in and the comments of the Executive Manager Regeneration and Estates, 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 Executive Manager Regeneration and Estates.



AGENDA ITEM: 5(f)

CABINET: 14 September 2010

Report of: Executive Manager Regeneration and Estates

Relevant Portfolio Holder: Councillor A Owens

**Contact for further information: David Rothwell (Extn. 5065)
(E-mail: david.rothwell@westlancs.gov.uk)**

**SUBJECT: SPONSORSHIP OF ROUNDABOUTS AND OTHER PARTS OF THE
HIGHWAY INFRASTRUCTURE**

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To advise Cabinet of an existing Lancashire County Council (LCC) scheme for businesses to sponsor traffic islands, and of the potential for opportunities for businesses in West Lancashire to sponsor other parts of the highway infrastructure and to seek authorisation to enter into the scheme with LCC.

2.0 RECOMMENDATIONS

2.1 That the LCC scheme for the sponsorship of roundabouts and other highway infrastructure and the opportunity to secure enhanced landscaping maintenance and other environmental improvements on such sites be noted.

2.2 That it be noted that LCC is to submit applications for advertisement consent on the 12 roundabouts listed in Appendix A.

2.3 That subject to Planning Committee approval at 2.2 above, and if in the event of local companies agreeing to sponsor the roundabouts referred to, the Executive Manager Regeneration and Estates be authorised to:

- (i) Enter into a partnership agreement with LCC to use sponsorship income to provide enhanced maintenance/improvements on the sites, the details of which would be determined by the income generated by each scheme.

- (ii) Request LCC to secure additional sponsorship deals for other parts of the highway infrastructure in the Borough, notably gateway sites and subways, under a similar partnership agreement.
 - (iii) Approach the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas to consider the sponsorship of subways under the M58 motorway and the long term maintenance of the approved works and progress discussions with Lathom and Our Lady Queen of Peace R. C. High Schools regarding the subway that leads to the two schools.
- 2.4 That delegated authority be given to the Executive Manager Regeneration and Estates in consultation with the relevant Portfolio Holder to enter into all necessary agreements and to take forward individual schemes.
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3.0 BACKGROUND

- 3.1 Lancashire County Council, as the local highway authority, has a duty to maintain adopted highways and footpaths to safe and serviceable standards in West Lancashire. This includes ensuring that they are free from nuisance, danger, obstructions, interference and encroachments. This Council is responsible for grass cutting along with flower bed, tree and shrub maintenance on highways and footways under an agreement with LCC. This Council is also responsible for litter picking, scheduled road and footpath sweeping and weed removal on highways and footpaths in the Borough.
- 3.2 In the past, local authorities have accepted only a very limited amount of commercial advertising on highways e.g. on bus shelters. Since 2004, however, LCC has, in association with a private company, promoted the limited sponsorship of roundabouts and other parts of the highway e.g. main road junctions and gateway sites. An increasing number of other local highway authorities in England are also involved in similar sponsorship schemes. The current agreement is with Market Force Ltd (MFL), which operates on a national basis with over 70 local authorities, including Blackpool, Cambridge and Kent.
- 3.3 The issue of advertising on this Council's land was considered on an informal basis (Cabinet briefing) in 2005/2006 but it was decided not to pursue the matter further at that time.
- 3.4 Currently, five of the twelve Councils in Lancashire have a partnership arrangement with LCC - Preston, Chorley, Pendle, Rossendale and South Ribble.
- 3.5 Through a legal agreement with LCC, MFL has the right to supply, install and maintain sponsorship signs within the curtilage of the public highway. The company is responsible for approaching and recruiting all sponsors and for

arranging the submission of applications for advertisement consent. Interested companies sign up to agreements for a minimum of 12 months and advertise on signs sized 1200mm x 500mm or 1500mm x 500mm. The right hand side of these signs incorporates LCC and district/borough Council logos. All signs are maintained by MFL, cleaned at least quarterly for the duration of the agreement and generally kept in good and proper condition including any repairs or replacement. No more than one sponsor can be associated with any one sign.

- 3.6 The income derived from the sponsorship is split between MFL, LCC and the participating Councils. There is currently no legal agreement between LCC and the participating Council, only between LCC & MFL. If this Council is to participate in this scheme it will be necessary to formalise the position to be clear on exactly what terms the Council accepts the monies and what additional maintenance responsibilities it would be required to take on board. MFL receive a percentage of the gross income, with the balance normally being split evenly (50/50) between LCC and the participating Council. However, in cases where additional benefits can be demonstrated, a higher percentage of the net income may be offered to Councils. Also, although the legal agreements generally refer to raising funds for higher standards of landscape maintenance e.g. additional grass cuts, there is also scope to promote other environmental improvements e.g. additional planting or artwork.
- 3.7 Although the current sponsorship arrangements mainly relate to roundabout sites, there is scope to secure deals on other parts of the highway infrastructure.
- 3.8 Independently of the LCC scheme, businesses in West Lancashire regularly enquire about the possibility of displaying advertisements on highway land, or sponsoring highway features, such as traffic islands. Generally, companies have been discouraged from pursuing the preparation of formal proposals as there is currently no scheme in place to facilitate sponsorship of this type.
- 3.9 Recently, Lathom /Our Lady Queen of Peace High Schools have requested permission to undertake artwork on the subway which leads to the two schools.
- 3.10 As a separate but linked issue, the condition and effectiveness of some parts of the Borough's footway and cycleway infrastructure discourages the movement of pedestrians and cyclists to reach places of employment, particularly via some subways in Skelmersdale.

4.0 CURRENT POSITION

- 4.1 LCC wishes to operate the scheme in West Lancashire and MFL has provided a list of 12 potentially suitable roundabouts, all of which are acceptable to LCC as the local highway authority. The sites are mostly in Skelmersdale, but there is also one each in Aughton and Burscough (see

Appendix A). Development Control officers have examined these proposals and have raised no objections in principle in terms of the siting, materials, number and design of the signs. However, all proposals would be subject to formal applications for advertisement consent.

- 4.2 If advertisement consent is granted, MFL would seek to secure agreements with local businesses for sponsorship schemes. This would include determining the level of income and the standard of enhanced maintenance for each site.
- 4.3 The possibility of allowing the sponsorship of roundabouts also provides an opportunity to consider whether this Council should promote more wide-ranging opportunities for businesses to sponsor other parts of the highway infrastructure e.g. subways in Skelmersdale.

5.0 ISSUES

- 5.1 The provision of advanced directional signs and other off-site advertisements on or adjacent to main roads is designed to improve the trading position of businesses. In the past, this Council has generally resisted applications to site such advertisements on the basis that the proliferation of signage would be detrimental to visual amenity. Also, in many cases, signs on or adjacent to highways can be a distraction to road users, thus increasing the risk of accidents. However, by participating in the MFL scheme, the County Council and the authorities listed in 3.4 above have taken the view that the small scale sponsorship of parts of the highway may be acceptable, subject to a number of constraints e.g. a limitation on sign size, no illumination, and the consideration of the localised impact of the particular proposal on visual amenity and road safety.
- 5.2 There are potentially a number of benefits of this Council entering into a partnership arrangement with LCC for highway sponsorship. These include:

- additional revenue opportunities:

The income generated from sponsorship will be used to undertake improvements to the highway infrastructure, either by a higher standard of maintenance or by enhancements. The level of additional works undertaken will be determined by the amount of income secured on each site.

The amount of income generated from a site will vary according to its locational advantages. However, as an example, 18 sites in one local authority currently generate a gross income of £36,000, which equates to approximately £2,000 per site per annum. This produces a net annual income of around £23,000, which is split between the authority and LCC (although in the first year, the costs of making applications for advertisement consent and the manufacture of the signs has to be taken out). Similarly, another local authority has recently agreed terms for 3 sites

at approximately £2,500 per site per annum. At this rate, if all 12 sites in this Borough were to be taken up, this could potentially generate a gross income of £30,000 per annum. Based on a 50/50 split of the LCC income, this Council could receive a net income of around £9,750 per annum for improved maintenance of the sites.

If other sites were put forward by MFL or local businesses in the future, this income could be greater. For example, if 20 sites were approved at £2,500 per site, the WLBC net annual income could increase to around £16,250. In addition, there is scope to develop other forms of sponsorship of other parts of the highway infrastructure e.g. subways (see 5.4. and 5.5 below)

- improved maintenance of visually important sites:

A higher standard of maintenance of sites on the Borough's main road network will help improve their appearance. This will be particularly beneficial on important gateways into the Borough, or the approaches to major employment areas. This will present a more positive image of the Borough and will complement the work undertaken through the West Lancashire Inspire project.

- partnerships with local businesses:

The sponsorship of roundabouts will help raise the profile of local companies. In addition, the approaches to some schools could be improved. This will help develop partnership working with such companies/schools and encourage additional employer engagement opportunities.

- 5.3 There is also a need to improve connectivity for pedestrians and cyclists between residential areas and the major sources of employment, particularly for residents of the Borough who do not have access to a car or a frequent bus/train service. This is especially important in Skelmersdale, where car ownership is relatively low and where many pedestrian/cycle routes into the main employment areas, including a number of subways, are in poor condition, thus deterring their use.
- 5.4 There is scope to upgrade subways throughout Skelmersdale by permitting advertising on the structures. This could take the form of conventional signage such as hoardings. A more radical approach would be to invite some of the major companies in the Pimbo and Gillibrands Employment Areas to sponsor a subway by re-cladding them in materials which display their corporate identity or products.
- 5.5 In addition, there is scope to upgrade approaches to some schools by the provision of artwork in subways. The subways at present tend to be the subject of vandalism in the form of graffiti and it is anticipated that the introduction of artwork may well deter such vandalism.

- 5.6 The Highways Agency is responsible for the maintenance of the motorway system, including the structural maintenance of subways. WLBC is, however, responsible for street cleaning. Following informal contact with representatives of the Highways Agency, there appears to be scope for such advertisements in three subways under the M58. A similar response has been received from LCC as the body responsible for maintaining all of the other subways in the town. Although MFL does not currently promote or manage the sponsorship of subways, the company has indicated that it is prepared to consider this matter further and this would need to be formally explored.
- 5.7 With regard to maintenance issues, the Highways Agency and LCC would retain their respective responsibilities for structural matters. It is anticipated that the maintenance of the interior of the subways, together with any adjoining areas of hard/soft landscaping, would be taken on board by the sponsoring company, the details of which would have to be formally agreed as part of any legal agreement.
- 5.8 It would be necessary for the participating companies to provide adequate public liability insurance cover for the works to be carried out.
- 5.9 Given the scale of capital costs required to undertake major improvements such as recladding, it may not be possible to secure an income in the short term from the sponsorship of these structures. However, as some of the sites generate high maintenance costs due to vandalism, graffiti, fly tipping and other anti social behaviour, the transfer of this maintenance liability to the sponsoring company would bring about substantial savings to the Council. In the longer term, however, (perhaps after 5 years), there may be scope to generate some income.
- 5.10 In addition, companies which are primarily accessed via main roads such as the M58 motorway e.g. Pilkingtons, may also be interested in advertising on highways approaching their sites. For such sites, advertising revenue could be generated under the terms of the MFL scheme.
- 5.11 For subways on the approaches to schools, it would be necessary to reach agreement with the relevant schools to maintain artwork to a satisfactory standard, at no expense to WLBC or LCC.

6.0 PROPOSALS

- 6.1 Subject to the grant of consents to provide advertisements on the 12 roundabouts listed in Appendix A, and to local companies agreeing to sponsor these sites, WLBC enters into a partnership arrangement with LCC for their enhanced maintenance.
- 6.2 LCC be requested to extend the current scheme to include the provision of advertisements/artwork on other parts of the highway infrastructure in West Lancashire, particularly Gateway sites and subways.

- 6.3 In the case of three subways under the M58 motorway, the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas be approached to consider the sponsorship of these subways and the long-term maintenance of the approved works.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 The sponsorship of traffic islands will strengthen the image of the participating businesses and the improved maintenance of important sites in the Borough's transport network will enhance their appearance. This will bring about economic and environmental benefits for the Borough.
- 7.2 The provision of artwork in subways on the approaches to schools will help enhance the image of the school for the benefit of pupils, staff and parents.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 If WLBC enters into a partnership arrangement with LCC, MFL would promote suitable sites, secure the required consents and implement and maintain the signs. Officers would ensure that any additional ground maintenance costs would be covered by the sponsorship revenue.
- 8.2 If the scope of sponsorship were to be expanded to subways and other parts of the highway infrastructure, it would firstly be necessary for officers of WLBC to engage with LCC to discuss the scope of the scheme and terms and conditions, including the administration of the scheme, negotiating and drafting legal agreements, and securing long term maintenance agreements to meet the requirements of LCC and the Highways Agency (as appropriate). In the longer term, the involvement of WLBC staff and other resources should be minimal.
- 8.3 Such a partnership arrangement would also provide opportunities to use any surplus income with other funding sources e.g. section 106 contributions from employment generating development, which could be used to deliver a range of economic and environmental improvements in the Borough.

9.0 RISK ASSESSMENT

- 9.1 By not pursuing the sponsorship of traffic islands and other highway infrastructure, there is a risk of not securing an additional income stream (albeit relatively small) and of not taking an opportunity to reduce the Council's maintenance liabilities. In addition, non-participation would result in a missed opportunity to secure environmental improvements at key points in the highway system and potential partnership agreements with local businesses and schools.

- 9.2 Officers will ensure that the income received from MFL and other participating companies exceeds the cost of any works, usually additional grounds maintenance, so that there will be no financial burden to WLBC.
- 9.3 As the legal agreements are between LLC, MFL and the participating companies, there is limited scope for WLBC to seek remedy to a problem on the approved sites. Legal Services have advised that there is no formal agreement setting out the position between WLBC and LCC. If WLBC agrees to enter into a partnership arrangement with LCC, it would be necessary to pursue this matter further and formally document any agreements reached.
- 9.4 By requiring participating companies to provide adequate public liability insurance cover for the works, the risk of claims being made against WLBC would be minimised.

10.0 CONCLUSIONS

- 10.1 Although the sponsorship of Council owned land has not been pursued in the past, the subsequent setting up of a County wide scheme will enable WLBC to become involved in such activities with minimal resource implications.
- 10.2 In addition, the extension of the current scheme to cover subways and other parts of the highway infrastructure presents an opportunity to generate additional income; reduce some maintenance liabilities; and secure a range of economic and environmental improvements in the Borough.

Background Documents

There are no background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing 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 A – List of proposed roundabout junctions

Appendix A

List of proposed roundabout junctions

Ashurst Road/Ashley Road/Ashmead Road, Ashurst

Digmoor Road//Gillibrands Road/Abbeywood, Digmoor

Houghtons Road/Ashurst Road/Northway, Birch Green

Glenburn Road/Vale Lane/Cobbs Clough Lane, Stanley

Neverstitch Road/School Lane/Stanford Road, Stanley

Neverstitch Road/School Lane/Staveley Road, Stanley

Neverstitch Road/Railway Road/Ormskirk Road, Old Skelmersdale

Railway Road/Gillibrands Road, Gillibrands

Railway Road/Whitehey Road, Gillibrands

Gillibrands Road/Whiteledge Road, Gillibrands

Northway/Turnpike Road/Winifred Lane, Aughton

Pippin Street/Tollgate Road, Burscough



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AGENDA ITEM: 8(b)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
30 September 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor A Owens

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

**SUBJECT: CALL IN ITEM – MID LANCASHIRE MULTI AREA AGREEMENT/LOCAL
INVESTMENT PLANS/LOCAL ENTERPRISE PARTNERSHIPS**

Wards affected: Borough wide

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. 64 of the meeting of Cabinet held on 14 September 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 Cabinet held on 14 September 2010.

3.2 The following decision of Cabinet is contained at Minute No. 64:

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

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which detailed the current position with regard to the Mid Lancashire Multi Area Agreement (MAA) and emerging Local Enterprise Partnerships (LEPs) and advised on Local Investment Plans (LIPs) and the implications for attracting external funding.

Cabinet was advised that the position regarding these issues was continually changing and in this respect the Executive Manager Regeneration and Estates provided a verbal update on the following matters:

- National Affordable Housing funding
- The LIP process
- Lancashire Wide LEP
- Regional Growth Fund

In reaching the decision below, Cabinet considered the update from the Executive Manager Regeneration and Estates and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED:
- A. That the current position on the Mid Lancashire MAA and emerging Local Enterprise Partnerships, the progress made to date in respect of the Local Investment Plan process and work programme and policy announcements in respect of future external funding, be noted.
 - B. That the Executive Manager Housing and Property Maintenance Services, in consultation with the Portfolio Holder for Housing agree the mechanism for determining funding applications under the National Affordable Housing Programme.
 - C. That the Chief Executive, in consultation with the Leader continue discussions with regard to Local Enterprise Partnership proposals for Lancashire, proceed with discussions and determine which LEP is in the best interest for West Lancashire.
 - D. That delegated authority be given to the Executive Manager Regeneration and Estates, in consultation with the Leader and Portfolio Holder Regeneration and Estates to agree the Local Investment Plan with regard to future external funding for economic development and regeneration purposes.”

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

“The resolution (C) to delegate discussions on which LEP is in the best interests for West Lancashire is inappropriate, given the unsatisfactory process for discussions to date, the high importance of the future LEP boundary, and the

consequent need to engage adequately with partners on the best way forward for West Lancashire, both in the spirit of the 29 June letter from Eric Pickles and Vince Cable, and in the context of the emerging funding landscape.

The resolution (D) to delegate agreement on the Local Investment Plan is inappropriate, given the need for involvement in this planning process by all relevant partners, in the context of the emerging regeneration funding context.”

3.4 The requisition also provided an alternative decision which was:

“That recommendation C be replaced by the following:

C. That discussion on which LEP is in the best interests of West Lancashire be referred to the Executive of the Local Strategic Partnership with a view to ensuring optimum partner involvement in these discussions, and that the LSP Executive be asked to report back to Cabinet on its recommendations in due course.

That a cross-party working group be established to inform the Council’s involvement in LSP discussions and in any other engagement with prospective LEP partners.”

That recommendation D be replaced by the following:

D. That the development of the Local Investment Plan be referred to the Executive of the Local Strategic Partnership with a view to ensuring optimum partner involvement in the planning and subsequent implementation process of the Local Investment Plan, and that the LSP Executive be asked to report back to Cabinet on its recommendations in due course.”

3.5 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 C Mawdsley
Councillor N Furey
Councillor I Moran
Councillor R A Pendleton
Councillor S Hanlon

4.0 COMMENTS OF THE EXECUTIVE MANAGER REGENERATION AND ESTATES

4.1 The purpose of this report is to update Members in light of three proposals being submitted in Lancashire. The delegations within the report allow us to continue the dialogue as we do not know what the response from Government will be and we need to be able to respond in a timely manner to ensure the best possible outcome for West Lancashire. The professional view of the Executive Manager is that the LSP should be informed and updated on the process to ensure optimum partner involvement, however at this stage does not believe that a

cross-party working group would be appropriate at the current time but as governance arrangements for any Local Enterprise Partnership and associated Local Investment Plan are developed, consideration would be given as to how other partnerships, such as the various LSP's may engage in the future.

5.0 CONCLUSION

- 5.1 Following consideration of the decision of Cabinet, the requisition for call in and the comments of the Executive Manager Regeneration and Estates, 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 Executive Manager Regeneration and Estates.



AGENDA ITEM: 5(t)

CABINET: 14 September 2010

COUNCIL: 20 October 2010

Report of: Executive Manager Regeneration and Estates

Relevant Portfolio Holder: Councillor Adrian Owens

**Contact for further information: Jayne Traverse (Extn. 5110)
(E-mail: jayne.traverse@westlancs.gov.uk)**

SUBJECT: MID LANCASHIRE MULTI AREA AGREEMENT, LOCAL ENTERPRISE PARTNERSHIPS AND LOCAL INVESTMENT PLANS

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To update Members on the current position with regards to the Mid Lancashire Multi Area Agreement (MAA) and emerging Local Enterprise Partnerships (LEP's) and to advise Cabinet on Local Investment Plans and the implications for attracting external funding.

2.0 RECOMMENDATIONS TO CABINET & COUNCIL

2.1 That the current position on the Mid Lancashire MAA and emerging Local Enterprise Partnerships, the progress made to date in respect of the Local Investment Plan process and work programme and policy announcements in respect of future external funding be noted.

2.2 That the Executive Manager Housing and Property Maintenance Services, in consultation with the Portfolio Holder for Housing agree the mechanism for determining funding applications under the National Affordable Housing Programme.

2.3 That the Chief Executive, in consultation with the Leader continue discussions with regard to Local Enterprise Partnership proposals for Lancashire, proceed with discussions and determine which LEP is in the best interest for West Lancashire.

- 2.4 That delegated authority be given to the Executive Manager Regeneration and Estates, in consultation with the Leader and Portfolio Holder Regeneration and Estates to agree the Local Investment Plan with regards to future external funding for economic development and regeneration purposes.
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3.0 BACKGROUND

- 3.1 In 2008 Council agreed the reprioritisation of the Regeneration and Estates Division work activity and approved a new staffing structure to deliver those priorities. The new staffing structure reflected the anticipated reduction in external funding and changes in the way such monies would be allocated in the future by funding bodies. At that time I advised elected members that there was likely to be an on-going 'shift' away from funders' working directly with individual local authorities on individual local authority footprints, to that of a cluster approach with local authorities working together and identifying their priorities on a larger footprint.
- 3.2 Also in 2008, the Homes and Communities Agency was launched and local authorities were advised that its focus would be on implementing the Single Conversation as a local place-based business model. The model was designed to realise the benefits of creating a single housing and regeneration agency and achieve more efficient investment delivery in places in line with locally determined priorities. Once this process was underway, its focus shifted to the development and implementation of the Local Investment Plans which came out of those 'Single Conversations' with Councils. The HCA guidance on the Single Conversation states that the LIP will lead to a local investment agreement which will set out the HCA's proposed investment for an area and will indicate a rolling three year investment allocated to an area based on the proposed specific interventions. See Appendix 4 for HCA LIP Guidelines. Linked to this is the Joint Investment Plan (JIP), which sets out other investment requirements, aligning them with those identified in the LIP. The priorities for LIP's cover a number of key areas for potential investment including:
- Spatial priorities for strategic growth sites, town centre renewal and regeneration;
 - Targets for growth, affordability, renewal, rural housing, vulnerable and aging population;
 - Social, economic and environmental sustainability;
 - Land supply; and
 - Physical and social infrastructure.

- 3.3 In 2009 the Mid Lancashire Local Authorities, consisting of West Lancashire, Chorley, South Ribble, Preston, Lancaster and Lancashire County Council commenced discussions on the development of a Mid Lancashire MAA. The Mid Lancashire MAA framework document identified joint priorities and objectives for the Mid Lancashire area, recognising the three economic footprints, Lancaster, Central Lancashire and West Lancashire and the importance of economic links with the other two Lancashire MAA's, the City Regions of Liverpool and Greater Manchester and Cumbria to the north. The Mid Lancashire MAA framework document was submitted to Communities and Local Government (CLG) in March 2010, with a view to receiving ministerial sign off before the General Election. Unfortunately, the timing was such that the General Election was called shortly after the document's submission and the document was not signed off.
- 3.4 Members are aware from the Chief Executive's report to Council in July 2010, that the Secretary of State for Communities and Local Government and Secretary of State for Business, Innovation and Skills, have invited local Councils and businesses to come forward with their proposals for Local Enterprise Partnerships by 6th September 2010. LEP's will replace the Regional Development Agencies (RDA's) and that they will perform a critical role in determining economic priorities. They will be locally owned partnerships between local authorities and business to drive economic growth across an economic area. They will be a key vehicle in delivering Government objectives for economic growth, decentralisation and helping to rationalise the regional tier, whilst also providing a means for local authorities to work together with business in order to speed up the economic recovery.
- 3.5 It was announced in the Emergency Budget in June 2010, that the Government will publish a White Paper in the summer, which will set out the Government's economic development plans and more detail on the transition from RDAs to LEP's. The Government has asked for outline proposals from partnerships of local authorities and businesses to form LEP's by no later than 6 September 2010.
- 3.6 Details of the Regional Growth Fund will also be set out in the forthcoming White Paper on Local and Regional Growth. The £1 billion Regional Growth Fund will help areas and communities at risk of being particularly affected by public spending cuts. The fund, which will operate in 2011/2012 and 2012/2013 will help areas most dependent on public sector employment as the country makes the transition to private sector-led growth and prosperity. Both private bodies and public-private partnerships will be able to bid for funding by demonstrating that their proposal will bring in private investment and support sustainable increases in private sector jobs and growth in their area. The Governemnet has also announced plans for a Green Paper on business finance. As part of the government's strategy to encourage investment in growing companies in areas overly dependent on public sector employment.

4.0 CURRENT POSITION

- 4.1 CLG has confirmed that the MAA document will not be signed off by Government. However, the document is still being used as an informal strategic framework for developing the work which will inform a LIP.
- 4.2 Officers from Regeneration and Estates and Planning Division's are developing relationships with both Liverpool and Greater Manchester City Regions, engaging on spatial planning, transport, inward investment, environmental, economic and other agendas in the interest of the Council.
- 4.3 At a Lancashire Leaders meeting in August 2010, the Leaders of the local authorities in the east of Lancashire confirmed that they will be submitting a LEP application on the same footprint as the Pennine Lancashire MAA. Blackpool and Fylde Coast local authorities confirmed that they will be submitting a LEP application on the same footprint as the Fylde Coast MAA. The Mid Lancashire local authorities voted for a pan-Lancashire LEP. Lancashire County Council has indicated that it will only support a pan-Lancashire LEP proposal. The County Council is compiling a submission in consultation with the Mid Lancashire local authorities. The outcome of these submissions will be reported back to Members in due course.
- 4.4 On 23rd July 2010, through an informal consultation, the Government sought views on how the Regional Growth Fund should be designed to best meet the needs of areas and communities across England. Members were made aware of this consultation in the Chief Executive's weekly publication, '7 days' and that the Regeneration and Estates Division would be formulating a response on the informal consultation on behalf of the Council.
- 4.5 In the Mid Lancashire area a process and work programme has been established and the principles and content needed to inform a LIP are being developed. A Mid Lancashire Writing Group has been established to progress the work plan. It is being co-ordinated by an officer seconded to Mid Lancashire from Chorley Borough Council on a full-time basis until 11th September 2010 and she is being assisted by MAA lead Officers. A flow chart detailing the Mid Lancashire Groupings is detailed at Appendix 3.
- 4.6 Until recently, HCA engaged directly with RSL's (in consultation with the local authorities) regarding funding bids under the National Affordable Housing Programme (NAHP). But, given the introduction of the LIP process, local authorities (in their clusters) are now required to prioritise these projects/bids. There is £1.66 Million available to Mid Lancashire for 2010/11, which is a staged payment of 50% for starts on site and equivalent funds will be available during 2011/12. The total Mid Lancashire allocation for 2011/12 is £3.32 Million. The Mid Lancashire Writing Group and HCA are devising a mechanism by which to assess and score the applications, based on the HCA's essential criteria and the objectives and priorities identified in the Mid Lancashire MAA framework document. This process of assessment ensures that economic factors determine housing needs rather than the other way

around. It also means that all the Mid Lancashire authorities are being consistent in the way that the applications are being assessed (Appendix 5).

- 4.7 The exact framework for determining applications has not yet been finalised, but officers are developing a framework for both planning and funding applications. To give members an idea of how this process may work, a flow chart detailing indicative processes is detailed at Appendix 2.
- 4.8 HCA has now indicated that given timescales and constraints around committing and drawing down the NAHP funding, there is insufficient time available to implement a formal bidding round for the 2010/11 NAHP funding allocation. In view of this HCA has asked each of the Mid Lancashire authorities to consider those schemes within their respective areas which could potentially be contractually committed by the end of September and which could start on site by mid January 2011 and assess them using the criteria devised by the HCA and Writing Group with a view to each local authority identifying its two highest priority schemes. Up to two schemes from each local authority are to be put forward for consideration. A verbal update on how this has been progressed will be provided before or at the Cabinet meeting.
- 4.9 The HCA continue to engage directly with the West Lancashire Borough Council on Skelmersdale Town Centre and the new build housing development at Elmstead, Tanhouse. The former is the subject of a development agreement with HCA and our developer partner. The funding for the latter is ring-fenced from a separate HCA budget (not part of the NAHP allocation).

5.0 ISSUES

- 5.1 In a recent letter from CLG/HCA regarding LIP's (Appendix1), they indicate that it only makes sense to complete the LIP's process where it is mutually beneficial to both parties. HCA own a number of assets within the Mid Lancashire area and Mid Lancashire MAA Officers believe this is providing an incentive for them to continue engagement with Mid Lancashire local authorities.
- 5.2 Through the MAA framework local authorities had asked government to ring-fence receipts from the sale of HC assets for re-investment in the MAA area. The normal process is that receipts go back to the treasury. As part of this process local authorities will consider whether there are opportunities to realise their surplus assets in order to realise regeneration benefits (similar to the Skelmersdale Town Centre model, where HCA and Council assets are being used to realise wider regeneration benefits. This will provide opportunities for 'packaged' sites/regeneration projects, which will provide the magnitude necessary to explore Asset Backed Vehicles or other similar emerging models, funds under the JESSICA programme, use of Community Infrastructure Levy, Tax Increment Financing (TIF's) models and/or Regional Growth Funds. There is no guarantee that Government will agree to the Mid

Lancashire proposal, but HCA representatives have advised that an early approach to Government on this through a LIP process is imperative.

- 5.3 Officers will continue dialogue with the HCA with regards to clarifying how the Skelmersdale Town Centre and Elmstead Project's are taken forward in light of an emerging LIP and will further discuss the implications of the various options in relation to the ring-fencing of income from HCA assets in West Lancashire. Any further information on this between preparing this report and the September 2010 Cabinet and October 2011 Council meetings will be reported to Members at those meetings.
- 5.4 As outlined above, the Lancashire authorities are submitting a number of LEP proposals to Government. It is the view of the Mid Lancashire authorities and Lancashire County Council that there should be one LEP for Lancashire and accordingly, there should also be one LIP. However, Pennine Lancashire has already contracted with HCA with regards to their LIP and therefore given this contractual commitment and Pennine Lancashire's desire to have a separate LEP, it may not be possible to pursue a LIP on a pan-Lancashire approach at this stage. However, the Working Group are proceeding on the basis of progressing the work in a format that could inform a pan-Lancashire LIP, should that prove possible in the future.

6.0 PROPOSALS

- 6.1 That West Lancashire continues to contribute to the Mid Lancashire work programme with a view to signing up to a LIP and in the meantime continues to engage with HCA in order to maximise any funding opportunities in the Borough, determining relevant NAHP bids in the interim period.
- 6.2 That Members be updated on the outcome of the Lancashire LEP submissions and progress on LIP in due course.
- 6.3 That West Lancashire Borough Council continues to work with Lancashire County Council and the Mid Lancashire local authorities or a pan-Lancashire successor partnership to ensure that West Lancashire's key priorities are highlighted at sub-regional, regional and national levels and opportunities for attracting external funding to the Borough are maximised.

7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 7.1 The proposals seek to deliver a number of key objectives of the Sustainable Community Strategy and secure long-term sustainable outcomes for the Borough.

8.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 8.1 Once the outcome of the comprehensive Spending Review is known, this will help to clarify the extent of future funding that will be available from HCA for

LIP's as well as other funding initiatives that are emerging such as Regional Growth Fund.

- 8.2 The cost to the Council is currently that of the Chief Executive and my time involved in attending partnership meetings, but this is currently being contained within existing staff resources.
- 8.3 The LIP supports the principles of the Council's emerging Strategic Asset Management Plan, in that it will enable the Council to make the most effective use of its assets, whilst enabling scarce resources to be used more efficiently.

9.0 RISK ASSESSMENT

- 9.1 The HCA is continuing to work with Mid Lancashire on this basis recognising the economies of scale in the administration and management of funding/investments and agreement on priorities amongst partners. If West Lancashire were to pursue the LIP on an individual local authority footprint there would be a risk of not securing future external funding opportunities, which may be needed as 'match' to ensure projects are viable and able to be progressed.
- 9.2 Mid Lancashire is currently not able to access the remaining £1.66 Million allocated for the area under the NAHP for 2010/11 because the processes are not yet in place. Given that the monies need to be committed by the end of September 2010 and projects need to have commenced on site by mid January 2011, there is significant risk of the area losing this allocation of funding. Officers are working hard to minimise this risk.

10.0 CONCLUSIONS

- 10.1 Whilst the localism agenda is still yet to be defined by government, what is clear is that the cuts in public spending mean that there will be fewer investments and less external funding in the future and that any such monies are likely to be targeted at areas where partners have agreed their priorities and their investment and funding needs between them.

Background Documents

The following background documents (as defined in Section 100D (5) of the Local Government Act 1972) have been relied on to a material extent in preparing this Report.

<u>Date</u>	<u>Document</u>	<u>File Ref</u>
15 th /16th September 2009	Cabinet and Council reports – Mid Lancashire Multi Area Agreement	

21st July 2010
14th September 2010

Council report - Local Enterprise Partnerships
Cabinet Report – Strategic Asset
Management Plan

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

1. Letter from CLG/HCA dated 22nd July 2010
2. Example of how affordable housing schemes may be progressed in the future
3. Mid Lancashire Groupings
4. HCA LIP Guidelines
5. Mid Lancashire NAHP Assessment Criteria



LOCAL AUTHORITY LEADERS

22nd July 2010

**THE HOMES AND COMMUNITIES AGENCY: TAKING FORWARD
LOCAL INVESTMENT PLANS**

As you know, the Government is determined to decentralise and put power in the hands of local people and communities. That drive applies to everything we do, including housing and regeneration.

Over the coming months the Homes and Communities Agency will be re-shaped to play its part in delivering this policy. Even more so than before, it will become a body that helps to get things done under local leadership.

We will give you more details about the changes later this summer. But in the meantime we wanted to write to you to set out how we will take immediate steps to ensure that the future approach to the development of Local Investment Plans reflects our commitment to localism.

Since the HCA was established, it has worked with local authorities to develop Local Investment Plans which support the delivery of local priorities for housing and regeneration (in London there are different arrangements with Borough Investment Plans being signed off by the Mayor).

In the first year of operation some 24 Plans were signed and work is now progressing across all local authorities with the aim, where appropriate, of concluding this process by the end of March 2011.

The HCA has published an interim evaluation of the process that highlights the value it is adding to the delivery of local priorities. Nevertheless, we recognise that there are many competing pressures on the time and resources of local authorities and it therefore only makes sense to complete this process where it is mutually beneficial to both parties.

Indeed, whilst many authorities have seen the benefits of establishing shared investment plans, there may be some where the work involved is felt to outweigh the benefits. We recognise that the circumstances for individual local authorities will vary considerably. The decision whether to continue with the production of Local Investment Plans is properly a matter for each local authority or group of authorities to determine. To put it simply, the HCA only wishes to be included if your Local Authority considers it to be to your local advantage.

If you have any queries about Local Investment Plans or wish to review your position in the light of this letter, please contact your local HCA Director (contact details are annexed to this letter). In the meantime, the HCA has reviewed its guidance to simplify the process and make it more responsive to local needs.

A copy of this letter has gone to your Chief Executive.

Yours sincerely



**The Rt Hon Grant Shapps MP
Minister for Housing
and Local Government**

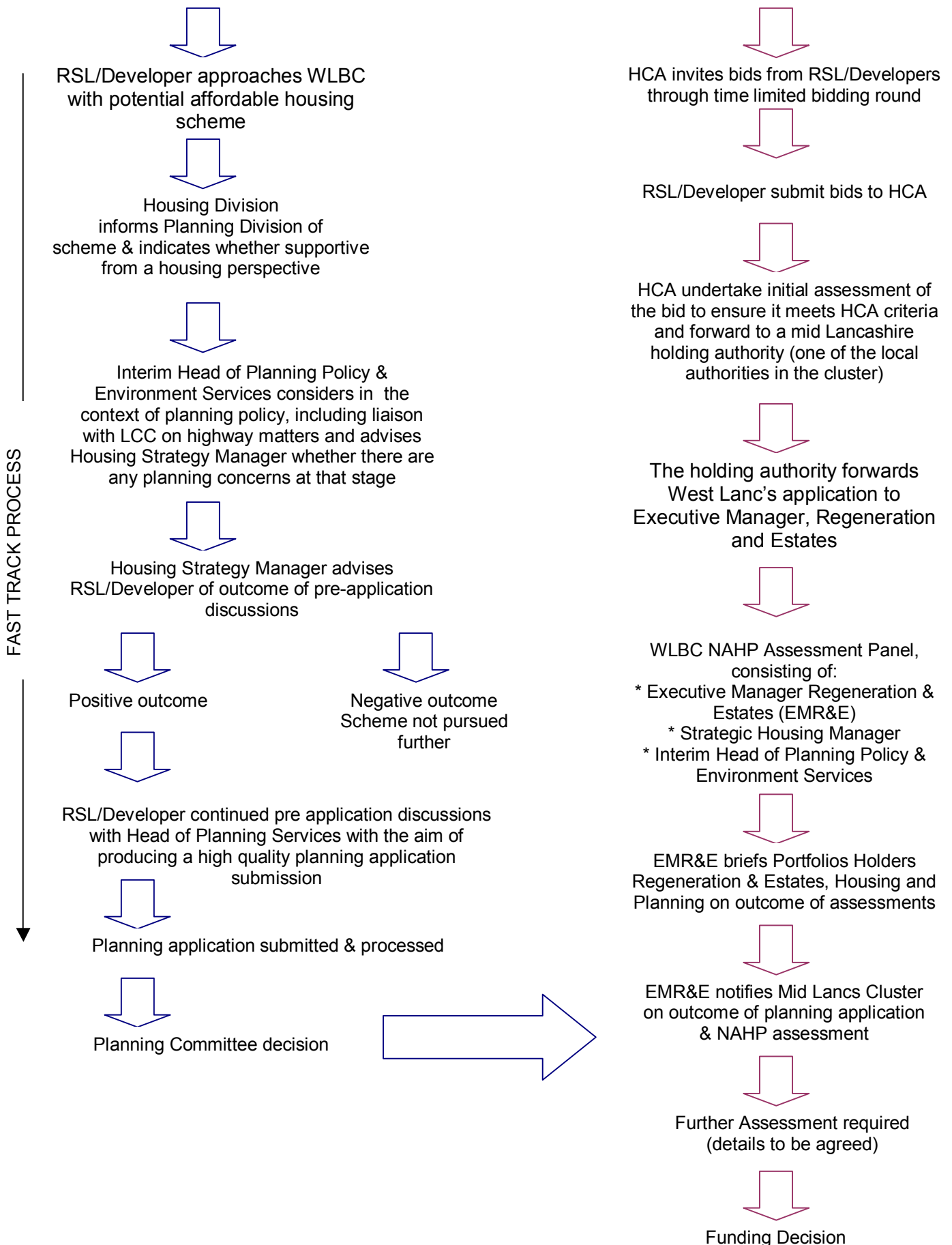


**Sir Bob Kerlake
Chief Executive
HCA**

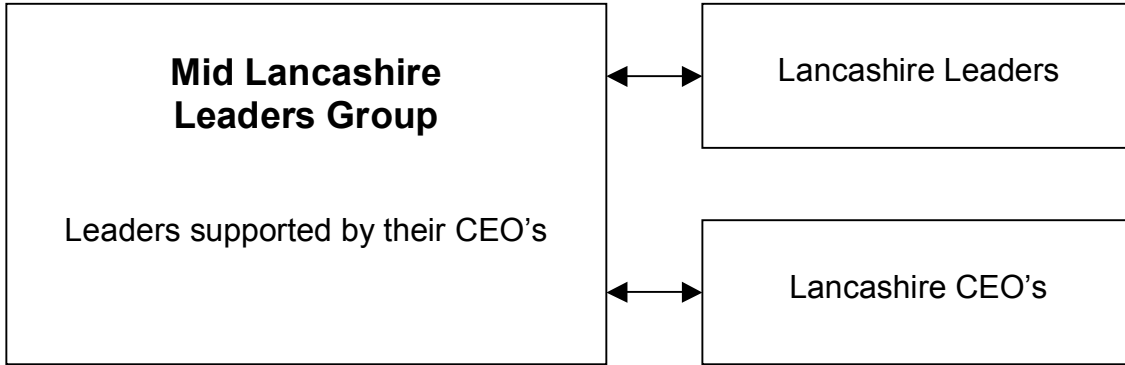
EXAMPLE OF HOW AFFORDABLE HOUSING SCHEMES MAY BE PROGRESSED IN THE FUTURE

Planning Process

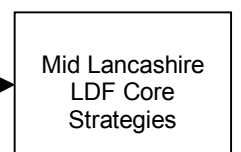
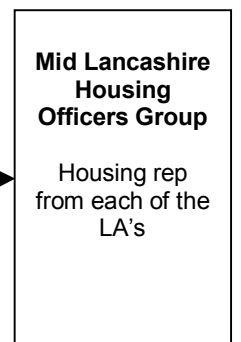
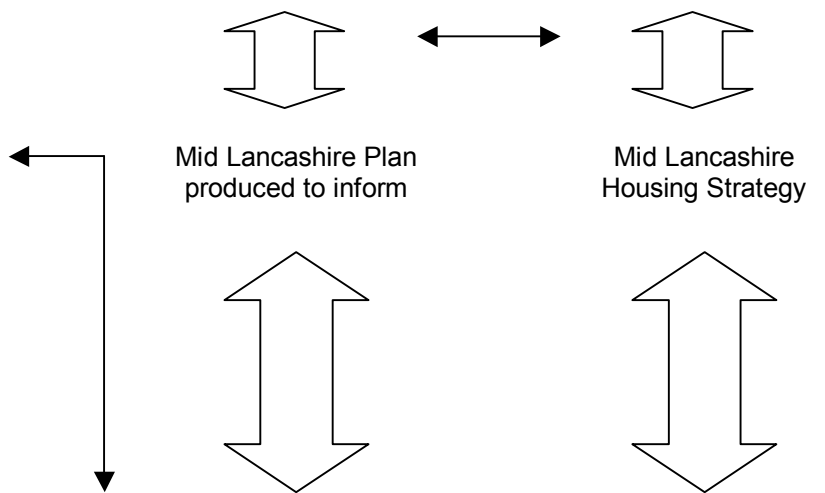
LIP Process



Mid Lancashire



Local Investment Plan



Local Investment Plans – Core Elements

In order to improve our delivery with local partners on the ground, enable the Agency to offer the best possible support for Local Partners, ensure good value for money on our investment, and inform our discussions with national Government about the scale of the housing, growth and regeneration challenges the country faces, we are adopting the following core elements for Local Investment Plans. The Core Elements reinforce key aspects of the existing Guidance Framework and supporting information.

The core elements set out a number of issues that Local Investment Plans should address, including:

- alignment and coherence of local strategies, and the degree to which these are consistent with relevant local targets;
- a clear and consistent narrative about the rationale for the investment priorities identified, including key evidence of the local economic, social, demographic and environmental needs that they will address; and
- a framework for making choices and determining priorities to deliver strategic outcomes within limited resources.

A good Local Investment Plan should have a clear narrative “golden thread”, rooted in analysis and understanding of the evidence base, which runs through the elements described below so that investment priorities can be clearly seen to flow out of the strategic challenges identified. We have also set out a suggested approach to appraisal of Local Investment Plans in order to ensure alignment with Government priorities and provide evidence of value for money.

The core elements should be used to inform the content of Local Investment Plans that are in development. They should not be applied retrospectively to Local Investment Plans already agreed, but they should form the basis for assisting Local Authorities in reviewing Local Investment Plans as they are updated in due course.

Economic purpose

The economic purpose of the place and its economic trajectory

Explanation

Building on the local strategy for economic development:

- What are the current economic conditions and the likely economic trajectory?
- How does the place fit with the ‘functional economic area’ including cross boundary issues?
- What is the sectoral structure and the comparative strengths and weakness of the local economy?
- What are the economic development ambitions and proposals?
- How will the local investment priorities identified in the plan support economic growth?

Quality indicators

The Local Investment Plan demonstrates how an improvement in local economic conditions will be achieved through delivery of the investment priorities it identifies.

Housing demand and supply

Analysis of housing demand, supply and needs.

Explanation

Building on the understanding of the local economy and the Local Authority's assessment of future housing needs and demand:

- Demography and housing demand and need – what is the demographic profile of the area, (looking at past and future trends and breakdowns of particular equality strands such as gender, race and disability) and its geography, population density and location, and the impact this has on economic performance and housing demand?
- Affordability - what affordability challenges do particular income groups face?
- Supply - what is the current and baseline trajectory for housing supply?
 - What has been the performance against local plan targets in recent years?
 - is the existing stock and projected new supply adequate to meet projected demand and needs?
 - is there a viable land supply to support new housing provision?
 - what investment is needed to make existing and new supply better able to meet demand and need?

Quality indicators

The Local Investment Plan identifies the investment needed to make existing and new supply of housing better able to meet housing demand and need.

Placemaking: wider sustainable place making outputs and outcomes

The wider social, economic and environmental outputs, and outcomes, that the Local Investment Plan prioritises for delivery.

Explanation

Local Investment Plans should reflect the local strategic objectives set out in the Sustainable Communities Plan, emerging local Enterprise Partnership priorities and Local Development Framework. Local Investment Plans should cover all aspects of place making and identify key location for co-ordinated intervention. Where relevant these should be related to the key performance indicators set out in the HCA's Corporate Plan

Appropriate measures for outputs and outcomes should be included in line with the local priorities identified in the plan, and linked to relevant HCA key performance indicators:

- amount of land brought back into beneficial use;
- leverage of private sector investment;
- links and coherence with other public investment;
- number of homes improved or refurbished, including social homes brought up to decent homes standard and empty properties brought back into use;
- employment floor space;
- apprenticeships, training and jobs created or protected;
- proportion of homes delivered to code level 3 and above;
- quality of place and quality of life outputs and outcomes;
- meeting diverse housing needs; and
- addressing climate change adaption or mitigation.

Quality indicators

The Local Investment Plan demonstrates a comprehensive approach to the sustainable development of communities, places and the local environment.

Meeting our equalities duties and the needs of vulnerable and disadvantaged groups

As public bodies we have legal duties to deliver race, gender and disability equality through our activities. In due course, the Equality Act will extend duty areas to cover religion and belief, sexual orientation and age. We also have a strong corporate commitment to meeting the needs of older and vulnerable people.

Explanation

The plan must demonstrate what steps have been taken to actively meet statutory obligations for race, gender and disability equality. It should also show how it is addressing the housing and associated needs of specific groups under our National Affordable Housing Programme, identified in diversity strategies and our [Single Equality Scheme, Diverse Interventions](#), including:

- the provision of secure and affordable sites for Gypsies and Travellers;
- affordable homes for larger families;
- specialist housing that meets the needs of diverse communities;
- accessible housing that meets the needs of disabled people;
- supporting community cohesion and addressing socio-economic disadvantage; and
- promoting equality for future statutory areas of religion and belief, sexual orientation and age.

In addition, the Local Investment Plan should include explicit reference to meeting the needs of vulnerable people and key priority areas such as housing for older people, housing with care and support for vulnerable people, improving the quality of hostel accommodation for homeless people. Local Investment Plans should also be subject to an Equality Impact Assessment, which is a duty both on Local Authorities and the Agency.

Quality indicators

The Local Investment Plan and the Equality Impact Assessment clearly state how duties have been considered and the plan will deliver positive actions to meet them.

Strategic priorities

A systematic approach has been undertaken to determine the key spatial and thematic priorities identified in the Local Investment Plan, so for example with respect to the condition of the existing stock of affordable housing, there may be a number of key estates which are a **spatial** priority for transformation alongside a **thematic** district-wide of achieving the decent homes standard across the social stock.

Explanation

The overall priorities for investment in the area to achieve the local ambition and vision agreed with partners. The Local Investment Plan should identify:

- how these priorities have been determined by local authorities and partners in line with evidence, including that set out above
- how these priorities fit with other relevant local strategies
- the rationale for the strategic choices that have been made through the process of developing the Plan.

Quality indicators

See Local Investment Plan appraisal (below)

Local community engagement

The priorities in the Local Investment Plan should have been informed by the views of the local community.

Explanation

While responsibility for the development of the Local Investment Plans rests with the local authorities and their partners, it is important that it demonstrates that communities have been involved in setting priorities. Consideration should be given to the role of community led housing and organisations, including Community Land Trusts and Local Housing Trusts in delivering the Local Investment Plan.

As well as engaging local communities in setting priorities, the development of the Local Investment Plan should be informed by the Local Strategic Partnership, emerging Local Enterprise Partnerships, the business community, other public agencies, the voluntary and community sectors and development partners.

It is also important to set out how the development process for the plan has been consistent with the local authorities' Duty to Inform, Consult and Involve and the HCA's parallel duty.

Quality indicators

The Local Investment Plan should show which bodies have been consulted or involved in the setting of the visions and priorities for the area, either specifically for the Plan or indirectly through consultations by the LA on other strategies and programmes which informed the plan and priorities.

Local Investment Plans - appraisal

The appraisal of a Local Investment Plan should consider:

Strategic case

- Is there a clear shared vision and set of objectives?
- Are local policies and strategies rooted in evidence and aligned towards achieving the vision?
- What are the **strategic challenges** in achieving ambitions around economic change and / or housing supply / stock condition (as appropriate) given the evidence base?
- How do these translate into **priorities**?
 - Thematic, eg:
 - provision of affordable housing
 - supported housing
 - improvement of existing stock condition
 - Spatial, eg:
 - Priority investment locations
- Do these in turn provide the strategic rationale for individual investments which will form part of the project appraisal?

Prioritisation (economic case)

- Given resource constraints, how have trade offs between investment priorities been made?
- How have priorities been determined? This might include:
 - input from stakeholder and community consultation
 - timing
 - deliverability
 - capacity
 - fit within any value for money frameworks

- What are the opportunity costs of choices that have been made ie why has one priority been chosen over another and what are the trade-offs?

Commercial case

- What other public and private resources and assets have been considered and included?
- Will there be demand / need for the prioritised activities?
- How realistic are assumptions, particularly around private sector leverage?

Financial case

- Is the potential HCA investment set out in the plan clear; is it affordable to HCA within its anticipated funding envelope? Will it achieve appropriate outputs in line with Corporate and Local Business Plans?

Management case

- Are the identified investment opportunities deliverable within the timescale?
- Who will lead on each?
- Do partners have the capacity / expertise?
- What are the risks?
- What are the provisions for monitoring (including performance monitoring) – how will any underperformance be managed?
- How will the impact of the plan be evaluated?

Appendix 5

Mid – Lancashire NAHP Assessment Criteria

1. HCA Essential Criteria – All schemes need to meet these criteria.
 - Value for money
 - Deliverability
 - Design Quality
 - Code for sustainable Homes level
 - Local Authority Support

2. Local Authority Criteria – In order to have local authority support any bids need to meet the following criteria:
 - a) Strategic fit. Can the projects strategic importance to Mid-Lancashire Partnership key actions be demonstrated – Any bids need to meet 2 out of 6 of the following:
 - Support sustainable economic growth
 - Meet the housing needs of communities in Mid –Lancashire providing the right housing and places to attract and retain high value workers to meet the economic priorities of the partnership
 - Meet the needs of the increasing older population
 - Regeneration Areas
 - Supports the maintenance of rural communities
 - Deliver Growth Point

 - b) Additional Benefits

Does the project lever in additional funding or enable development of related sites or enable better use of existing stock

 - C) Project Characteristics:
 - Will the project provide a mix of housing type, tenure and income
 - Will the project support community cohesion initiatives
 - Is the project designed to meet the needs of vulnerable groups
 - Will the project promote pathways to home ownership
 - Will the project help to reduce under occupation and/or overcrowding issues
 - Will the project use innovative design and/or technologies to reduce environmental impact.

CABINET (SPECIAL MEETING)

AGENDA ITEM: 10(a)
HELD: 21 JULY 2010
Start: 6.45pm
Finish: 7.25pm

PRESENT:

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

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

In attendance

Councillors:	Aldridge	Hanlon
	Mrs Blake	O'Toole
	Cotterill	R A Pendleton
	Grice	

Officers

Chief Executive (Mr W Taylor)
Council Secretary and Solicitor (Mrs G Rowe)
Assistant Chief Executive (Ms K Webber)
Executive Manager Housing and Property Maintenance Services
(Mr R Livermore)
Executive Manager Regeneration and Estates (Mrs J Traverse)
Head of Leisure & Cultural Services (Mr J Nelson)
Treasurer (Mr M Taylor)
Property Services Manager (Mr P Holland)
Procurement and Projects Manager (Mr J Ryding)
Member Services Manager (Mr G Martin)

Consultant Surveyor (Mr S Jackson)

28. APOLOGIES

There were no apologies for absence.

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

There were no items of urgent business.

30. DECLARATIONS OF INTEREST

1. Councillors Westley and O'Toole declared personal interests in items 4(a) (Social Enterprise and Employment Initiative) and 4(b) (Future Jobs Fund) in view of their membership of Lancashire County Council.
2. Councillors Ashcroft, Mrs Blake, Forshaw, Fowler, Grant, O'Toole, Owens and Westley declared personal interests in item 4(a) (Social Enterprise and Employment Initiative) as they serve on the Local Strategic Partnership (or its Thematic Groups).
3. Councillor Grice declared a personal interest in item 4(c) (Budget Prospects for future years) as he had been appointed by the Council to serve on the West Lancashire Community Leisure Trust.

31. MATTERS REQUIRING DECISIONS

Consideration was given to reports relating to the following matters requiring decisions, as contained on pages 343 to 370 of the Book of Reports:

32. SOCIAL ENTERPRISE AND EMPLOYMENT INITIATIVE

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which advised of an opportunity for the Council to deliver the Social Enterprise and Employment Initiative (SE&EI) to support employment and the social enterprise sector, through a partnership approach to bidding into the Local Strategic Partnership (LSP) Performance Reward Grant (PRG) funding.

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 Executive Manager, Regeneration and Estates be authorised to accept LSP Performance Reward Grant or other appropriate funding (if offered) to deliver and support the costs of the SE&EI project, including negotiating and entering into the necessary agreements in relation to this activity.
- B. That the Executive Manager Regeneration and Estates and the Assistant Chief Executive, in consultation with the Portfolio Holder Regeneration and Estates, be authorised to develop the remit of the Economic Development Worker and the two apprentices.

33. FUTURE JOBS FUND

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which advised of a Government initiative to help tackle worklessness and sought authority to pursue funding for a number of placements within West Lancashire Borough Council.

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, subject to securing the necessary funding, the Executive Manager Regeneration & Estates and the Executive Manager Street Scene, in consultation with relevant Portfolio Holders, be authorised to:
- agree the number and remit of the placements;
 - work with Lancashire County Council as broker to secure Future Jobs Fund placements; and
 - implement the temporary posts, including entering into any necessary agreements with Lancashire County Council (or any other partners as necessary).
- B. That given the need for urgent action to ensure placements are secured for the benefit of West Lancashire, the call in procedure shall not apply.

34. BUDGET PROSPECTS FOR FUTURE YEARS

Councillor Westley introduced the report of the Council Secretary and Solicitor which provided an assessment of the Council's budget prospects for future years and the need to take action to deal with a very difficult financial position.

At the meeting, consideration was given to a motion moved by Councillor Westley.

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

- RESOLVED: A. That the challenging financial position facing all local authorities following the Government's budget announcement be noted.
- B. That the proposals for efficiency improvements, with a minimal impact on service quality, set out in Appendix 1 be noted and that Divisional Managers develop these initiatives further in consultation with relevant portfolio holders and implement them where no further authorisation is required.
- C. That, arising from B. above and in relation to Appendix 1 - Community Services - point 1 on page 278 (Whole Leisure Trust Option):
- (i) a Leisure Cabinet Working Group comprising the Leader, the Deputy Leader, and the Portfolio Holders for Finance and Performance Management; and Community Services be established.

- (ii) the Terms of Reference of the Leisure Cabinet Working Group be to consider the opportunities available for the provision of leisure services not currently contained in the arrangement with the West Lancashire Community Leisure Trust/Serco Leisure Operating Limited, and to report with recommendations to Cabinet and Council.
 - (iii) the Executive Manager Community Services be authorised, in consultation with the Working Group, to engage specialist consultants and obtain external legal and financial advice/appraisals (including VAT and tax) as appropriate and, in this respect, funding up to a maximum of £35,000 be allocated from contingencies
- D That the Council accepts the need for the preparation of a 3 year Integrated Business Plan to meet the forecasted financial challenge facing this Council and that this Plan bring together all the initiatives either in course or under consideration including any re-organisational measures that are considered necessary and that arising from this:
- (i) a Business Plan Cabinet Working Group comprising the Leader, the Deputy Leader, the Portfolio Holder for Finance and Performance Management and Portfolio Holder for HR and Partnerships be established.
 - (ii) the terms of reference of the Business Plan Cabinet Working Group be:
 - (a) to consider all the possible cost saving, efficiency and re-organisation initiatives required to address the current financial challenge and to prepare a 3 year Integrated Business Plan for approval by Cabinet/Council and in the meantime to provide reports to Cabinet and Council on the progress being made with the preparation; and
 - (b) To thereafter provide reports to Cabinet and Council on the progress being made with the implementation of the 3 year Integrated Business Plan.
 - (iii) the Chief Executive be authorised, in consultation with the Working Group, to engage or recruit the necessary resources to prepare and implement the 3 year Integrated Business Plan and in this respect funding of up to £150,000 be allocated from contingencies.
- E. That the savings opportunities identified in paragraph 5.4 on shared services, cross service efficiency savings, and reviewing management and overhead costs be noted and that further work be undertaken to develop these proposals, as appropriate, in consultation with relevant portfolio holders.

- F. That the proposed year-end contributions to reserves set out in Appendix 2 be agreed.

35. ORDERS UNDER SECTION 21 TOWN AND POLICE CLAUSES ACT 1847

Councillor Forshaw introduced the report of the Council Secretary and Solicitor which sought delegated authority to make Orders under Section 21 of the Town Police Clauses Act 1847.

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 delegated authority be given to the Executive Manager Community Services to make Orders under Section 21 of the Town Police Clauses Act 1847.

36. 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 paragraph(s) 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.

37. MATTERS REQUIRING DECISIONS

Consideration was given to a report relating to minute 39 below requiring decisions as contained on pages 379 to 385 of the Book of Reports. Item 6(a) 'CCTV Monitoring Contract – Future Provision' was withdrawn.

38. CCTV MONITORING CONTRACT - FUTURE PROVISION

This item was withdrawn by the Executive Manager Community Services before the meeting.

39. OPTIONS FOR COUNCIL ACCOMMODATION AT DERBY STREET/WIGAN ROAD, ORMSKIRK

Councillor Owens introduced the report of the Executive Manager Housing and Property Maintenance Services advising on progress in negotiations with Atkinson Kirby Ltd in relation to the development of new Council office accommodation on the site at Wigan Road, Ormskirk. The report recommended that the negotiations cease and that the Council consider the refurbishment of its existing offices rather than pursuing the development of new accommodation.

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 Executive Manager Housing and Property Maintenance Services advise Atkinson Kirby that the Council will not be proceeding with the joint development of our adjoining landholdings and as a result will not be signing a development agreement with them.
 - B. That the Council refurbish its existing complex at 52 Derby Street and the Executive Manager Housing and Property Maintenance Services be asked to design a number of alternative costed schemes for the refurbishment and present a report to Cabinet and Council before the end of the current calendar year.
 - C. That the Executive Manager Housing and Property Maintenance Services be authorised to engage any necessary specialist advice to allow the refurbishment schemes to be put together.
 - D. That the terms of reference of the Wigan Road Site Cabinet Working Group, comprising the Leader and the Portfolio Holders for Finance and Performance Management and Regeneration and Estates, be revised to read as follows:
"To advise Cabinet on the options for the refurbishment of the 52 Derby Street complex."
 - E. That this item not be subject to call-in as it is being considered by Council.

.....
- LEADER -

CABINET

HELD: 14 SEPTEMBER 2010
Start: 7.30pm
Finish: 9.15pm

PRESENT:

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

Councillors		<u>Portfolio</u>
I Ashcroft		Human Resources
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 Planning
D Westley		Finance and Performance Management

In attendance	Mrs M Blake	N Furey
Councillors:	Mrs J Colling	R A Pendleton

Officers

- Chief Executive (Mr W Taylor)
- Council Secretary and Solicitor (Mrs G Rowe)
- Assistant Chief Executive (Ms K Webber)
- Executive Manager Housing and Property Maintenance Services (Mr R Livermore)
- Executive Manager Community Services (Mr D Tilleray)
- Acting Executive Manager Planning (Mr J Harrison)
- Executive Manager Regeneration and Estates (Mrs J Traverse)
- Treasurer (Mr M Taylor)
- ICT Manager (Mr C Isherwood)
- Property Services Manager (Mr P Holland)
- Assistant Member Services Manager (Mrs J Denning)

40. APOLOGIES

There were no apologies for absence.

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

There were no items of urgent business.

42. DECLARATIONS OF INTEREST

Councillor Westley declared a personal interest in agenda items 5(f) 'Sponsorship of Roundabouts and Other Parts of the Highway Infrastructure', 5(p) 'The Northern Rail Hub' and 5(t) 'Mid Lancashire Multi Area Agreement/Local Investment Plans/Local Enterprise Partnerships' as a Member of Lancashire County Council.

43. MINUTES

RESOLVED: That the minutes of the meeting held on 15 June and the Special meeting held on 21 July 2010 be received as a correct record and signed by the Leader.

44. MATTERS REQUIRING DECISIONS

Consideration was given to reports relating to the following matters requiring decisions, as contained on pages 363 to 618 of the Book of Reports:

45. QUARTERLY PERFORMANCE INDICATORS Q12010/11

Councillor Westley introduced the report of the Assistant Chief Executive which presented performance monitoring data for the quarter ended 30 June 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: A. That the Council's overall good performance against the indicator set for the quarter ended 30 June 2010 be noted.

B. That the call-in procedure is not appropriate for this item as the report is being submitted to the next meeting of the Corporate Overview & Scrutiny Committee on 23 September 2010.

46. PROGRESS ON THE ICT DEVELOPMENT PROGRAMME 2009/10 AND THE PROPOSED DEVELOPMENT PROGRAMME 2010/11

Councillor Westley introduced the report of the Assistant Chief Executive which detailed progress on the ICT development programme in 2009/10 and the proposed ICT development programme for 2010/11.

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 progress on the ICT development programme in 2009/10 be noted.

B. That the proposed ICT development programme detailed at Section 5.2 of the report be endorsed, taking account of the capital funding available in 2010/11.

47. COMPLAINT MONITORING

The Leader introduced the report of the Assistant Chief Executive which presented data on complaints received by the Council from April 2009 to March 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: A. That the overall reduction in the level of complaints to the Council in 2009/10 be noted.

- B. That call in is not appropriate for this item as it is being considered at the next meeting of the Corporate Overview & Scrutiny Committee on 23 September 2010.

48. SHORELINE MANAGEMENT PLAN II

Councillor Forshaw introduced the report of the Executive Manager Community Services which considered the adoption of the final Shoreline Management Plan 2 (SMP2) document.

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 policies, as related to the West Lancashire coastline and set out in the North West England and North Wales Shoreline Management Plan detailed in Appendix 1 (Policy Units 1.3 – 1.6) be adopted.

49. ORMSKIRK MOTOR FESTIVAL

Councillor Fowler introduced the report of the Executive Manager Community Services which sought approval for the running of a motoring themed event in Ormskirk town centre.

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 staging of a motoring themed event to be held in Ormskirk town centre in 2011 be approved.

- B. That pump priming expenditure of up to £10,000 for the staging of the event be approved from contingency funds, which would look to be recovered where possible from any commercial sponsorship or other income generated by the event.

- C. That the Executive Manager Community Services, in consultation with the Portfolio Holders for Planning and Transportation and Community Services be given delegated authority to select the most appropriate date for the holding of the event and to make all appropriate arrangements as necessary.

50. SPONSORSHIP OF ROUNDABOUTS AND OTHER PARTS OF THE HIGHWAY INFRASTRUCTURE

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which provided details of an existing Lancashire County Council (LCC) scheme for businesses to sponsor traffic islands and the potential for opportunities for businesses in West Lancashire to sponsor other parts of the highway infrastructure and sought authorisation to enter into a partnership agreement with LCC.

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 LCC scheme for the sponsorship of roundabouts and other highway infrastructure and the opportunity to secure enhanced landscaping maintenance and other environmental improvements on such sites be noted.
 - B. That it be noted that LCC is to submit applications for advertisement consent on the 12 roundabouts listed in Appendix A.
 - C. That subject to Planning Committee approval at B above, and in the event of local companies agreeing to sponsor the roundabouts referred to, the Executive Manager Regeneration and Estates be authorised to:
 - (i) Enter into a partnership agreement with LCC to use sponsorship income to provide enhanced maintenance/improvements on the sites, the details of which would be determined by the income generated by each scheme.
 - (ii) Request LCC to secure additional sponsorship deals for other parts of the highway infrastructure in the Borough, notably gateway sites and subways, under a similar partnership agreement.
 - (ii) Approach the Highways Agency and major companies in the Pimbo and Gillibrands Employment Areas to consider the sponsorship of subways under the M58 motorway and the long term maintenance of the approved works and progress discussions with Lathom and Our Lady Queen of Peace R. C. High Schools regarding the subway that leads to the two schools.
 - D. That delegated authority be given to the Executive Manager Regeneration and Estates in consultation with the relevant Portfolio Holder to enter into all necessary agreements and to take forward individual schemes.

51. SMALL BUSINESS FRIENDLY CONCORDAT

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which advised on the Communities and Local Government Business Friendly Concordat. The report sought approval to sign up and to utilise surplus revenue from the West Lancashire Investment Centre to further develop and expand the Concordat concept, by providing additional business support services from within the Investment Centre, including to community enterprises, as outlined within the North West Regional Development Agencies project offer letter.

A revised paragraph 5.1 and revised recommendations were circulated and the Portfolio Holder asked for authorisation to make any necessary minor drafting updates that were required.

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 Executive Manager Regeneration and Estates, in consultation with the relevant Portfolio Holder, be given authority to:

- (i) Sign up to the National Procurement Concordat for Small and Medium Sized Enterprises, with minor drafting updates and the amendments described within this report.
- (ii) Utilise up to £20,000 funding from the West Lancashire Investment Centre surplus to deliver additional business support services with quarterly reviews of occupancy levels at the Investment Centre ahead of any draw down of funds.
- (iii) Develop and expand on the Concordat concept by delivering and marketing a programme of business support activity from within the Investment Centre and entering into necessary negotiations and contracts required for such delivery.
- (iv) Appoint a marketing resource on a fixed term temporary contract to undertake the additional marketing activity on a part time basis.
- (v) Explore and implement income generation opportunities from the delivery of some of the business support services to support the continued sustainability of the overall service.

52. STRATEGIC ASSET MANAGEMENT PLAN (SAMP)

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which requested the adoption of a Strategic Asset Management Plan (SAMP) which set out priorities and detailed the governance of the Council's property portfolio.

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 SAMP be adopted and the pilot project action plan detailed in it be undertaken.

53. WEST LANCASHIRE ECONOMIC STUDY

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which sought endorsement of the West Lancashire Economic Study and action plan.

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 West Lancashire Economic Study be endorsed and the actions identified in the Action Plan attached at Appendix 1 to the report be progressed by the Executive Manager Regeneration and Estates where possible, resources permitting.

54. REGULATION OF INVESTIGATORY POWERS ACT (RIPA) - ANNUAL SETTING OF THE POLICY AND REVIEW OF USE OF POWERS

Councillor Grant introduced the report of the Council Secretary and Solicitor which detailed the Policy on the Use of the Regulation of Investigatory Powers Act 2000 (RIPA), reviewed the use of covert surveillance and the acquisition of communications data in West Lancashire over the last year and considered the results of the inspection by the Office of Surveillance Commissioners on 21 July 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:
- A. That the RIPA Guide and Guidance on completing RIPA authorisation forms at Appendix 1 be approved.
 - B. That the Council's RIPA activity detailed in paragraph 6 of the report, be noted.
 - C. That the action plan attached as Appendix 3 to the report, arising from the inspection by the Office of Surveillance Commissioners on 21 July 2010, be approved.

55. RISK MANAGEMENT

Councillor Westley introduced the report of the Council Secretary and Solicitor which detailed the Key Risks facing the Council and how they are being managed.

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 progress made in relation to the management of risks shown in the Key Risks Register at Appendix A to the report be noted and endorsed.
 - B. That the next step for reviewing the Risk Management process as set out in paragraph 5 of the report be agreed.

56. REVENUE OUTTURN

Councillor Westley introduced the report of the Council Secretary and Solicitor which detailed the key features of the financial outturn position for the last 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 outturn position including contributions to reserves be noted.
- 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 on 30 September 2010.

57. REVENUE MONITORING

Councillor Westley introduced the report of the Council Secretary and Solicitor which provided an early assessment of the financial position on the Revenue Accounts in the new 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.
- B. That call in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 30 September 2010.

58. CAPITAL PROGRAMME OUTTURN 2009/10

Councillor Westley introduced the report of the Council Secretary and Solicitor which provided a summary of the capital outturn position for the 2009/2010 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 final position, including slippage, on the Capital Programme for the 2009/2010 financial year be noted and endorsed.
- B. That the call in procedure is not appropriate for this item as it is being referred to the next meeting of the Executive Overview and Scrutiny Committee on 30 September 2010.

59. CAPITAL PROGRAMME MONITORING 2010/11

Councillor Westley introduced the report of the Council Secretary and Solicitor which provided an overview of the current progress on the Capital Programme.

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 progress on the Capital Programme as at the end of July 2010, be noted.

- B. That the call in procedure is not appropriate for this item as it is being referred to the next meeting of the Executive Overview and Scrutiny Committee on 30 September 2010.

60. THE NORTHERN RAIL HUB

Councillor Forshaw introduced the report of the Acting Executive Manager Planning which advised of Network Rail's report on transforming the rail network in the north of England and sought approval to submit comments.

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 comments set out below be submitted to Network Rail:

"West Lancashire Borough Council welcomes the proposals to improve strategic rail services in the North of England. We would, however make a request that any planned improvements should take into account the work planned as part of the Merseyside Rail Utilisation Strategy. In particular the Council is keen to ensure that the results of the ongoing Feasibility Study into the creation of a new electrified link from Liverpool to Skelmersdale are included in any plans for the future railway network. The Council would also support the extension of an electrified service from Liverpool through Burscough and through to Preston and to Southport utilising a new rail link at Burscough. This is also featured in the Merseyside RUS, as part of the proposals to improve rail services in the Northwest.

The Borough Council is working closely with Merseyrail to gain a better understanding of the business case for a Skelmersdale link which we believe will have considerable social, economic and environmental benefits for the region. We will be happy to share the results of this study with Network Rail so that it can, hopefully help to shape your future investment plans."

61. AFFORDABLE HOUSING

Councillor Hopley introduced the report of the Executive Manager Housing and Property Maintenance Services which recommended the introduction of two schemes aimed at assisting in meeting affordable housing need in the Borough, utilising funds set aside for this purpose.

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 Transfer Incentive Scheme (Appendix A) and Cash to Leave Scheme (Appendix B) be approved subject to Item 9 on Appendix B entitled 'Property Location' being reviewed by the Executive Manager Housing and Property Maintenance Services and a recommendation being considered by Council on 20 October 2010.

- B. That the existing Affordable Housing Capital Budget of £356,000 for 2010-11 be used to fund those schemes based on the budget details set out in paragraph 14.1 of the report.
- C. That the Executive Manager Housing and Property Maintenance Services be authorised to amend the Housing Allocation Policy to allow that an additional bedroom be allowed for those transfer applicants who qualify under the Transfer Incentive Scheme.
- D. That the Executive Manager Housing and Property Maintenance Services be authorised, in consultation with the Housing Portfolio Holder to make minor alterations to these initiatives in order to make them appropriate and relevant.
- E. That any underspend from the Transfer Incentive Scheme and Cash to Leave Scheme for 2010/2011 be transferred to Reserves for the purposes of continuing to operate the schemes.
- F. That this report be referred to the next meeting of the Executive Overview and Scrutiny Committee and the Tenants and Residents Forum to enable them to submit comments to be considered by Council on 20 October 2010.

62. PUBLIC SECTOR HOUSING CAPITAL PROGRAMME - TENDERING ARRANGEMENTS

Councillor Mrs Hopley introduced the report of the Executive Manager Housing and Property Maintenance Services which sought agreement to change the procurement strategy for Public Sector Housing Capital Works Programme.

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 procurement strategy for Public Sector Housing Capital Works reverts to competitive tendering, in line with the Council's Contract Procedure Rule No. 7.
 - B. That the report be referred to the Audit and Governance Committee for information.

63. CRIMINAL DAMAGE - PROPOSED TENANCY AND ASSOCIATED ACTIONS

Councillor Mrs V Hopley introduced the report of the Executive Manager Housing and Property Maintenance Services which sought approval to the proposed actions to be taken against tenants who are involved in the theft of electricity or gas.

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 Executive Manager Housing and Property Maintenance Services take all appropriate action, using existing delegated authority, which may include possession proceedings against tenants who are suspected as being involved in the illegal extraction of electricity (or gas) on relevant grounds, as this activity is putting the property at risk, is endangering the lives of others and is therefore a breach of the Tenancy Agreement.
- B. That the Executive Manager Housing and Property Maintenance Services produce high profile publicity surrounding such cases, to send out a clear message that the Council will not tolerate this behaviour and highlight this initiative with the Health and Safety Executive and Local Government Association so that National initiatives and best practice can be established.
- C. That the Executive Manager Housing and Property Maintenance Services ask the Community Safety Partnership to establish a multi-disciplinary sub-group consisting of the Council, Police, Fire and Rescue and Energy Suppliers (if they will co-operate) to co-ordinate an approach to tackle this matter which could be highly dangerous.

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

Councillor Owens introduced the report of the Executive Manager Regeneration and Estates which detailed the current position with regard to the Mid Lancashire Multi Area Agreement (MAA) and emerging Local Enterprise Partnerships (LEPs) and advised on Local Investment Plans (LIPs) and the implications for attracting external funding.

Cabinet was advised that the position regarding these issues was continually changing and in this respect the Executive Manager Regeneration and Estates provided a verbal update on the following matters:

- National Affordable Housing funding
- The LIP process
- Lancashire Wide LEP
- Regional Growth Fund

In reaching the decision below, Cabinet considered the update from the Executive Manager Regeneration and Estates and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED: A. That the current position on the Mid Lancashire MAA and emerging Local Enterprise Partnerships, the progress made to date in respect of the Local Investment Plan process and work programme and policy announcements in respect of future external funding, be noted.

- B. That the Executive Manager Housing and Property Maintenance Services, in consultation with the Portfolio Holder for Housing agree the mechanism for determining funding applications under the National Affordable Housing Programme.
- C. That the Chief Executive, in consultation with the Leader continue discussions with regard to Local Enterprise Partnership proposals for Lancashire, proceed with discussions and determine which LEP is in the best interest for West Lancashire.
- D. That delegated authority be given to the Executive Manager Regeneration and Estates, in consultation with the Leader and Portfolio Holder Regeneration and Estates to agree the Local Investment Plan with regard to future external funding for economic development and regeneration purposes.

65. KEY DECISION FORWARD PLAN - QUARTERLY REPORT ON SPECIAL URGENCY DECISIONS - 1 APRIL TO 30 JUNE 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 June 2010.

66. 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 and 7 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.

67. CCTV MONITORING CONTRACT - FUTURE PROVISION

Councillor Greenall introduced the report of the Executive Manager Community Services which detailed the proposed arrangements, including the financial implications associated with the future provision of CCTV monitoring.

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 Executive Manager Community Services in consultation with the relevant Portfolio Holder be authorised to negotiate and enter into an extension of the current monitoring contract with Remploy Managed Services Limited for a period of twelve months, with the proposed increased cost of £26,000 being made available from the Major Projects Reserve.

CABINET

HELD: 14 SEPTEMBER 2010

- B. That the call in procedure is not appropriate for this item as the matter is one where urgent action is required.

THE LEADER



AGENDA ITEM: 11(a)

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
30 September 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor Mrs V Hopley

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

SUBJECT: AFFORDABLE HOUSING

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the decision of Cabinet in respect of the introduction of two schemes aimed at assisting in meeting affordable housing need in the Borough.

2.0 RECOMMENDATIONS

2.1 That the report attached at Appendix 1, Minute 61 of Cabinet detailed at paragraph 3.2 below and the comments of the Executive Manager Housing and Property Maintenance Services set out in paragraph 4 below, be considered and any agreed comments be considered by Council on 20 October 2010.

3.0 BACKGROUND

3.1 The report of the Executive Manager Housing and Property Maintenance Services, which was considered at Cabinet on 14 September 2010, is attached at Appendix A to this report.

3.2 The minute of Cabinet reads as follows:-

“61. AFFORDABLE HOUSING

Councillor Hopley introduced the report of the Executive Manager Housing and Property Maintenance Services which recommended the introduction of two schemes aimed at assisting in meeting affordable housing need in the Borough, utilising funds set aside for this purpose.

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 Transfer Incentive Scheme (Appendix A) and Cash to Leave Scheme (Appendix B) be approved subject to Item 9 on Appendix B entitled 'Property Location' being reviewed by the Executive Manager Housing and Property Maintenance Services and a recommendation being considered by Council on 20 October 2010.
 - B. That the existing Affordable Housing Capital Budget of £356,000 for 2010-11 be used to fund those schemes based on the budget details set out in paragraph 14.1 of the report.
 - C. That the Executive Manager Housing and Property Maintenance Services be authorised to amend the Housing Allocation Policy to allow that an additional bedroom be allowed for those transfer applicants who qualify under the Transfer Incentive Scheme.
 - D. That the Executive Manager Housing and Property Maintenance Services be authorised, in consultation with the Housing Portfolio Holder to make minor alterations to these initiatives in order to make them appropriate and relevant.
 - E. That any underspend from the Transfer Incentive Scheme and Cash to Leave Scheme for 2010/2011 be transferred to Reserves for the purposes of continuing to operate the schemes.
 - F. That this report be referred to the next meeting of the Executive Overview and Scrutiny Committee and the Tenants and Residents Forum to enable them to submit comments to be considered by Council on 20 October 2010."

4.0 COMMENTS OF THE EXECUTIVE MANAGER HOUSING AND PROPERTY MAINTENANCE SERVICES

- 4.1 While the overall aims and principles of both schemes were welcomed, there was a desire to understand the approach referred to in Section 9 on Appendix B entitled 'Property Location' as it appears to limit peoples purchasing choice.
- 4.2 Section 9 was introduced out of recognition that there are three distinct housing market areas within West Lancashire each with varied house price ranges.

These are described as:

- Former new town of Skelmersdale
- Market Town Areas of Ormskirk, Aughton and Burscough
- Rural Settlements

Additionally, the Council is keen to see an increase in home ownership in all parts of the Borough, however within Skelmersdale home occupation rates are

disproportionate to the rest of the Borough. The regeneration of Skelmersdale Town Centre is a strategic priority for the Council, and aligned with that is encouraging more households to invest in that location to support the local economy. With that in mind the following approach was presented.

Tenants Existing Council Home	Can Purchase in
<ul style="list-style-type: none"> • Former new town of Skelmersdale 	<ul style="list-style-type: none"> • Former new town of Skelmersdale
<ul style="list-style-type: none"> • Market Town Areas of Ormskirk, Aughton and Burscough 	<ul style="list-style-type: none"> • Former new town of Skelmersdale • Market Town Areas of Ormskirk, Aughton and Burscough
<ul style="list-style-type: none"> • Rural Settlements 	<ul style="list-style-type: none"> • Former new town of Skelmersdale • Market Town Areas of Ormskirk, Aughton and Burscough • Rural Settlements

4.3 The perceived benefits of such an approach is:

- It encourages households currently residing in Skelmersdale to remain in Skelmersdale but promotes home ownership.
- May facilitate more households being able to be helped through the scheme, as house prices in Skelmersdale and Market Town Areas of Ormskirk, Aughton and Burscough are lower than rural areas.
- Ringfences the use of the fund for purchases of houses within West Lancashire.

4.4 If it is felt Section 9 should be removed then consideration will need to be given to whether the provision of a cash payment through the Cash to Leave scheme, using funds from West Lancashire Borough Council should or should not be allowed to be used for an applicant to purchase a property out of West Lancashire.

4.5 Alternative approaches in respect of Section 9 are:

- a) Retain Section 9 in its current format
- b) Amend Section 9 as thought appropriate
- c) Remove existing content of Section 9 but replace content stating that a household approved on to the scheme will be able to purchase property anywhere within or beyond West Lancashire Borough Council Boundary
- d) Remove existing content of Section 9 but replace content stating that a household is able to purchase property anywhere within or beyond West Lancashire Borough Council Boundary, but restrict it to another boundary, eg. Lancashire and / or Merseyside.
- e) Remove existing content of Section 9 but stipulate that a household will be required to purchase property within West Lancashire Borough Council Boundary

4.6 Should Elected Members wish to remove or amend section 9 then it is not fundamental to the operation of the scheme and therefore the scheme can still operate.

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

1. Report of the Executive Manager Housing and Property Maintenance Services – Affordable Housing – Cabinet 14 September 2010.



AGENDA ITEM: 5(q)

CABINET: 14 SEPTEMBER 2010

COUNCIL: 20 OCTOBER 2010

Report of: Executive Manager Housing & Property Maintenance Services

Relevant Portfolio Holder: Councillor Mrs V Hopley

**Contact for further information: Jonathan Mitchell (Extn. 5244)
(E-mail: jonathan.mitchell@westlancs.gov.uk)**

SUBJECT: AFFORDABLE HOUSING

JM/BC/2.937caboun
31 August 2010

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To recommend to Cabinet the introduction of two schemes that aim to assist in meeting affordable housing need in the Borough utilizing funds set aside for this purpose.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the Transfer Incentive Scheme (Appendix A) and Cash to Leave Scheme (Appendix B) be approved.

2.2 That the existing Affordable Housing Capital Budget of £356,000 for 2010-11 be used to fund these schemes based on the budget details set out in paragraph 14.1.

2.3 That the Executive Manager Housing and Property Maintenance Services be authorised to amend the Housing Allocation Policy to allow that an additional bedroom be allowed for those transfer applicants who qualify under the Transfer Incentive Scheme.

2.4 That the Executive Manager Housing and Property Maintenance Services be authorised, in consultation with the Housing Portfolio Holder to make minor alterations to these initiatives in order to make them appropriate and relevant.

2.5 That any underspend from the Transfer Incentive Scheme and Cash to Leave Scheme for 2010/2011 be transferred to Reserves for the purposes of continuing to operate the schemes.

3.0 RECOMMENDATION TO COUNCIL

3.1 That a funding adjustment be made whereby the balance of the £140,000 on the Affordable Housing Capital budget be swapped with the existing HRA Revenue Contribution to Capital budget in order to enable the Transfer Incentive Scheme which is revenue in nature to proceed.

4.0 BACKGROUND

4.1 One of the Council's Corporate Priorities is "Improving housing and ensuring that there is affordable housing available for local people". This priority is at the heart of the Councils Housing Strategy Update 2004-2009 and Affordable Housing Strategy 2008 –2013.

4.2 Affordable housing products can range from new build affordable housing, financial products to enable people to buy, products or incentives which enable best use of existing housing stock across all tenures along with other strategic approaches.

4.3 In order to support its affordable housing Corporate Priority, Cabinet set aside funds of £356,000.

4.4 In February 2009, the Affordable Housing Cabinet Panel was established to help shape, monitor and make recommendations to Cabinet in respect of the Councils approach to housing policy and the introduction of any new schemes. The Affordable Housing Cabinet Panels core activity covers:

- Drive forward and monitor the Council's work on developing affordable housing, through its strategic housing role, by ensuring that the local affordable housing policy is conducive to achieving positive affordable housing outcomes
- Ensure appropriate housing need and housing market information is available to support need for affordable housing interventions, including Local Development Framework policy formulation
- Explore delivery mechanisms that will enable maximum benefit of the Affordable Housing Budget and any other funding that is levered in to West Lancashire
- Commission appropriate research to further the affordable housing agenda

5.0 ASSESSING SUITABLE INTERVENTIONS

5.1 In order for the Affordable Housing Cabinet Panel to understand local housing need and potential affordable housing solutions and therefore possible investment options, Fordham Research were commissioned to undertake streams of work covering the areas shown below.

- Housing Need and Demand Study
- Affordable Housing Options
- Affordable Housing Definition Report
- Affordable Housing Viability Study
- Housing Solutions Report

5.2 The Council commission was unique and complex. It has taken longer than anticipated to reach a position where the various strands of work are almost complete, but none the less the substantial amount of work undertaken to date can be used to frame some initial expenditure proposals. Its worth noting that the work streams have strategic links into the work of planning colleagues in relation to Local Development Framework, so due regard has been given to their timetable and emerging changes in relation to Regional Spatial Strategy abolition.

6.0 CURRENT POSITION

6.1 On 16 June 2010 the Affordable Housing Cabinet Panel received a presentation from Fordham Research. The Fordham presentation covered the work stream areas shown at 4.1 and also placed particular emphasis on their Housing Solutions report, which had been specifically produced to show examples of the types of schemes that funds could be invested in, while also considering the cost effectiveness of each approach

6.2 Cost effectiveness is considered against two aspects:

- Its cost in terms of direct public subsidy
- Its cost in terms of Household removed from need (HRN). This is typically different from and less than the direct subsidy cost. The HRN measure examines the net position over the longer term. Thus a short life housing project might provide housing for 5 years at very low cost, but then a newbuild dwelling is required. This can be compared with providing other options including a newbuild dwelling now.

6.3 The direct public subsidy measure is the cost a local authority requires now to fund a specific affordable housing intervention, for example direct public subsidy required to build a 3 bed house to help to meet housing need may be £60,000. On the face of it, that direct public subsidy of £60,000 will remove one household from affordable housing need.

- 6.4 The HRN measure takes account of events in the longer term such as relets and resales in order to compare like with like. For example, referring to the example in paragraph 6.3, the direct public subsidy for the new house at a cost of £60,000 will help meet housing need. Yet if you then consider that the house may be available for 60 years and perhaps is let four times during that period. In simple math terms, each household removed from need (HRN) would have cost £15,000.
- 6.5 The HRN is a more sophisticated measure showing a more realistic cost of each intervention option over the longer term. Any Investment Strategy decisions should take account of both facets of the situation if the best investment choice is to be made.
- 6.6 Fordham Research defined two routes towards helping those in housing need:
- One group of measures is 'need altering'. These include measures such as advice centres, and rent deposit schemes, which do not create a new supply of affordable housing, but may help households with housing problems/ need to meet their housing need without the need to create a new supply. If for example a household in an overcrowded dwelling is able to exchange with one which is under-occupying, in principle there is a mutual gain without any need to create a new unit of supply (such as a new affordable dwelling).
 - The second route is 'supply altering' solutions. This includes the obvious route of building more housing, but can also include repairing defective stock, or converting stock from one tenure to another.
- 6.7 The Housing Solutions Report introduced a range of delivery options and also provided an investment example. The Affordable Housing Cabinet Panel felt that two particular affordable housing products stood out in relation to the cost of removing a household from need and could be implemented reasonably quickly, when compared with other approaches using the funding available. These schemes are the main focus of the remainder of this report. Appendix 3 replicates the investment example.
- Cash To Leave Scheme – an incentive scheme that offers a grant payment to social rented tenants to move into the private rented or owner occupied sectors.
 - Transfer Incentive Scheme – an incentive scheme that offers a grant payment to social rented tenants to downsize.
- 6.8 Both of the approaches do not require new property to be built, can be implemented reasonably quickly and meet housing need by making better use of existing social housing stock and rehouse applicants from our Council Housing Register.

6.9 Following the Fordham presentation on 16th June 2010, the Affordable Housing Cabinet Panel met again on 28th July 2010 and recommended that:

- The Affordable Housing Cabinet Panel recommend to Cabinet that West Lancashire Borough Council invest £140,000 for Downsizing (Transfer Incentive) and £216,000 for Cash to Leave to assist those in need of affordable housing.
- The Executive Manager Housing & Property Maintenance Services investigate how schemes of this nature would operate to suit local circumstances and to recommend a Policy for implementation of these initiatives.

7.0 COUNCIL HOUSING REGISTER AND HOUSING STOCK

7.1 As at 1st April 2010 there were 2438 applicants recorded on our Council Housing Register. A breakdown of property and bedroom requirements is below.

Waiting List	Bedrooms Required
1303	1
757	2
298	3
44	3+
36	Not specified

7.2 As at August 2010, the Council Housing Stock consisted of 6268 dwellings. A breakdown is shown below.

Bedrooms - (totals)	Sheltered	Flats/ Maisonettes	Houses / Bungalows
1 - (1907)	1185	712	10
2 - (1367)	20	821	526
3 - (2587)	21	119	2447
4 - (285)	0	6	279
5 - (83)	0	0	83
Bedsit (39)	39	0	0
	1265	1658	3345

8.0 WHY INTRODUCE THESE SCHEMES

8.1 Transfer Incentive Schemes and Cash to Leave Schemes are used by a number of Councils throughout the Country.

8.2 In the case of Transfer Incentive Schemes they provide a policy approach in which Councils can try to address any accommodation supply and demand

issues by providing incentives to existing under occupying tenants to move to smaller accommodation, that still meets their household needs. At the same time this enables the freeing up of accommodation that is in higher demand so that applicants on the Council waiting list can be re-housed.

8.3 These schemes can also encourage and /or incentivise tenants to move to Council dwellings which are prone to higher void periods, in effect some of our less popular dwelling types. This improves rental income streams and also makes better use of our social housing stock, along with the sustainable community benefits of having property occupied rather than unoccupied for long periods.

8.4 Cash to Leave Schemes achieve the same gain in that they free up existing Council property, although a property in which “to transfer to” is not required as the householder moves out of Council accommodation completely.

9.0 WHAT TYPE OF INCENTIVES

9.1 Most schemes offer cash incentives based on the number of bedrooms released, usually based on a fixed amount per bedroom gained.

9.2 Other schemes offer a hybrid approach that will still pay a cash sum, but will also reduce the pain and worry of moving by dealing with issues covering, replacement/ relaying of carpets, assistance with housing benefit and other forms if required, decorating, removals, disconnection and reconnection of white goods etc – up to a pre-determined value.

9.3 In a West Lancashire setting the Transfer Incentive Scheme is likely to appeal to older households and so it was felt that a hybrid approach would be appropriate.

9.4 An additional cash sum would be paid if the household was eligible and was willing to transfer to Category II schemes.

10.0 OUR ACCOMMODATION SUPPLY AND DEMAND BLOCKAGES

10.1 The Councils Housing Management Team highlight that in terms of bedroom sizes and property type the highest need is for 2 bed houses, followed by 2 plus bed houses. Least demand in terms of property type tends to be amongst general needs flats, sheltered flats and Category II accommodation.

10.2 Any Incentive Schemes that are introduced should be designed to address these supply and demand factors, so as to make better use of our Council Housing Stock and help improve the rate at which we are able to rehouse people from our Council Housing Register.

10.3 The implication of this is that the Transfer Incentive Scheme will need to encourage households currently under occupying Council houses to downsize to flatted accommodation as oppose to a household downsizing

from a 3 bed house to a 2 bed house. If this were taken as an example then, while there would be a gain in a bedroom, the move would not release a 2 bed house where our highest waiting list need is.

11.0 CORE PRINCIPLES FOR EACH SCHEME

11.1 Each scheme will need to be operated in a manner that captures the following core delivery principles:

- Aims to not expose the moving household to a financial situation that could lead to homelessness. In the case of the Cash To Leave scheme, it will only be targeted to existing tenants regarded as being able to purchase their own property and sustain their financial obligations. It will not, at this stage seek to encourage existing tenants to move into the private rented sector, until such time that the implications in respect of Rent Allowance changes are understood.
- Has controls and mechanisms in place to ensure the grant is provided and used as originally intended by the receiving household.
- Will ensure that the dwelling that a household subsequently moves to is appropriate for their household size and mobility requirements.
- Will provide clear eligibility criteria and information to applicants of the scheme as to the process

12.0 EXISTING COUNCIL HOUSING ALLOCATION POLICY

12.1 Our existing Housing Allocation Policy will only allow transfer applicant to move to a property of a bedroom size that meets their existing need.

12.2 In order to make the Transfer Incentive Scheme more appealing and to acknowledge that households are freeing up much needed house type accommodation to move to flatted accommodation, it is proposed that an additional bedroom be allowed for those transfer applicants who qualify under the Transfer Incentive Scheme. For example a couple living in a three-bedroom house, would ordinarily be given an increase in priority to move on our council transfer waiting list, however they would still only be offered a 1-bed dwelling. The proposal would be to allow an additional bedroom above their actual bedroom requirement.

13.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

13.1 Affordable housing is a corporate priority and as such the development of two schemes that aim to make better use of social housing to meet affordable housing need compliments the Councils and LSP Sustainable Community

Strategy objectives, particularly, *to provide more appropriate and affordable housing to meet the needs of local people.*

14.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 14.1 There is currently £356,000 in the Affordable Housing Capital Scheme. It is proposed that £216,000 of this budget be used to fund the Cash to Leave scheme which is capital in nature. However the Transfer Incentive scheme is revenue in nature, and consequently cannot be funded directly from capital, and requires a funding adjustment to be made to enable it to proceed. Consequently it is proposed that the balance of the £140,000 on the Affordable Housing Capital budget be swapped with the existing HRA Revenue Contribution to Capital budget. This change will provide the revenue funding for the Transfer Incentive Scheme to proceed but will not have any effect on other HRA revenue or capital programmes.
- 14.2 In respect of the Transfer Incentive Scheme since a transfer of more than £50,000 between revenue and capital is required then Council approval will be required.
- 14.3 Initially it is proposed to resource the schemes from existing staffing resources. A Choice Based Lettings Scheme will be introduced from February 2011 and it is unclear the resource implications that will also have on the Voids and Allocations Team staffing resources and may need to recharge the salary of a post to the two schemes.
- 14.4 The size of incentive for each scheme is designed to make the schemes both appealing yet practical in that the size of the incentive offer is reasonable and practical for the schemes purpose.
- 14.5 The incentive referred to in respect of the Cash to Leave Scheme (of up to £20,000 payment towards the purchase of a property) takes account of the range of house prices that exist in West Lancashire area and reflects the changing deposit requirements required by lenders following the changes in the economy in recent times and the impact that has had on how mortgage lenders approach mortgage lending. In the cash of the Cash to Leave scheme, it should be noted that households may wish to apply to the scheme who are not currently under-occupying their Council accommodation and so any property they were to buy would most likely fall into the 2/3 bed house price range.

15.0 LEGAL IMPLICATIONS

- 15.1 The two attached draft policies provide the framework to shape documentation, management and the required processes in order to operate each scheme.

15.2 The Council's Legal Services Section will be instructed to advise on the appropriate legal steps to protect the Council's grant monies to make sure they are spent by the grant recipient properly and in the case of Cash to Leave Scheme, that the Council's right to reclaim any grant money if the property is sold is enforceable.

16.0 REVIEW

16.1 It is proposed that both schemes be evaluated, reviewed and amended where required following 12 months operation from the date of their official launch

17.0 CONCLUSION

17.1. The Transfer Incentive Scheme aims to meet housing need by encouraging the occupation of existing Council housing in a manner that better matches the size of property to the size of household. Under occupation of Council housing is a national issue. Central Government has made announcements about this issue and potential options to improve matters. In the meantime, Social Housing waiting list continues to grow and/or it takes longer for applicants to get re-housed because of the lack of social housing to meet. This scheme aims to address this issue.

17.2 The Cash to Leave Scheme will free up much need Council Housing and also provide an opportunity for those who can afford to buy housing on the open market, with the added assistance of the cash incentive, to get on to the housing ladder.

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. By ensuring more families have access to suitable accommodation the Council is improving the equality and access to affordable housing.

Appendices

Appendix A – Proposed Tenant Incentive Scheme Policy
Appendix B – Proposed Cash to Leave Scheme Policy
Appendix C – Housing Solutions Report – Table Extract

DRAFT TRANSFER INCENTIVE SCHEME POLICY

1. Introduction

West Lancashire Borough Council has a limited supply of family sized accommodation when compared with the demand expressed by our Council House Register. The main need is for family houses of two bedrooms or more. The Council has therefore adopted an under-occupation incentive scheme in order to free up these properties.

Under this scheme, council tenants who are giving up these types of accommodation are eligible for cash and practical relocation incentives and are given the highest priority for rehousing in the allocations scheme.

2. Eligibility

The Transfer Incentive Scheme is available to tenants who meet the following:

- Have been a secure tenant of West Lancashire Borough Council for a minimum of three years.
- Occupy a general needs family house with two or more bedrooms
- Have a clear rent account or have an agreement in place to clear arrears and Estate Management & Tenant Participation Team agree that a move can take place.
- Agree to provide vacant possession of their present home.
- Agree to transfer to smaller accommodation that meets their bedroom requirement plus a maximum of one bedroom extra, if the tenant prefers from the following property types:
 - General needs flats
 - Sheltered flats
 - Category II accommodation.

The Rent Recovery & Money Advice Team will be consulted where tenants are in rent arrears, but are not subject to a possession order.

3. Ineligibility

A Transfer Incentive Scheme Grant will not be available to people who:

- Are subject to a possession order
- Have been served with a Notice of Seeking Possession for anti-social behaviour or a Notice Seeking Possession or Demotion has been served on the tenant in the last 12 months, the tenants are in rent arrears or court proceedings are ongoing, unless dispensation has been granted by Executive Manager Housing & Property Maintenance Services, in consultation with the Portfolio holder

- Hold an introductory tenancy or are licensees
- Have previously received a Tenant Incentive Scheme grant payment

4. Incentive Payments

Incentive payments will be paid at the following rates to those transferring from family-sized general needs accommodation to smaller or non-adapted property.

- £1,000 if you give up a house and move to a general needs flat
- £1,250 if you give up a house and move to a sheltered flat
- £1,750 if you give up a house and move to Category II accommodation

Plus for each bedroom that is freed up for the Council, by virtue of the move, the following scale will be applied.

- £1,000 if you give up one bedroom
- £1,250 if you give up two bedrooms
- £1,500 if you give up three or more bedrooms

Plus:

The Council will arrange and pay for:

- Furniture removal and relocation
- Disconnection and reconnection of white goods
- Redecoration costs up to a maximum of £600
- Relocation of existing carpets or their replacement if relocation is not appropriate because of room sizes and shape up to a value of £600

Plus will:

- Assist with any forms in relation to notifying housing benefit (if applicable) of your move.
- Assist, if required, in notifying your existing utility companies of your move – Gas, Electric, Phone and Water

5. Budget Limits

The above payments will be subject to budget limits. If there are more requests for transfer incentive grants than there is funding available, the council will:

- Give priority to those willing to move to sheltered or category II schemes where the move will free up two or more bedrooms.
- Give priority to applications regarded as high demand by the Voids and Allocations Team

Any applications remaining after the exhaustion of funds will be considered should funds for the Scheme be replenished

The council reserves the right to reduce the payments above by:

- The amount of rent arrears owed to the council at the time of transfer; and/or
- The cost of any works that the council has to undertake to the vacated premises as a result of damage or neglect on the part of the tenant and/
- Any other reinstatement works to bring the work back to the Council lettable standard, that are not regarded as fair wear and tear and/or
- Any outstanding court costs

Payments will be authorised once the tenant has moved and following an inspection of the vacated property.

Applicants **must** be registered on the scheme **before** a move takes place for a payment to be authorised.

6. Property Inspections

A pre-transfer inspection will be carried out once the Council has received your Tenant Incentive Grant application form. This will help, in part, determine if there are any likely issues that may impact on the size of any Tenant Incentive Grant payment. E.g. the need to remove non fire retardant ceiling tiles.

7. Financial Resources

The budget available for the existing scheme is currently £140,000. The scheme will be kept under review and the need for any additional funding will be dealt with as part of the annual budget setting process.

8. Applications & Assessment

Transfer applicants must complete a housing application form and TIS Application Form available from the Voids and Allocations Team

Once a transfer applicant has been accepted onto the scheme they will be given appropriate priority by the Voids and Allocations Team and sent a welcome pack with details of the size of property they are eligible for.

The applicant will be contacted in due course with offers of property in line with usual Council policy.

9. Local Connection Criteria

In some parts of West Lancashire there are only a small number of Council homes.

We want to make sure that communities can stay together by giving reasonable preference to people who have a 'local connection' with specific areas of the borough, as well as giving people in housing need the chance to choose where they want to live.

Full details are shown in the Guide to housing allocations" available on the Council Website www.westlancs.gov.uk

In order to be considered as having a local connection with an area for example, Burscough or Ormskirk, you must show that you meet one of the following conditions.

You must be able to demonstrate one of the following conditions.

- Have lived in that area for three out of the past five years.
- Have family who have lived in that area for at least the last two years, and you are moving to either give them support or receive support from them.
- Need to move to, or stay in, that area to receive the support of local organisations or support facilities, for example, day centres, treatment centres, and you would not be able to continue to go to these facilities if you moved away from the area.

Those transfer applicants accepted on to the Tenant Incentive Scheme will be subject to the same local connection tests in respect of the area they wish to relocate to, unless the Voids and Allocations Team are satisfied that no other applicant is on the waiting list who would ordinarily satisfy the above local connection criteria.

10. Voids and Allocations Team

The Scheme will be administered by the Voids and Allocations Team based at Sandy Lane Offices, Skelmersdale. Contact details:

Voids & Allocations Team
Housing Services Division
P.O. Box 16
52 Derby Street
Ormskirk
L39 2DF

E-mail: voidsandallocationsteam@westlancs.gov.uk
Tel: 01695-577177

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Examples

Mr and Mrs Jones live in a 3 bedroom house and apply to the scheme. They only require a one bed flat and are prepared to move to a one bed Sheltered Flat. The Transfer Incentive Scheme Grant payment would be £2,500 calculated as follows:

- £1,250 for moving to a sheltered flat
- £1,250 because the Council gained two bedrooms

They would also receive additional assistance as referred to in Paragraph 4, in relation to removal and relocation, some decoration and assistance with carpeting.

Mr and Mrs Jones live in a 2 bedroom house and apply to the scheme. They only require a one bed flat but don't want to lose a bedroom. They are prepared to move to a one bed Sheltered Flat. The Transfer Incentive Scheme Grant payment would be £1,250 calculated as follows:

- £1,250 for moving to a sheltered flat
- £ NIL because the Council did not gain any bedrooms.

They would also receive additional assistance as referred to in Paragraph 4, in relation to removal and relocation, some decoration and assistance with carpeting.

DRAFT CASH TO LEAVE POLICY

1. Introduction

West Lancashire Borough Council has a limited supply of family sized accommodation when compared with the demand expressed by our Council House Register. The main need is for family houses of two bedrooms or more. The Council has therefore adopted a Cash to Leave Scheme.

Under this scheme, council tenants who are giving up these types of accommodation are eligible for a cash payment towards the purchase of a property on the open market that meets their household needs subject to the criteria mentioned below. This frees up accommodation for the Council to let to applicants in need of family housing from the Council Housing Register.

2. Eligibility

The Cash to Leave Scheme is available to tenants who meet the following:

- Have been a secure tenant of West Lancashire Borough Council for a minimum of three years.
- Have not been in receipt of Housing Benefit for at least 12 months consecutive months
- Occupy a general needs family house with two or more bedrooms
- Have maintained a clear rent account for at least 3 months and keep it clear up to and including the date of completion.
- Are up to date with other Council payments such as Council Tax.
- Agree to provide vacant possession of their present home on the date of completion of the purchase of your new home.
- Agree to purchase jointly a new home, if you have a spouse or partner who normally resides with you.
- Must be the purchaser or joint purchaser of the property for which the Grant will be paid
- Would not be able to purchase a property without the Cash to Leave Incentive Grant from the Council
- That the heads of the household collectively have sufficient income to maintain a mortgage on the property for which the Cash to Leave Incentive Grant will be paid
- Agree to provide evidence of savings and investments regarding your household income in order to demonstrate the potential to purchase a property on the open market.
- Agree that all adult members of the household will sign an authorisation giving this Council permission to confirm the details provided on their Cash to Leave Scheme application form.
- Agree that the property will be for their sole use and occupation and will be their principal home.

- Agree to a charge being attached to their property in connection with repayment of Cash to Leave Grant in accordance with the requirements of paragraph 7.

NB: If the tenant has savings, the first £3,000 will be disregarded to allow for legal and other fees. The tenant must be able to afford the mortgage, stamp duty, building insurance and legal fees.

3. Ineligibility

A Cash to Leave Scheme Grant will not be available to people who:

- Are subject to a possession order
- Have been served with a Notice of Seeking Possession for anti-social behaviour or a Notice Seeking Possession or Demotion has been served on the tenant in the last 12 months, the tenants are in rent arrears or court proceedings are ongoing, unless dispensation has been granted by Executive Manager Housing & Property Maintenance Services, in consultation with the Portfolio holder
- Hold an introductory tenancy or are licensees
- Have previously received a Tenant Incentive Scheme grant payment or Cash to Leave Grant
- Applications will not be accepted where one of the household member(s) is on the Council Housing Register and may become homeless if the tenant moves following a successful Cash to Leave Grant application.

4. Tenant responsibility and future rehousing by the Council

The Council needs to satisfy itself that a tenant applying to the scheme is eligible and will consider household income and expenditure, along with savings and investments as part of that process.

The tenant(s) however, will be expected to take the full responsibility of making an informed decision before proceeding with the scheme. Tenants should seek advice on initial payments and financial commitments that homeownership involves such as stamp duty, solicitors fee, surveyor, mortgage, life insurance, content and building insurance.

Tenants should be aware that, should they subsequently lose the home that was purchased using a grant from the Cash to Leave Scheme, they may be considered "intentionally homeless" and will not be eligible for re-housing by the Council if the loss of the accommodation is due to any deliberate act or omission by the applicant, which subsequently causes the loss of the accommodation, and assuming it was reasonable to continue to occupy the accommodation. Such a deliberate act or omission would include non-payment of the mortgage repayments, where the Council is satisfied that the applicant had the means to meet the repayments, or any other deliberate breach of the terms of the mortgage.

5. Incentive Payments

An incentive payment of up to £15,000 will be paid to bridge the gap between what you can afford to borrow and the cost of a property of the size and type that is appropriate for your household. In low value areas the incentive payment made by the Council will not be greater than 20% of the open market value of the property or £15,000 whichever is the lower.

NB: The Cash to Leave Scheme Incentive payment will not be paid direct to the tenant.

6. Budget Limits

The above payments will be subject to budget limits and fund availability.

The council reserves the right to reduce the payments above by:

- The amount of rent arrears owed to the council at the time of transfer; and/or
- The cost of any works that the council has to undertake to the vacated premises as a result of damage or neglect on the part of the tenant and/
- Any other reinstatement works to bring the work back to the Council lettable standard, that are not regarded as fair wear and tear and/or
- Any outstanding court costs

Payments will be authorised once the tenant has moved and following an inspection of the vacated property.

Applicants **must** be registered on the scheme **before** a move takes place for a payment to be authorised.

7. Time Limits

Once an applicant has been accepted on the Scheme they will be expected to locate and purchase a property as speedily as possible. This is because a potential grant payment will be reserved and held back and will not be made available to any other applicant until a property sale has been completed or the applicant is removed from the scheme by the Council.

The Council reserves the right to remove any accepted applicant from the scheme if it is of the opinion that the applicant is not making sufficient headway in locating an appropriate property for their household. The Council will not be liable for any fees incurred by the applicant. As a guide the following will be considered:

Stage	Time Period Allowed
Obtain mortgage offer and locate a property	4-7 weeks
Offer made	2 weeks
Commission Building Surveys and review reports and decide whether to proceed or renegotiate purchase price	3 weeks
Completion of remaining legal activity, searches and exchange of contracts etc,	4-8 weeks

7. Repayment of the Grant

Repayment of grant is required should the property that was purchased by using the Cash to Leave Grant be sold in accordance with the time scales shown below.

Period of time from completion of purchase	Percentage of Cash to Leave Grant to be paid back
1 year	100%
2 years	75%
3 years	50%
4 years	25%
5 years and over	0%

8. Property Type and Bed Size

Tenants can select a residential property on the open market, provided that it is:

- Immediately habitable
- Acceptable for mortgage purposes
- A suitable size for your household

The Cash to Leave Scheme will not assist in the purchase of:

- A commercial property
- A property at auction
- A mobile home
- A plot of land on which to build
- A property requiring renovation that is not immediately habitable
- A Shared Ownership property
- A property belonging to someone else being purchased under Right to Buy

In terms of bed size, the property purchased by the tenant must meet the households bedroom requirements. The Scheme will allow for one additional bedroom over and above the household bedroom requirement.

9. Property Location

There are three distinct housing market areas within West Lancashire each with varied house price ranges. These are described as:

- Former new town of Skelmersdale
- Market Town Areas of Ormskirk, Aughton and Burscough
- Rural Settlements

The Council is keen to see an increase in home ownership in all parts of the Borough, however within Skelmersdale home occupation rates is disproportionate to the rest of the Borough. With that in mind the following will apply when a tenant is identifying a property that they would like to purchase.

Tenants Existing Council Home	Can Purchase in
<ul style="list-style-type: none"> • Former new town of Skelmersdale 	<ul style="list-style-type: none"> • Former new town of Skelmersdale
<ul style="list-style-type: none"> • Market Town Areas of Ormskirk, Aughton and Burscough 	<ul style="list-style-type: none"> • Former new town of Skelmersdale • Market Town Areas of Ormskirk, Aughton and Burscough
<ul style="list-style-type: none"> • Rural Settlements 	<ul style="list-style-type: none"> • Former new town of Skelmersdale • Market Town Areas of Ormskirk, Aughton and Burscough • Rural Settlements

10. Mortgage Affordability and Term

Mortgage repayments vary with interest rates, which can rise. When considering home ownership a Building Society or Bank can advise on the maximum amount that can be borrowed subject to financial status (as a rough guide this is normally three times a single income or four times joint income and sometimes higher in certain circumstances). The Council does not recommend obtaining maximum mortgages as the household becomes more financially exposed should mortgage interest rates rise or there is some other unexpected household expense.

Strategic Housing Market Assessment (SHMA) Practice Guidance Version 2, issued by Department for Communities and Local Government: in August 2007 suggests that a household can be regarded able to afford to buy a home if it costs 3.5 times the gross household income for a single earner household or 2.9 times the gross household income for dual-income households.

The Cash to Leave Scheme will use the SHMA guidance as an assessment criteria when determining a households eligibility for the scheme.

It is recommended that a mortgage term of no more than 25 years be accepted.

11. Property Inspections

A pre-transfer inspection will be carried out once the Council has received your Cash to Leave Grant application form. This will help, in part, determine if there are any likely issues that may impact on the size of Cash to Leave Grant payment. E.g. the need to remove non fire retardant ceiling tiles.

12. Financial Resources

The budget available for the existing scheme is currently £216,000. The scheme will be kept under review and the need for any additional funding will be dealt with as part of the annual budget setting process.

13. Applications & Assessment

Applicants must complete a housing application form and Cash to Leave Scheme Application Form available from the Voids and Allocations Team

Once an applicant has been accepted onto the scheme they will be given a welcome pack with details of the various phases of the process.

14. Voids and Allocations Team

The Scheme will be administered by the Voids and Allocations Team based at Sandy Lane Offices, Skelmersdale. Contact details:

Voids & Allocations Team
Housing Services Division
P.O. Box 16
52 Derby Street
Ormskirk
L39 2DF

E-mail: voidsandallocationsteam@westlancs.gov.uk
Tel: 01695-577177

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Example

If you earn enough to borrow £80,000 (your mortgage potential) but the property you want to buy is £95,000, then the Council will may be able to assist you with a cash grant of £15,000 to bridge the gap.

<i>i.e</i>	<i>Cost of the property</i>	<i>£95,000</i>
	<i>Mortgage potential</i>	<i>£80,000</i>
	<i>Grant required</i>	<i>£15,000</i>

NB. The amount of grant given does also depend on a number of other factors such as:

This depends on –

- How much you can afford to borrow.
- The size and cost of property needed to accommodate your family.
- Size and condition of the property you vacate.
- The overall sum available to the Council in any one year.

TABLE EXTRACT FROM HOUSING SOLUTION REPORT

The Housing Solutions Report was produced for consideration by the Affordable Housing Cabinet Panel. It introduced a range of potential delivery options to assist in meeting affordable housing need utilising the total funds available from the Affordable Housing Budget. It didn't simply concentrate on building new affordable housing as the only route to meet affordable housing need but considered other options as well in a mix and match approach.

Additionally it presented information about the assumptions made across each of the affordable housing products the table refers to. The assumptions cover resales, relets and other related criteria to try and provide an understanding and indication of the cost of each product in relation to the number of households removed from need.

Within the table, replicated below, it shows the type of affordable housing product, the number of units that fits the available Affordable Housing Budget and an indication of the cost of removing a household from need based on that particular product.

Table 1: An option which fits the available budget					
Affordable Housing Product	£ per unit	No. of units	Units over 30 years	Total cost £	Cost per HRN £
Social rent	£55,750	8	22	446,000	£20,250.00
Shared ownership	£31,000	2	3	62,000	£57,000.00
Shared equity	£22,750	2	3	45,500	£42,000.00
Intermediate Rent	£53,500	2	5	107,000	£20,000.00
Cash to Leave	£15,000	28	76	420,000	£9,230.00
Downsizing	£10,000	28	76	280,000	£5,540.00
Total	N/A	70	185	1,360,500	

Table 1 shows a mix and match approach of interventions that could be used to meet housing need in the Borough. The combination of approaches could help up to 70 households in housing need. Some other options exist that have not been referred to within the table and will be explored further by the Affordable Housing Cabinet Panel.

Two particular affordable housing products stood out in relation to the cost of removing a household from need and could be implemented quickly. They are the focus of the main report – Cash to Leave and Downsizing (described as Transfer Incentive Scheme in the main report).

An Executive Summary and Full Report is available on request from Jonathan Mitchell, Housing Strategy and Development Programme Manager. Tel: 01695 585244.



AGENDA ITEM: 12

CABINET: 14 September 2010

**EXECUTIVE OVERVIEW AND
SCRUTINY: 30 September 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor D. Westley

**Contact for further information: Marc Taylor (Extn. 5092)
(E-mail: marc.taylor@westlancs.gov.uk)**

SUBJECT: REVENUE OUTTURN

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To set out key features of the financial outturn position for the last financial year.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the outturn position including contributions to reserves be noted.

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

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

3.1 That the outturn position be noted.

4.0 BACKGROUND

4.1 Regular monitoring reports on the budget position have been produced during the course of the 2009-10 financial year, and this report draws together details of the final outturn position and its impact on the level of reserves and balances. The audit of the accounts by our External Auditors is nearing completion but they have not raised any significant issues on the accounts to date. However if any issues are raised then these will be reported back to Members in due course.

5.0 OUTTURN POSITION

- 5.1 The Council set an original budget of £16.322m for the year. The final outturn position shows an overall favourable variance of £465,000, which is equivalent to 2.8% of the total budget. This continues the track record of delivering outturn performance in line with the budget that has consistently been realised by the Council, and means that another year's successful performance has been achieved.
- 5.2 The difficult medium term financial position facing the Council has been recognised for some time. Divisional Managers have been working to manage their outturn and to deliver savings that will assist in handling this situation. A breakdown of the outturn position by division is set out in Appendix 1 and shows that every division exceeded its budget targets.
- 5.3 A key factor in the outturn position was that as a result of the lower than expected pay award there was a saving of around £200,000 compared to budget.
- 5.4 While income budgets came under pressure during the year, performance has held up well in most areas given the difficult economic climate. However there were significant adverse variances in Development Control and Car Park income at the year end.
- 5.5 However these income variances have been more than offset by significant savings on staffing, and in particular the savings from Organisational Downsizing (OD). When the budget for 2009-10 was set an allowance of £200,000 was made for OD savings as at that time it was unclear what value of savings would be made and how long it would take to implement them. The final value of OD savings was £548,000 and so came in £348,000 better than the budget target. Consequently a key reason for the favourable budget variance is a managed underspend as a result of the OD initiative. The full year value of OD savings included in the budget for 2010-11 was £1.25m.
- 5.6 There were two high profile issues this year – travel concessions and benefits - where it was not possible to predict the outturn position with certainty and which were highlighted to Members. These issues will need to be kept under review as there may well be a further budget impact both in the current year and when setting the budget for 2011-12.
- 5.7 The Council participates in the Lancashire wide travel concession scheme for the elderly and disabled. A new set of County wide reimbursement rates were introduced this year to pay bus operators for concessionary journeys, with the aim of reducing costs. However these rates were challenged by the bus operators and it has only been recently that most of these legal issues have been resolved and the financial position has become clearer. As a result of the new rates a favourable budget variance of £153,000 has been achieved. This issue was raised in the revenue monitoring reports but was not included in the outturn projections, on a prudent basis, as the outcome was unclear.

- 5.8 Since the economic downturn started there has been a considerable increase in benefits expenditure, and payments are continuing to rise at the current time. Around £34m in Benefits was paid out last year, and this is a demand led service that is not within the direct control of the Council. 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.
- 5.9 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. Taken together these factors have meant that there is a significant increase in subsidy loss this year of around £180,000.
- 5.10 A further important factor was that there was a significant favourable budget variance on Street Scene for the year. This was delivered largely through efficiencies in terms of closer integration between Street Cleansing and Grounds Maintenance.

6.0 GRA RESERVES

- 6.1 The overall level of reserves has reduced significantly during the course of the year in line with budget targets. In particular there was a contribution of £0.680m from the Budget and Efficiency Savings reserve to support the 2009-10 budget, as well as funding of £1.258m from the Restructuring Reserve to meet exit costs from Organisational Downsizing and other redundancies.
- 6.2 The final under spend for 2009-10 of £465,000 has to be allocated to reserves as part of the closedown process. Council agreed in February when setting the budget for 2010-11 that £196,000 of the projected underspend should be used to fund temporary reductions in external income in 2010-11. Council then agreed at its meeting in July that the balance of £269,000 would be used as funding for general contingency purposes, to support the Apprenticeship scheme, New Burdens Survey work, with the balance allocated to the Restructuring Reserve to meet potential future exit costs.
- 6.3 The level of GRA balances remains unchanged at £1.674m and the Council continues to maintain its balances and reserves at an adequate level.

7.0 HOUSING REVENUE ACCOUNT

- 7.1 The Council set a gross expenditure budget for the Housing Revenue Account (HRA) of £21.093m.
- 7.2 As previously reported severe weather conditions experienced in the first quarter of the calendar year together with the need to carry out essential health and safety work particularly in respect of heating systems has meant that the Programme Maintenance and Repairs Budgets have been exceeded.

Budgets were realigned to meet these issues and £60,000 taken from Housing Working Balances as a result.

- 7.3 These costs pressures were offset due to low numbers of Right to Buys Council House sales, a favourable actuarial review of insurance contributions, and other prudent budgetary measures that have not adversely impacted on our service delivery. As a result the outturn position shows that income and expenditure within the HRA has been balanced for the year.

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.

10.0 CONCLUSIONS

- 10.1 The GRA and HRA have met their budget targets for the year and this continues the trend of strong financial performance achieved by the Council over many years. Despite limited government funding and reductions in external income levels due to the recession a managed underspend has been delivered.

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 Outturn Position

APPENDIX 1 GRA OUTTURN POSITION

Budget area	Net Budget £000	Variance from Budget £000	Variance %
Assistant Chief Executive	3,017	-165	-5.5%
Community Services	5,627	-140	-2.5%
Housing and Property Maintenance	1,056	-85	-8.0%
Human Resources	142	-10	-7.0%
Legal Democracy and Financial Management	4,004	-115	-2.9%
Planning	1,861	-30	-1.6%
Regeneration and Estates	381	-55	-14.4%
Street Scene	5,987	-320	-5.3%
Central Savings targets	-420	420	See note
Central Budget Items	-5,333	35	0.7%
TOTAL BUDGET REQUIREMENT	16,322	-465	-2.8%

NOTES

Central savings targets cover budgets for staff efficiency, Gershon efficiency improvements and savings from Organisational Re-engineering. The actual savings that are made in relation to these items are contained within Divisions. Consequently savings made elsewhere will offset the apparent variances on these budget items.

The budget figures for each Division have been updated to include year-end 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 £16.322m.

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 £165,000

The main variance for the division relates to savings on salary costs from the lower than expected pay award and the active management of staff vacancies. There was also a further full year's savings effect from the closure of the cash offices. There was an adverse variance in IT as a result of a number of factors including increased costs for software licences, printer consumables and internet costs, however this was partially offset by reduced telephone costs.

Other significant variances within the division relate to Benefits and Travel concessions as set out in paragraphs 5.6 to 5.9 above.

Community Services – Favourable variance £140,000

There has been a significant favourable variance for the division, and the largest contributory factors to this position are managed savings on staffing and savings on the pay award.

The budget for off street car park income was raised this year and while actual income levels have increased they did not fully achieve the target level. However the adverse weather conditions during the winter exacerbated this position. Income levels for parking charge notices are also below target. However a saving is now being made following the transfer of responsibility for on street parking back to the County Council.

Income from regular stallholders on Ormskirk Market was also below budget. The shortfall was due to the level of holidays, sickness and closures due to inclement weather, but the reduction was partially offset by additional income from casual traders.

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

Housing and Property Maintenance – Favourable variance £85,000

The active management of staffing levels and vacancies has generated a significant favourable budget variance within the division.

However there was an adverse variance on repairs and maintenance costs for some of the Council's buildings that reflected their poor condition and ongoing maintenance issues. Water rates costs have also increased as a result of a change in billing practices by the water company.

Human Resources – Favourable variance £10,000

The HR team had a number of critical work issues to contend with this year including JE and OD. However financial performance was managed stringently and a small favourable overall variance was achieved.

Legal Democracy and Financial Management – Favourable variance £115,000

The division has achieved an overall favourable variance through making savings on employee costs through senior management restructuring and the active management of staff vacancies. Various other minor net savings were also achieved.

Income from Local Searches, which had been reducing in previous years, stabilised and the budget target for the year was achieved. However recent developments in this area could affect the future income position and more details are provided on the revenue monitoring report elsewhere on the agenda.

Planning – Favourable variance £30,000

There was a significant adverse variance on planning income as a result of the recession and due to factors that are outside the Council's control. However these adverse variances have been more than offset by managed savings on staffing that have enable the division to achieve an overall small favourable variance.

Regeneration and Estates – Favourable variance £55,000

Commercial rent income improved from the mid year projections but the overall economic climate remains challenging. Officers continue to work hard to mitigate the position and are looking to manage the situation within the overall budget resources. Savings were generated most notably on the staffing side from the non filling of posts, external funding of posts and the lower than budgeted pay award.

Street Scene – Favourable variance £320,000

The division's financial performance has been excellent and a favourable variance has been achieved largely through staff savings including those from the pay award and efficiencies in terms of closer integration between Street Cleansing and Grounds Maintenance.

A budget realignment exercise is currently taking place within Street Scene to update financial management arrangements particularly as a result of the new Transfer Facility and closer working between Grounds Maintenance and Street Cleansing, which should produce savings. However there is also the potential for a reduction in external income levels from the County wide Waste Partnership Agreement and in other areas as a result of the recession. Consequently further work is required before an accurate assessment can be made of potential future budget savings.

Central budget items

This heading covers a range of corporate budgets including capital charges and treasury management. Interest rates have fallen significantly over the last 12 months and there has been a high level of uncertainty in the financial markets which has had an adverse impact on treasury management income. However treasury management performance continues to be strong given the market conditions and the target interest rate of 3 month LIBID has been exceeded.



AGENDA ITEM: 13

CABINET: 14 September 2010

**EXECUTIVE OVERVIEW AND
SCRUTINY: 30 September 2010**

Report of: Council Secretary and Solicitor

Relevant Portfolio Holder: Councillor D Westley

**Contact for further information: Marc Taylor (Extn. 5092)
(E-mail: marc.taylor@westlancs.gov.uk)**

SUBJECT: REVENUE MONITORING

Borough wide interest

1.0 PURPOSE OF THE REPORT

1.1 To provide an early assessment of the financial position on the Revenue Accounts in the new financial year.

2.0 RECOMMENDATIONS TO CABINET

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

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

5.0 PREVIOUS YEAR PERFORMANCE

- 5.1 The revenue outturn report contained elsewhere on this agenda shows that budget targets were successfully met for both the GRA and the HRA in the previous year. This continues the Council's track record of good financial management that has been achieved over many years.
- 5.2 Consequently it can reasonably be expected that this strong financial performance will be carried forward, in many cases, into the new year. This will include a significant favourable variance on travel concessions following the negotiation of more advantageous reimbursement rates with bus operators. However the economic recession will undoubtedly make income targets difficult to achieve and will put also put pressure once again on the benefits budget.

6.0 EMPLOYEE COSTS

- 6.1 Employee costs form a significant proportion of the Council's total budget and consequently are very important from a budget management perspective. The budget estimates for 2010-11 were based on an assumed 0.5% pay increase but the actual pay award for this year is not yet known. To put this into context each 0.5% increase in the pay bill will increase costs in the GRA by around £80,000, and costs in the HRA by around £17,000.
- 6.2 Negotiations between local government employers and unions are currently taking place. The employers have stated that there should be a pay freeze this year as a result of the extremely difficult financial position facing local authorities, but the unions have argued that there should be a pay increase to reflect factors such as inflation. Consequently it may be some time before a final position is determined.
- 6.3 A process is currently underway to assess staff appeals against job evaluation scores. The outcome of this process is not yet known but if there are successful appeals then it would lead to additional costs. Consequently this area will need to be kept under close scrutiny.

7.0 GENERAL REVENUE ACCOUNT (GRA) POSITION

- 7.1 The Council has set a revenue budget of £16.420m for the General Revenue Account for the year. This budget was based on freezing the Council tax at the same level as the previous year, which was well below the national average increase of 1.8%.
- 7.2 In recent years an annual savings target for staff efficiencies of £250,000 has been included in the GRA budget. A significant part of this saving will be achieved following Council's decision to delete the posts of the Deputy Chief Executive and his Executive Assistant at the end of May, and this should save around £120,000 per year in a full financial year. The active management of other staff vacancies means that the overall target for the year should be achieved.

- 7.3 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. However at the current time income levels, while under pressure, are currently performing close to budget in most areas.
- 7.4 The main exception to this position is in relation to planning income which is below budget at the current time. This position could improve significantly though if a number of major schemes are submitted in the coming months, and consequently this is an area that will need to be kept under review.
- 7.5 A statutory instrument to revoke the fee for personal searches of the Local Land Charges Register has now been laid by the Government and has come into force. While the full effect of this development cannot yet be accurately identified it seems inevitable that this will reduce the income the Council generates on Local Searches and so will have a negative effect. Further details will be reported back to Members in the next monitoring report when the position should have become clearer.
- 7.6 The opening of the Waste Transfer Station will enable cost savings to start to be achieved this year. Local bin wagons will deposit material at the transfer station for it to be loaded into larger vehicles that can carry double the tonnage. This will reduce mileage and road congestion, and will enable the collection teams to get back on their rounds more quickly and improve efficiency.
- 7.7 Putting all of these factors together, at the current time it is expected that the bottom line position for the GRA will be within its overall budget target, although with some favourable and some adverse variances. However there are a number of areas of possible variation within the budget, as highlighted above, and these will continue to be monitored closely.

8.0 HOUSING REVENUE ACCOUNT (HRA) POSITION

- 8.1 The Council set an original budget for the Housing Revenue Account based on generating external income of £21.078m.
- 8.2 Whilst enquiries under Right to Buy Council House regulations are beginning to increase the actual level of sales remain low. This has a positive affect on HRA rental income but means there are only limited capital receipts being generated that can be used for capital investment.
- 8.3 Central Heating Maintenance costs are running ahead of budget. However, the Property Services Section within Housing has successfully secured grant funding to introduce technologically advanced heating and energy supply to one of our Heating Schemes. This Scheme will commence shortly and will reduce maintenance costs significantly,
- 8.4 Consequently at the current time there is every expectation that the HRA will achieve its budget targets.

9.0 RESERVES AND BALANCES

- 9.1 There have been a number of uses of reserves that have already been agreed so far this year. Council in July agreed that funding from general contingencies of up to £35,000 could be used to support the work of the Leisure Cabinet Working Group, and up to £150,000 be used to support the work of the Business Plan Cabinet Working Group.
- 9.2 There has also been an award of costs against the Council of £25,000 that will be met from reserves for a planning appeal relating to the LO Jeffs Site, Haskayne. The legal and professional costs associated with planning matters and appeals have been increasing in recent times and this issue will need to be considered as part of the budget setting process for 2011-12.

10.0 SUSTAINABILITY IMPLICATIONS / COMMUNITY STRATEGY

- 10.1 There are no direct sustainability implications arising from this report.

11.0 RISK ASSESSMENT

- 11.1 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.

12.0 CONCLUSIONS

- 12.1 At this stage in the financial year the overall picture is that the GRA and the HRA are broadly on course to meet their budget targets, although the economic downturn and other factors could have a significant impact on the final outcome.

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

None



AGENDA ITEM: 14

CABINET: 14 September 2010

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
30 September 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: CAPITAL PROGRAMME OUTTURN 2009/2010

Wards affected: Borough wide

1.0 PURPOSE OF REPORT

1.1 To provide a summary of the capital outturn position for the 2009/2010 financial year.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the final position, including slippage, on the Capital Programme for the 2009/2010 financial year be noted and endorsed.

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

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

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

4.0 BACKGROUND

4.1 Members have been kept informed of the financial position of the Capital Programme throughout the year with regular monitoring reports. The last such Report was presented to Cabinet and Executive Overview and Scrutiny in March 2010 and reported on a Capital Programme of £12.413m. This report

provides Members with the final position on capital schemes for the 2009/2010 financial year.

- 4.2 It should be noted that the final accounts for the 2009/2010 year are subject to audit and the figures contained in this report are, potentially, subject to change. However, the Audit is nearing completion and no issues have been raised on the capital programme to date. Members will be informed in due course of any significant matters arising from the Audit.
- 4.3 The position on the current Programme is discussed elsewhere on this Agenda.

5.0 CAPITAL PROGRAMME

- 5.1 Changes totalling £0.066m, approved at Council in February 2010 when the Medium Term Capital Programme was set, have been incorporated into the 2009/2010 Programme.
- 5.2 The Capital Programme at the end of the 2009/2010 financial year was, therefore, £12.479m. This is analysed by Division in Appendix A.
- 5.3 The key results for the year on the capital programme are that reasonable progress has been made in delivering schemes and that spending is within budget with no significant issues on overspends.

6.0 CAPITAL EXPENDITURE

- 6.1 The total capital expenditure for 2009/2010 was £8.776m. This represents 70% of the total Budget for the year. Although this is lower than the 72% comparator for the 2008/2009 Programme, the 2008/2009 Programme was £1.878m lower than the 2009/2010 Programme and expenditure was £1.12m less. This means that the spend for 2009/2010 was an improvement on the previous year and represents a reasonable performance. This is particularly the case given the very bad weather conditions during the winter which disrupted a number of different schemes.
- 6.2 Around £1m of MRA funding was brought forward from 2010/2011 in to the 2009/2010 financial year to ensure that capital investment could take place as quickly as possible. Every effort was made to ensure this money was spent and it had been fully utilised by the year end. Housing Public and Private Sectors represent 70% of the total Programme and overall achieved 75% of their combined budget.
- 6.3 100% spend against the Budget is never anticipated due mainly to reasons beyond the Council's control. For example, some schemes are reliant on a significant amount of match funding and external contributions and others are demand led or dependant upon decisions made by partners. It is recognised that in such cases, schemes can be subject to considerable lead in times and delays because of the decision making processes in other organisations. As

such, these schemes only start when their funding details have been finalised. Another reason is that some contracts include retentions or contingencies that will only be spent some time after completion of the contract. Approvals for schemes that are affected by such issues are to be slipped into the 2010/2011 Programme and are discussed in section 8.

6.4 Spending, scheme progress and slippage are analysed in the appendices.

7.0 CAPITAL RESOURCES

7.1 A breakdown of the resources of £12.479m identified to fund the programme is shown in Appendix A.

7.2 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 sales) that are available to fund capital expenditure. These receipts can vary significantly depending on the number and value of assets sold.

7.3 12 Right to Buy sales have been generated against the revised target of 10 for the year. This means that there are sufficient receipts to fund the required element of the Programme. In addition to receipts from Council house sales, other asset sales in the year generated a further £0.048m of capital receipts. The use of these additional receipts is discussed elsewhere on this agenda.

8.0 SLIPPAGE OF APPROVALS

8.1 Schemes that are not completed within the financial year for which they are scheduled are slipped into the following financial year along with their unused expenditure and resource approvals.

8.2 The total slippage figure for capital schemes from 2009/2010 is £3.673m. Although this is an increase from the £2.675m slipped from the 2008/2009 Programme it compares favourably due to the larger Programme.

8.3 Further analysis on the slippage is provided in the appendices.

9.0 EXPLANATION OF VARIANCE

9.1 Divisional Managers have considered the position of individual schemes at the year-end and have taken the opportunity of revising budget allocations to take account of new information affecting the spending profiles of their schemes. This has facilitated the funding of scheme overspends against approvals from those schemes that have underspent against their approvals.

9.2 The budgeted expenditure for the 2009/2010 Capital Programme was £12.479m. Taking account of expenditure of £8.776m and slippage of £3.673m, there is a total budget requirement of £12.449m. This means that

there is an overall favourable variance on programmed approvals of £0.03m that is no longer required.

- 9.3 The variance is mainly due to a reduction in demand for Inspire projects. Funding variances have arisen from utilising external funding sources available. No additional funding has been made available for the Programme. The remaining capital programme is being delivered within the budget that was set and there are no significant issues with scheme overspends.

10.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 10.1 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.

11.0 RISK ASSESSMENT

- 11.1 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.

12.0 SUMMARY

- 12.1 The capital programme is being delivered on time and within budget. The budget for 2009/2010 was £12.479m, and expenditure for the year was £8.776m. This represents 70% and shows reasonable performance in delivering the programme. £3.673m of approvals have been slipped into the 2010/2011 Programme when the expenditure will be incurred.
- 12.2 Sufficient capital resources were available to fully fund the capital expenditure incurred in 2009/2010.

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 Capital Expenditure and Resources Compared to Budget
- B Divisional Manager Comments
- C Analysis of Significant Slippage

**2009/2010 CAPITAL PROGRAMME
EXPENDITURE AND RESOURCES BUDGET**

APPENDIX A

	Budget Approval	Actual		Slippage		Variance	
	£'000	£'000	%	£'000	%	£'000	%
<u>Divisional Expenditure</u>							
Assistant Chief Executive	281	132	47%	149	53%	0	0%
Street Scene	310	37	12%	273	88%	0	0%
Community Services	1,455	883	61%	569	39%	-3	0%
Parish Capital Schemes	64	39	61%	25	39%	0	0%
Planning and Development	120	76	64%	43	35%	-1	1%
Regeneration and Estates	559	360	64%	173	31%	-26	5%
Corporate Property	903	616	68%	287	32%	0	0%
Housing Private Sector	1,335	651	49%	684	51%	0	0%
Housing Public Sector	7,452	5,981	80%	1,471	20%	0	0%
<u>Expenditure Total</u>	12,479	8,776	70%	3,673	29%	-30	1%
<u>Financed by:</u>							
Capital Receipts							
General	1,743	1,043	60%	696	40%	-4	0%
Transitional Pooling	783	0	0%	783	100%	0	0%
Specific Capital Grants	960	825	86%	220	23%	85	-9%
Housing Allocation	959	502	52%	457	48%	0	0%
Major Repairs Allowance	5,757	5,208	90%	549	10%	0	0%
Internal Contributions							
Housing Revenue Account	819	481	59%	270	33%	-68	8%
General Revenue Account	1,262	567	45%	692	55%	-3	0%
Land Sales	150	110	73%	0	0%	-40	27%
Internal Borrowing	46	40	87%	6	13%	0	
<u>Resources Total</u>	12,479	8,776	70%	3,673	29%	-30	1%

2009/2010 CAPITAL PROGRAMME OUTTURN
DIVISIONAL MANAGER COMMENTS

Parish Capital Schemes
<p>The spending on grants to Parishes is determined by the progress that Parishes make on individual schemes and is not within the direct control of the Council. Unspent approvals have been slipped but Parishes have been made aware that if schemes are not completed within 2 years, the funding approvals will be withdrawn.</p>
Assistant Chief Executive
<p>Expenditure on Electronic Document Management has been on Organisational Re-engineering projects and ICT Infrastructure expenditure has been used to keep the ICT infrastructure up-to-date, and to ensure security, speed and integrity of the infrastructure has been maintained.</p> <p>The E-Government Programme has been spent on Server Virtualisation, continued roll out of the GIS Mapping System and further integration of the Customer Services' CRM System.</p> <p>All unused approvals have been slipped into 10/11 to fund further projects.</p>
Planning
<p>An expanded cycle route at Whitemoss has been completed and the Free Tree Scheme and Preservation of Buildings at Risk budgets have been spent. A revised grant strategy and priorities for Conservation Area Enhancement Grants has recently been approved and is being implemented.</p>
Street Scene
<p>The Vehicle Tracker System has been installed and an order has been placed for the purchase of new Wheelie Bins.</p>

2009/2010 CAPITAL PROGRAMME OUTTURN
DIVISIONAL MANAGER COMMENTS

Regeneration and Estates

The full Investing in Business budget for the year has been spent and the balance on Inspire is no longer required. Both are demand led schemes that are fully funded by external sources.

Burscough Town Centre scheme is complete as is the Re-Roofing at Gorsey Place and works on the Investment Centre Car Park.

Community Services

The Community Environmental Action, Ormskirk Clock Tower, Aughton Street Upgrade, Liverpool Road Playing Pitch, and Ormskirk Market schemes have all been completed with only minor variances. The Leisure Trust budget has been fully spent for the year in accordance with the contract.

Works are ongoing on the Contaminated Land and the Environmental Health System and approvals have been slipped.

Budgets have been committed and works are progressing for Richmond Park, Manor Road Park, Halsall Lane Park and Coronation Park with unspent approvals slipped into the next financial year.

Play Area Improvements and Play Engagement are rolling programmes and have also been slipped.

Outstanding refurbishment works are still to be finalised at the Gallery and on the Nye Bevan Roofing scheme.

2009/2010 CAPITAL PROGRAMME OUTTURN
DIVISIONAL MANAGER COMMENTS

Housing Private Sector

The Disabled Facility Grants budget is committed and the slipped approval will be spent early in the new year as will committed Renovation Grant approvals.

The Loans Scheme has been delayed due to contractual difficulties but it is anticipated that loans will start to be processed in the new year.

The need to complete legal procedures has led to the Clearance Programme being slipped and the Affordable Housing budget has been delayed pending the outcome of the regeneration at Elmstead (now moved into Housing Public Sector for monitoring purposes) and the stock condition survey.

Housing Public Sector

Preliminary works are progressing on the Elmstead Regeneration project which will continue into 2010/2011.

Heating Upgrades, Energy Efficiency, Electrical Upgrades, T V Aerials (Phase 1), and Professional and Design Fee Programmes are complete for the year.

Approvals on the Window Replacement Programme, Kitchen and Bathroom Programme, and Re-roofing Scheme are fully committed but have been delayed and slippage on Sheltered Upgrades due to tendering difficulties and delays in the consultation process causing late commencement on site.

Disabled Adaptations, Decent Homes, Structural Works, and Improvements to Communal Areas of Flats are rolling Programmes and remaining approvals have been slipped.

The remaining Binstore approval has also been slipped for use following the acquisition of the wheelie bins in the new year.

The new Housing Computer System is progressing and, with a completion date of October 2010, has slipped into the new year.

2009/2010 CAPITAL PROGRAMME OUTTURN
DIVISIONAL MANAGER COMMENTS

Corporate Property

Works at St Helens Road Park, Chapel Gallery, and the Office Refurbishment (Phase 1) are complete.

Slippage has occurred on Public conveniences and the Bus/Rail Interchange following the re-tender of works. Works on Beacon Park are due to start in September 2010 and the budget has been slipped. Other small schemes (each less than £5,000) to Community Centres, Offices, and parks are progressing and have been slipped.

2009/2010 CAPITAL PROGRAMME OUTTURN
ANALYSIS OF SIGNIFICANT SLIPPAGE

Scheme	Division	Amount of Slippage	Reason for Slippage
		£'000	
E-Government	ACE	81	The main element of slippage is the Server Visualisation and SAN project which is underway but not yet complete.
Acquisition of Wheelie Bins	CS	270	The order has been placed for the acquisition of the bins which will be delivered May.
Playground Improvements	CS	372	This includes £65,000 slippage at Manor Road Burscough which is underway and due for completion in July 2010. The remaining slippage is from the rolling programme being developed for 2010/2011. MUGA at Hesketh Bank has been ordered.
Stanley Coronation Park	CS	90	Project is underway and the initial design is complete. Scheme completion due Autumn 2010.
Abbotsford Regeneration	Prop Svcs	174	Funding slipped into 2010/2011 pending the outcome of the July Council report.
Corporate Property Investment Programme	Prop Svcs	137	This budget comprises several small projects which are at various stages of completion at the year end.
Office Refurbishment	R&E	150	The original scheme has been completed and the efficient deployment of resources has meant that contingencies were not required.
Housing Renewal Grants/Loans	Hsg Priv	114	The Loans Scheme has been delayed due to contractual difficulties but it is anticipated that loans will start to be processed in the new year.
Disabled Facilities Grants	Hsg Priv	114	This budget is committed and the slipped approval will be spent early in the new year.
Clearance Programme Clearance	Hsg Priv	100	The need to complete legal procedures has led to the Clearance Programme being slipped.
Affordable Housing	Hsg Priv	356	Scheme delayed pending the outcome of the regeneration at Elmstead and the stock condition survey.
Heating System Upgrades	Hsg Pub	125	Programme completed in October but the final account is still to be resolved.
Sheltered Housing Upgrades	Hsg Pub	681	Various schemes slipped due to tendering difficulties and late commencement on site.
Kitchens and Bathrooms	Hsg Pub	150	Programme completion delayed due to re-assessment of requirements.
Structural Works	Hsg Pub	83	Budget fully committed with some schemes delayed due to tendering difficulties and delays in the consultation process.
Housing Software	Hsg Pub	236	Progressing with a completion date of October 2010.
Improvements to Communal Areas - Flats	Hsg Pub	62	This is a rolling programme with no fixed start dates.



AGENDA ITEM: 15

CABINET: 14 September 2010

**EXECUTIVE OVERVIEW &
SCRUTINY COMMITTEE:
30 September 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: CAPITAL PROGRAMME MONITORING 2010/2011

Wards affected: Borough wide

1.0 PURPOSE OF REPORT

1.1 To provide an overview of the current progress on the Capital Programme.

2.0 RECOMMENDATIONS TO CABINET

2.1 That Members note the progress on the Capital Programme as at the end of July, 2010.

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

3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE

3.1 That Members note the current progress on the Capital Programme.

4.0 BACKGROUND

4.1 It is an agreed policy and best practice that monitoring reports are produced on a regular basis to ensure that Members are kept informed of the financial position of the Capital Programme. This is the first such report for the 2010/2011 financial year.

5.0 CAPITAL PROGRAMME BUDGETS

- 5.1 A Capital Programme totalling £11.742m was approved at Council on 24th February 2010.
- 5.2 Since the Council meeting in February, the Government have confirmed the Disabled Facility Grant at £0.429m which has meant a further £0.114m has been added to the 2010/2011 Programme. The Government also confirmed the Regional Housing Allocation as £0.301m which will provide a further £0.05m for the Capital Programme. The utilisation of this additional funding will be considered during the mid-year review. The Environment Agency, however, are still assessing the award of the potential capital grant for flood alleviation schemes and nothing has been included in the Programme for this to date.
- 5.3 Slippage totalling £3.673m from the 2009/2010 Programme is included for consideration elsewhere on this Agenda and has been added to the 2010/2011 Programme.
- 5.4 During the year end process, two adjustments impacting on the 2010/2011 Programme were identified and have been added to the Programme: £0.046m grant repayment has been added back to the Housing Renewal Grants and £0.02m funding has been brought forward for the Housing Software.
- 5.5 In July, Council agreed not to proceed with the Abbotsford Regeneration scheme and that alternative costed schemes for refurbishment of 52 Derby Street would be put to Members for approval later in the year. The balance on this scheme and its funding have, therefore, been deleted from the Programme meaning a reduction of £3.736m in 2010/2011.
- 5.6 Taking account of these amendments means the total Capital Programme for 2010/2011 is now £11.859m. This is analysed by Division in Appendix A.

6.0 CAPITAL EXPENDITURE

- 6.1 Normally, new 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. Here, 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.
- 6.2 This pattern has been repeated in the current year with £1.526m of expenditure having been incurred by the end of July. This compares to £1.2m

at the same point in 2009/2010 and is the same as the preceding two years. There is also currently around £0.231m of committed expenditure. It is anticipated that most schemes will progress and use their approval for the year. All schemes, however, will be reviewed over the coming months and a Revised Medium Term Programme will be reported to Members in the autumn.

7.0 CAPITAL RESOURCES

- 7.1 Total budgeted resources for the year are £11.859m. This is analysed in Appendix A and includes funding for the slippage and the other adjustments discussed in section 5.
- 7.2 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.
- 7.3 In recent years, receipts from this source have fallen dramatically and the budget for usable capital receipts to be generated from Council House sales in the year is £0.1m from 10 sales. This represents only 0.8% of the total programme of £11.859m. At the beginning of August, however, 7 sales had been completed. Consequently, it looks likely that this budget target will be achieved or even exceeded. This is in addition to the sales above the target for 2009/2010 that are discussed elsewhere on this agenda.
- 7.4 In addition to receipts from council house sales, the Council has also sold a plot of land that has generated a further £0.077m of capital receipts.
- 7.5 In accordance with Council's resolution in February, a full review of expenditure plans and funding availability is in progress. This will take account of additional council house sales along with land sale receipts that have not been utilised in the Programme and will be considered as part of the Budget process.

8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY

- 8.1 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 monitors progress against the plans.

9.0 RISK ASSESSMENT

- 9.1 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 or decisions are not started until funding is secured and other resources that are subject to fluctuation are monitored closely to ensure availability.

10.0 CONCLUSIONS

10.1 The capital programme for 2010/2011 has a total budgeted expenditure of £11.859m, including slippage from the 2009/2010 Programme. While a relatively small amount of capital expenditure has been incurred to date, it is expected that most schemes will spend in line with their approvals during the course of the year.

10.2 The level of capital receipts being generated from Council House sales is being monitored closely 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 Divisional Capital Programme Budgets

2010/2011 CAPITAL PROGRAMME
EXPENDITURE AND RESOURCES BUDGET

	Budget Approval
	£'000
<u>Divisional Expenditure</u>	
Parish Capital Schemes	115
Assistant Chief Executive	254
Property Management	871
Street Scene	273
Planning Services	75
Regeneration and Estates	92
Community Services	823
Private Sector Housing	2,687
Public Sector Housing	6,669
<u>Expenditure Total</u>	11,859
<u>Financed by:</u>	
Capital Receipts	3,686
Specific Capital Grants	1,555
Housing Allocation	707
Major Repairs Allowance	3,597
Internal Contributions	
Housing Revenue Account	582
General Revenue Account	858
Internal Borrowing	874
<u>Resources Total</u>	11,859