

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

	<b>Overview and Scrutiny only</b>		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 <b>because</b> it affects my financial position or the financial position of a person or body described in 8 overleaf <b>and</b> 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 <b>or</b> 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 <b>and</b> 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, <b>however</b> 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

HELD: 1 DECEMBER 2011

Start: 7.30pm

End: 9.30pm

**PRESENT:** Grice (Chairman)

Councillors: Baldock Hodson  
Mrs Blake Kay  
Blane Moran  
Cropper Nolan  
Delaney O'Toole  
Fillis R A Pendleton  
Gibson Pratt  
Greenall Sudworth  
Griffiths

Officers: Assistant Director Housing & Regeneration (Mr B Livermore)  
Assistant Director Community Services (Mr D Tilleray)  
Borough Planner (Mr J Harrison)  
Transformation Manager (Mr S Walsh)  
Deputy Borough Treasurer (Mr M Kostrzewski)  
Borough Solicitor (Mr T P Broderick)  
Principal Overview and Scrutiny Officer (Mrs C A Jackson)

In attendance:

Councillors: Grant (Leader of the Council)  
Fowler (Portfolio Holder – Health and Leisure)  
Forshaw (Portfolio Holder – Planning and Technical Services)  
Westley (Portfolio Holder – Resources and Transformation)

### 41. APOLOGIES

There were no apologies for absence.

### 42. MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, Members noted the termination of Councillors Hennessy, Gagen, G Jones and Pope and the appointment of Councillors Delaney, Hodson, Griffiths and Pratt for this meeting only, thereby giving effect to the wishes of the Political Group.

### 43. URGENT BUSINESS

There were no items of urgent business. However, in relation to items 13 (Preferred Options Local Plan) and 14 (Core Strategy Preferred Options – Consultation Responses) the Chairman proposed that these items not be considered at this meeting, but be deferred to a Special meeting of the Committee to be held at 6.00pm on Thursday 8 December 2011.

RESOLVED: That a Special meeting of the Committee be held on Thursday 8 December 2011 at 6.00pm to consider the items 'Preferred Options Local Plan' and 'Core Strategy Preferred Options – Consultation Responses'.

**44.    DECLARATIONS OF INTEREST**

During consideration of the Minutes of Cabinet held on 15 November 2011 Councillor Grice declared a personal and prejudicial interest in Minute 87 relating to Beacon Golf Course as a Director of West Lancashire Community Leisure Limited and left the meeting during consideration of this item.

**45.    DECLARATIONS OF PARTY WHIP**

There were no declarations of a Party Whip.

**46.    MINUTES**

RESOLVED: That the minutes of the meeting held on 29 September 2011 be approved as a correct record and signed by the Chairman.

**47.    CALLED IN ITEMS - NOT VALID**

Consideration was given to the following two items, as circulated and contained on pages 599 to 605 of the Book of Reports.

**48.    ORGANISATIONAL RE-ENGINEERING UPDATE**

Consideration was given to the report of the Borough Solicitor which advised of a Call In request received but not validated in respect of Minute No.76 of the meeting of Cabinet held on 15 November 2011 'Organisational Re-Engineering Update'.

The Chairman explained the reasons the 'Call In' was not validated.

There was no further discussion on this item.

RESOLVED: That the report be noted.

**49.    MANAGEMENT PLANS - BEACON PARK, CORONATION PARK AND RICHMOND PARK**

Consideration was given to the report of the Borough Solicitor which advised of a Call In request received but not validated in respect of Minute No.78 of the meeting of Cabinet held on 15 November 2011 'Management Plans – Beacon Park, Coronation Park and Richmond Park.'

The Chairman explained the reasons the 'Call In' was not validated.

In the ensuing discussion Members raised comments/questions in respect of the following:

- The current situation of Tawd Valley Park, including maintenance, the changes affected by "Skelmersdale Vision" and redevelopment/regeneration of Skelmersdale Town Centre and the future plans for the Park.

- Enhancements to other parks within the Borough and the provision of resources associated with the maintenance of the Borough's parks.
- Use of 106 monies for improvements to open spaces/parks in other areas of the Borough.

RESOLVED: That the report be noted.

(Note: The Chairman varied the order of business so that the item 17 Health and Safety Annual Report 2011, held over from the previous meeting, was considered next. The minutes follows the same order as set down in the agenda.)

**50. KEY DECISION FORWARD PLANS - 1 NOVEMBER 2011 - 31 MARCH 2012**

There were no items under this heading.

**51. RELEVANT MINUTES OF CABINET**

Consideration was given to the minutes of the meeting of Cabinet held on 15 November 2011. Members raised comments/questions in relation to:

Minute 67 (Article 4 Direction – Houses in Multiple Occupation (HMOS) Ormskirk, Aughton and Westhead – Noted the approval of this Direction. Confirmation of the scope of HMSOs.

Minute 71 (Installation of Solar Photovoltaics on Council Owned Buildings). A member sought clarification relating to the proposal that, following a presentation on “solar panels” at a previous meeting of the Corporate Overview and Scrutiny Committee that a report, scheduled to be considered by Cabinet at its meeting on 15 November 2011, on the potential for community-wide benefit from ‘feed-in tariff’ energy efficiency measures would also include consideration of the options to achieve benefits also for tenants and residents in Wards falling within the scope of that report.

Minute 72 (Peer Review – Landlord Services) – The role of elected Members in the process.

Minute 73 (Housing Service Improvement Plan) – Processes relating to presentation of the information.

Minute 86 (Land Disposal – For Affordable Housing) – The various options available relating to land disposal for affordable housing.

RESOLVED: A That the Minutes of the meeting of Cabinet held on 15 November 2011 be noted.

- B. That, in relation to Minute 71 of the Cabinet (Installation of Solar Photovoltaics on Council Owned Buildings) the relevant Portfolio Holder and/or Cabinet be requested to:

- (i) require that the Assistant Director Housing and Regeneration report to the first available Cabinet on the options available to secure the best possible outcome for tenants and residents of Tanhouse Ward and all other wards falling within the scope of the report, such report to include provision for the resource and technical implications of the project.
- (ii) authorise the Assistant Director Housing and Regeneration to consult with relevant ward councillors, SSCF and other potential funders on the proposed project.

(Note: The Chairman left the meeting, having declared a personal and prejudicial interest as he is a Director of West Lancashire Community Leisure Limited, during consideration of Minute 87 relating to Beacon Golf Club whereupon the Vice-Chairman (Councillor Greenall) took the Chair.)

### **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 involved the likely disclosure of exempt information as defined in paragraph(s) 3 (Financial/Business Matters) and 5 (Legal Matters) of Part 1 of Schedule 12A of the 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.

Minutes 87 (Beacon Golf Course) – options relating to the long term operation of the Golf Course and other associated issues.

RESOLVED: That the Minute of the meeting of Cabinet held on 15 November 2011 be noted.

(Note: Following consideration of this item members of the public were invited back into the meeting. The Chairman also returned to the meeting and took the chair for the remaining items of business.)

### **52. REVISED CAPITAL PROGRAMME AND MID YEAR REVIEW 2011/2012**

Consideration was given to the report of the Borough Solicitor as circulated and contained on pages 407 to 425, which advised on the decision of Cabinet held on 15 November 2011 in respect of Land Disposal for Affordable Housing and incorporated the revised Appendix A and B to the attached report of the Borough Treasurer. The Borough Treasurer's detailed the revised Capital Programme 2011/2012 and provided an overview on the progress against it at the mid-year point. The Deputy Treasurer advised of a further minor change to Appendix B, circulated at the meeting, as contained on page 607.

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

- The effect on capital expenditure as a result of the economic downturn.
- The Stock Condition Survey 3 year programme.

RESOLVED: That the Report detailing the Revised Capital Programme and progress against it at the mid-year point set out in Appendix 1 and the 'revised Appendix A', attached at Appendix 2, along with the tabled revised Appendix B, be noted.

(Note: Councillors Westley and Fowler left the Chamber following consideration of the this item.)

### **53. REVENUE BUDGET MID YEAR REVIEW**

Consideration was given to the report of the Borough Treasurer which provided a projection on the General and Housing Revenue Accounts to the end of the financial year.

Members raised questions/comments in relation to:

- Variance in Service budget targets – Planning, Local Searches and Car Parks.
- HRA subsidy rebate (£288,000) – capital schemes.
- Savings related to staffing.

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

(Note: Councillor Grant left the meeting at the conclusion of this item.)

### **54. MOVING FROM A LOCAL DEVELOPMENT FRAMEWORK (LDF) TO A LOCAL PLAN**

Consideration was given to the report of the Borough Planner which proposed that the Borough's local planning policy should be prepared as a single Local Plan document to reflect the proposed policy in the draft National Planning Policy Framework (NPPF) and that all work thus far undertaken on the preparation of policy designed to sit within a Local Development Framework (LDF) should be converted for inclusion within such a single Local Plan document.

Members noted that the report had also been considered by the Planning Committee at its meeting on 10 November 2011 and Cabinet on 15 November 2011.

RESOLVED: That the report and the decision of Cabinet on 15 November 2011 be endorsed.

### **55. PREFERRED OPTION LOCAL PLAN**

This item was not considered at the meeting held on 1 December 2011 but was deferred for consideration at a Special meeting of the Committee to be held on 8 December 2011.

(Note: The appendices relating to this item are located in the Cabinet Book of Reports after page 1082.)

**56. CORE STRATEGY PREFERRED OPTIONS (CSPO) - CONSULTATION RESPONSES**

This item was not considered at the meeting held on 1 December 2011 but was deferred for consideration at a Special meeting of the Committee to be held on 8 December 2011.

(Note: The appendices relating to this item are located in the Cabinet Book of Reports after page 1066.)

**57. DRAFT NATIONAL PLANNING POLICY FRAMEWORK**

Consideration was given to the report of the Borough Solicitor that advised on the consultation response sent to the Department of Communities and Local Government (DCLG) in respect of the Draft National Planning Policy. He reported that at the request of this Committee, at its meeting held on 29 September, 2011, consideration of this item had been deferred in order that an all Member Briefing take place on the subject matter. The briefing subsequently took place on 5 October 2011. Attached as Appendices to the report were the Borough Planner's report (Appendix 1); the Minutes of Cabinet (Appendix 2) and the Planning Committee (Appendix 4); and a response letter to the consultation (Appendix 5).

It was further reported that the deadline for the consultation was 17 October 2011 and in order for the consultation deadline to be met the Borough Planner had submitted the response to the consultation on 10 October 2011.

Members raised questions and comments on the response, including the paragraph within the response on Flood Risk, particularly in light of a recent announcement by the Environment Agency relating to the Hoscar Pumping Station and the Crossens pumped drainage catchment area.

The Borough Planner, who was in attendance, explained the general nature of the Flood Risk response that sought the provision of greater guidance, within the emerging National Planning Policy, in relation to significant risk in the Borough of localised flooding and the lack of capacity in combined sewers.

The Portfolio Holder (Planning and Technical Services) attended the meeting and, at the invitation of the Chairman, also responded to questions related to this item.

**RESOLVED:** That the report at Appendix 1, the Minutes of the Cabinet and Planning Committee at Appendix 2 and 4 and the response letter to the consultation, attached at Appendix 5, be noted.

(Note: Councillor Forshaw left the meeting at the conclusion of this item.)

**58. STREAMLINING COUNCIL HOUSE ASSET MANAGEMENT - DISPOSALS AND USE OF RECEIPTS CLG CONSULTATION**

Consideration was given to the report of the Borough Solicitor, which advised on the item held over from the previous meeting of the Committee in relation to a consultation paper from the DCLG in respect of streamlining council house asset management. In his report, attached at Appendix 1, the Assistant Director Housing and Regeneration,



advised Members of the debate that had been taking place between Officers and the DCLG and included the final response submitted to meet the deadline of 17 November 2011.

The recent announcement by Government in relation to potential changes affecting social housing sales was raised. The Assistant Director Housing and Regeneration advised that once more details emerged these would be assessed.

RESOLVED: That the report of the Assistant Director Housing and Regeneration and final response to the consultation, and the decision of Cabinet, be noted.

**59. HEALTH AND SAFETY ANNUAL REPORT 2011**

Consideration was given to the report of the Assistant Director Community Services, held over from the previous meeting of the Committee held on 29 September 2011, as contained on pages 553 to 598 of the Book of Reports which updated Members on the progress made in relation to the Health and Safety Management of the Council.

RESOLVED: That the Annual Health and Safety Report 2011 be noted.

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Chairman



**PRESENT**

Councillor Greenall – Vice Chairman (in the Chair)

Councillors	Baldock	Hennessy
	Mrs Blake	Kay
	Blane	Moran
	Cropper	O'Toole
	Delaney	R Pendleton
	Gagen	Pope
	Gibson	Pratt
	Griffiths	Sudworth

In attendance  
Councillors: Owens (Deputy Leader & Portfolio Holder - Housing (Finance), Regeneration and Estates)  
Ashcroft (Portfolio Holder – Public Realm and Human Resources)  
Forshaw (Portfolio Holder – Planning and Technical Services)  
Hodgson

Officers:  
Borough Planner (Mr J Harrison)  
Deputy Borough Planner (Mr I Gill)  
Legal Services Manager (Mr M Jones)  
LDF Team Leader (Mr P Richards)  
Assistant Member Services Manager (Mrs J Denning)

**60. APOLOGIES**

There were no apologies for absence.

**61. MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, Members noted the termination of Councillors Fillis, Grice and Jones and the appointment of Councillors Delaney, Pratt and Griffiths for this meeting only, thereby giving effect to the wishes of the Political Group.

**62. URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN**

There were no items of urgent business.

**63. DECLARATIONS OF INTEREST**

Councillor Sudworth declared a personal interest in Agenda Item 6 'Preferred Option Local Plan' as the report referred to the M58 corridor where a friend of his resides.

**64. DECLARATIONS OF PARTY WHIP**

There were no declarations of a party whip.

**65. PREFERRED OPTION LOCAL PLAN**

The Committee considered a report of the Borough Planner which set out the Local Plan Preferred Options document, and its supporting documentation for public consultation in January / February 2012.

Comments and questions were raised in respect of the following:

- Provision of affordable housing
- Edge Hill University - expansion, Masterplan, Travel plan and multi campus options
- The railway infrastructure
- Consultation methods and forum format, venues and length of meetings
- Elm Place – land designation
- Beacon Golf Course – Need to clarify which Ward ie. Tanhouse / Upholland
- Lancashire County Council and West Lancashire Borough Council being listed individually as employers (paragraph 2.22)
- The 'Radburn' estate layout (paragraph 2.26) – not every estate in Skelmersdale
- The removal of the reference to 'poor quality housing' in Skelmersdale and the inclusion of the millions of pounds of investment in the area.
- The need for respite accommodation (Chapter 2.2 ' Key Issues)
- The negative image of Skelmersdale portrayed in the document which should be revised
- Burscough designation as a 'Market Town'
- Lack of reference to Lathom
- Future development in flood risk areas
- Retail development in Scarisbrick

The Committee was advised that the Plan would be submitted to Cabinet and Executive Overview and Scrutiny Committee following the consultation process.

- RESOLVED: A. That Members should forward any minor amendments to the document direct to the Borough Planner, in particular matters in respect of geographical locations/boundaries/designations.
- B. That the following comments be referred to Cabinet for consideration:
- i. That the Plan offers reasonable options in relation to affordable housing, Edge Hill University and Public Transport for members of the public and other interested parties to be consulted on.
  - ii. That Policy EN3 be amended to remove the designation of Elm Place as a Childrens' Play area.
  - iii. That consultation forum events be held for at least 2½ hours to enable general discussion of the whole area of the plan to take place and an additional event be held in Up Holland.

- iv. That Policy SP1 be worded stronger to prevent development in high flood risk areas.
- v. That Policy EC4 be strengthened to ensure that Edge Hill produce a Masterplan for the campus and undertake monitoring of any travel plan and that concern be expressed regarding the insufficient consideration that has been given to a twin site campus.
- vi. That Policy RS2 in respect of the threshold for the provision of affordable housing be reviewed with a view to raising the lower threshold for the provision of affordable housing.
- vii. That Policy IF1 be based on local 'West Lancashire' need rather than need from neighbouring Boroughs.

**66. CORE STRATEGY PREFERRED OPTIONS (CSPO) - CONSULTATION RESPONSES**

The Committee considered the report of the Borough Planner which detailed the proposed response of the Council to each representation received during the Core Strategy Preferred Options consultation period in May / June 2011.

RESOLVED: That the report be noted.

(Note: This item was considered prior to Agenda Item 6 'Preferred Options Local Plan'.)

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THE CHAIRMAN



## CABINET (SPECIAL MEETING)

**HELD: 14 December 2011**

Start: 6.30pm

Finish: 7.50pm

### PRESENT:

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

Councillors		<u>Portfolio</u>
Ashcroft		Public Realm and Human Resources
Forshaw		Planning and Technical Services
Fowler		Health and Leisure
Mrs Hopley		Landlord Services and Community Safety
Owens		Deputy Leader & Housing (Finance), Regeneration and Estates
Westley		Resources and Transformation

In attendance	Fillis	R A Pendleton
Councillors:	O'Toole	Sudworth

Officers

- Managing Director (People and Places) (Mrs G Rowe)
- Managing Director (Transformation) (Ms K Webber)
- Assistant Director Housing and Regeneration (Mr R Livermore)
- Borough Solicitor (Mr T Broderick)
- Borough Treasurer (Mr M Taylor)
- Borough Planner (Mr J Harrison)
- Deputy Borough Planner (Mr I Gill)
- Property Services Manager (Mr P Holland)
- LDF Team Leader (Mr P Richards)
- Member Services Manager (Mr G Martin)

### 88. APOLOGIES

There were no apologies for absence.

### 89. DECLARATIONS OF INTEREST

Councillors Fowler and Westley declared Personal and Prejudicial interests in item 4a ((Core Strategy Preferred Options) as they are Trustees of the Comrades of the Great War Club, the premises of which were referred to in the report. They indicated that they would leave the meeting in the event of there being any discussion in relation to this site.

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

There were no items of Special urgency.

**91. MATTERS REQUIRING DECISIONS**

Consideration was given to reports on matters requiring a decision, as contained on pages 1059 to 1089 of the Book of Reports.

**92. CORE STRATEGY PREFERRED OPTIONS (CSPO) - CONSULTATION RESPONSES**

Councillor Forshaw introduced the report of the Borough Planner recommending the Council's response to each of the representations received as a result of the consultation exercise in relation to the Core Strategy Preferred Options Document (CSPO).

A document detailing the responses received had been made available for all members on request and incorporated in the Cabinet Book of Reports, starting after page 1066 of that volume. The document was also published and available for inspection on the Council's website.

Cabinet members also had before them copies of the decisions arising from consideration of the report at the Executive Overview and Scrutiny and Planning Committees.

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

RESOLVED: A. That the representations received during the CSPO consultation in May/June 2011 be noted and the proposed response of the Council to each representation received, as set out in Appendix 1 of the report, be approved.

B. That Call In is not appropriate for this item as the report has previously been considered by the Executive Overview & Scrutiny Committee.

**93. PREFERRED OPTION LOCAL PLAN**

Councillor Forshaw introduced the report of the Borough Planner seeking approval, for consultation purposes, of the Local Plan Preferred Options document and its related documentation. The report reminded members that the Council had previously conducted a consultation exercise in relation to the Core Strategy Preferred Options and advised that this document had, to meet the requirements of the new National Planning Policy Framework arrangements, been incorporated into a single (Local Plan) document which also incorporated other documents stemming from the former Local Development Framework arrangements.



Copies of the Local Plan Preferred Options document and the related appendices were circulated prior to the meeting and have been included after page 1082 of the Cabinet Book of Reports, as well as on the Council's website.

Prior to the meeting, officers had circulated comments arising from consideration of the report by the LDF Cabinet Working Group and the Planning and Executive Overview and Scrutiny Committees, together with suggested responses to those comments and revised recommendations to reflect those suggested responses.

Members agreed to a 15-minute adjournment to afford an opportunity to read the additional information referred to above prior to the Cabinet making its decision(s) in relation to this item.

During the course of the debate following the adjournment referred to above, Members agreed to a further adjournment, pending the start of the Council meeting scheduled to start at 7.30pm. It was subsequently noted that the Council had agreed to adjourn its own proceedings to enable the Cabinet to conclude its business.

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

- RESOLVED:
- A. That the six documents listed in Appendices 2-7 of the report, which will also be publicly available for comment as part of the Local Plan Preferred Options consultation, be noted.
  - B. That the minutes of the LDF Cabinet Working Group, 29 November 2011 and the Executive Overview & Scrutiny Committee and Planning Committee on 8 December and the comments referred to Cabinet as set out in those minutes, be noted.
  - C. That the responses to the Local Plan Regulation 25 Letter from key stakeholders and the comments from the Borough Planner, as circulated at the meeting, be noted.
  - D. That the views of the Borough Planner in response to the comments raised by the Executive Overview and Scrutiny Committee and the Planning Committee as set out in the supplementary information circulated at the meeting, be noted and the suggested amendments, as set out in part 2 of that document, be endorsed, subject to appropriate changes being made to the wording of Policy RS2 to permit a more flexible approach to the location of off-site affordable housing provision and to the wording of table F4 (parking standards for higher and further education premises) in Appendix F and elsewhere in the document where necessary, to reflect a requirement of one parking space per 15 students.

- E. That subject to the amendments referred to in D. above, the Local Plan Preferred Options document at Appendix 1 to the report be approved for public consultation in January/February 2012.
- F. That the Borough Planner, in consultation with the Portfolio Holder, be authorised to make minor changes to the document prior to its release for consultation to either correct errors in the document or to provide improved or clarified working which does not alter the meaning of any policy or paragraph.
- E. That Call In is not appropriate for this item as the report has already been considered by the Executive Overview & Scrutiny Committee and the outcome of that consideration taken into account in reaching the decisions set out above.

**94. EXCLUSION OF PRESS AND PUBLIC**

Members noted that the report relating to the final item of business had initially been marked “not for publication” by officers, on the recommendation that the report contained information falling within one of the categories specified in Part 1 of Schedule 12A to the Local Government Act 1972. At the meeting, it was agreed not to exclude the press and public for this item.

**95. FINDON AND FIRBECK ESTATE, SKELMERSDALE**

Councillor Mrs Hopley introduced the report of the Assistant Director Housing and Regeneration in relation to the intention to demolish all properties on the Firbeck and Findon estate in Skelmersdale and remodel.

Members noted that recent meetings between the Council’s officers and representatives of the Homes and Communities Agency and St Modwen’s had confirmed that the ongoing economic situation was such that there was little if any prospect of the original proposals for demolition and redevelopment work going forward. In the circumstances therefore officers were recommending a change of approach.

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 it be noted that the original intention to demolish and redevelop the whole of Findon and Firbeck Estate appears to be no longer feasible in the current economic climate.
  - B. That the Assistant Director of Housing and Regeneration and Borough Planner prepare revised proposals for consideration by Cabinet and Council in due course, prior to public consultation.
  - C. That the Assistant Director of Housing and Regeneration inform tenants and residents of Firbeck and Findon of this decision.

**CABINET****HELD: 17 JANUARY 2012**

Start: 7.30pm

Finish: 9.25pm

**PRESENT:**

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

Councillors		<u>Portfolio</u>
I Ashcroft		Public Realm and Human Resources
M Forshaw		Planning and Technical Services
A Fowler		Health and Leisure
Mrs V Hopley		Landlord Services and Community Safety
A Owens		Deputy Leader & Housing (Finance), Regeneration and Estates
D Westley		Resources and Transformation

In attendance Councillors:	Cropper	Griffiths
	Furey	Hennessy
	Gibson	Hodson
	Grice	

Officers

Managing Director (People and Places) (Mrs G Rowe)  
Managing Director (Transformation) (Ms K Webber)  
Assistant Director Housing and Regeneration (Mr R Livermore)  
Assistant Director Community Services (Mr D Tilleray)  
Borough Treasurer (Mr M Taylor)  
Transformation Manager (Mr S Walsh)  
Executive Procurement and Projects Manager (Mr J Ryding)  
Deputy Borough Planner (Mr I Gill)  
Property Services Manager (Mr P Holland)  
Business Development Manager (Mr W Berkley)  
Principal Member Services Officer (Mrs S Griffiths)

**96. APOLOGIES**

There were no apologies for absence.

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

There were no items of urgent business.

**98. DECLARATIONS OF INTEREST**

The following declarations were received:

1. Councillors Fowler and Westley declared personal and prejudicial interests in agenda item 6(g) (War Memorial, Coronation Park, Ormskirk) in view of them being Custodian Trustees of the Comrades Club Trust. They left the meeting during consideration of this item.

2. Councillor Westley declared a personal interest in agenda item nos. 6(c) (Skelmersdale and UpHolland Demand Responsive Transport System and 6(p) Procurement of Repairs Appointments System, as he is a Member of Lancashire County Council.
3. Councillors Grant, Ashcroft, Fowler, Forshaw and Westley declared personal interests in agenda item 6(i) (Medium Term Capital Programme) in respect of Parish matters, as Members of Aughton, Hesketh with Becconsall, Scarisbrick, Hesketh with Becconsall and Halsall Parish Councils respectively.

**99. INSTALLATION OF SOLAR PHOTOVOLTAICS ON COUNCIL OWNED BUILDINGS-  
COMMENTS REFERRED TO CABINET FROM EXECUTIVE OVERVIEW AND  
SCRUTINY COMMITTEE**

Councillor Mrs Hopley introduced the report of the Borough Solicitor which set out comments referred from the Executive Overview and Scrutiny Committee at its meeting held on 1 December 2011 in respect of an item raised under post hoc scrutiny of minute no. 71 of the Cabinet Minutes on 15 November 2011 which considered the report 'Installation of Solar Photovoltaics on Council Owned Buildings'.

Councillor Mrs Hopley circulated a motion which was seconded which indicated further evaluation/investigations be undertaken subject to the availability of finance and resources.

In reaching the decision below, Cabinet considered the comments from Councillor Hopley, the Motion circulated and the details set out in the report before it and accepted the reasons contained therein.

**RESOLVED:** A. That Minute 71 'Installation of Solar Photovoltaics on Council Owned Buildings' of the Cabinet held on 15 November 2011, attached at Appendix A, and the report of the Assistant Director Housing and Regeneration, attached at Appendix B, be noted.

B. That the extract of Minute 51 'Relevant Minutes of Cabinet' of the Executive Overview and Scrutiny Committee on 1 December 2011, in relation to Minute 71, as set out in paragraph 3 of the report, and the comments from the Assistant Director Housing and Regeneration, detailed in paragraph 4 of the report, be noted.

C. That, in accordance with the original report, the Assistant Director Housing and Regeneration be requested to:

- i) evaluate the use of solar photovoltaics to provide community wide benefit from the feed-in tariff once the market has stabilised following the consultation review and
- ii) continue to investigate district heating systems further once suitable projects are identified  
subject to finance and staff resource being available.

- D. That call-in is not appropriate for this item as the matter has previously been considered by the Executive Overview and Scrutiny Committee.

**100. MINUTES**

RESOLVED: That the minutes of the meetings of Cabinet held on 15 November and 14 December 2011 be received as a correct record and signed by the Leader.

**101. MATTERS REQUIRING DECISIONS**

Consideration was given to reports relating to the following matters requiring decisions as contained on pages 1101 to 1300 and 1329 to 1366 of the Book of Reports.

**102. BUSINESS PLAN 2012/13 REFRESH**

Councillor Westley introduced the report of the Managing Directors which sought approval for the adoption of the "Business Plan 2012/13 Refresh" (Appendix A).

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 "Business Plan 2012/13 Refresh" (Appendix A) be approved and adopted by Council.
- B. That authority be given to the Managing Director (Transformation) to make any final amendments to the document, prior to publication.
- C. That call-in is not appropriate for this item, as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2 February 2012.

**103. CYCLE TO WORK SCHEME**

Councillor Forshaw introduced the report of the Borough Planner which outlined proposals for the implementation of a Cycle to Work scheme.

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

- RESOLVED: A. That the Borough Planner be authorised to implement a Cycle to Work scheme, utilising the Government's 'Cyclescheme' initiative and to take all necessary action relating thereto.
- B. That the Cycle to Work policy, eligibility criteria and implementation proposals, as set out in Appendix 1, be approved.

- C. That the Borough Treasurer be authorised to deal with the financial arrangements of a Cycle to Work Scheme and to take all necessary action relating thereto.

#### **104. SKELMERSDALE & UPHOLLAND DEMAND RESPONSIVE TRANSPORT SYSTEM**

Councillor Forshaw introduced the report of the Borough Planner which advised Members of the progress made regarding provision of a demand responsive transport system linking residential and employment areas in Skelmersdale and Up Holland, and sought approval for a pilot scheme funded through S106 commuted sums.

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 authority be given to the Borough Planner to:-

- (i) pilot a scheme to provide a demand responsive transport system to operate initially for 9 months with a review after 6 months linking residential and employment areas in Skelmersdale and Up Holland utilising S106 funds and to take all action necessary in relation to the scheme and
  - (ii) enter into a Service Level Agreement (SLA) with Lancashire County Council to ensure that formal agreement is in place regarding LCC's role in operating this service including how S106 money will be transferred to LCC to operate this service.
- B. That the results of the pilot scheme be subject of a further report to Cabinet after the 6 month review.

#### **105. SELECTIVE HMO LICENSING**

Councillor Mrs Hopley introduced the report of the Assistant Director Community Services which provided Members with an understanding of the Selective Licensing process for houses in multiple occupation (HMO) together with the reasons for the preferred Landlord Accreditation Scheme.

Councillor Mrs. Hopley proposed that this item be referred to Executive Overview and Scrutiny Committee for comments prior to Cabinet making a decision.

In reaching the decision below, Cabinet considered the comments of Councillor Mrs. Hopley and the details set out in the report before it and accepted the reasons contained therein.

RESOLVED: That this report be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2 February 2012 for agreed comments and then referred back to the next meeting of Cabinet with any comments for decision.

**106. ORMSKIRK MOTOR FESTIVAL**

Councillor Forshaw introduced the report of the Assistant Director Community Services in which he sought funding for the running of a second MotorFest event organised and managed by the Aintree Circuit Club in Ormskirk Town Centre in 2012.

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 sponsorship of up to £17,500 for a second MotorFest event in 2012 be funded from contingencies, offset appropriately by commercial sponsorship or other income generated by the event.
  - B. That the Assistant Director Community Services, in consultation with the Portfolio Holders for Planning & Technical Services and Health & Leisure be given delegated authority to approve a suitable date in 2012 for the holding of the event by Aintree Circuit Club and to make all appropriate arrangements as necessary.
  - C. That a full assessment be made after the running of the second MotorFest event as to the feasibility of running future events.

**107. ALT CROSSENS: DRAFT FLOOD RISK MANAGEMENT STRATEGIC PLAN - INITIAL CONSULTATION - REFERRAL FROM COUNCIL**

Councillor Forshaw introduced the report of the Borough Solicitor which referred the report of the Assistant Director Community Services from Council at its meeting held on 14 December 2011 'Alt Crossens: Draft Flood Risk Management Strategic Plan – Initial Consultation' to this meeting. The consultation document had also been submitted to Planning Committee, at its meeting on 12 January 2012, for comment.

A copy of Minute No. 74 of Planning Committee held on 12 January 2012 was circulated.

Councillor Forshaw circulated a motion which was seconded which sought amendments to the consultation response set out in Appendix B.

In reaching the decision below, Cabinet considered the comments from Councillor Forshaw, the Motion circulated and the details set out in the report before it and accepted the reasons contained therein.

- RESOLVED:
- A. That the report of the Assistant Director Community Services and the comments of Planning Committee attached as Appendix A and C respectively, be noted.
  - B. That the consultation response set out in Appendix B be endorsed, subject to:
    - i) deletion of the following paragraph as set out on the 3<sup>rd</sup> bullet point on page 1341 of the Book of Reports:

“It is therefore unlikely that any of the proposed recommendations will impact adversely on the delivery of the new Local Plan for West Lancashire, however, the specific localised needs in parts of Banks and for the western parishes of the Borough may be impeded as a result of the potential effects.” and

ii) substitute “insist” for “advocate” – paragraph 1 – page 1342 of the Book of Reports

C. That call-in is not appropriate for this item as the deadline for the consultation response is 31 January 2012.

#### **108. WAR MEMORIAL, CORONATION PARK, ORMSKIRK**

Councillor Grant introduced the report of the Assistant Director Community Services which detailed proposals from the Custodian Trustees of Ormskirk Comrades Club to relocate the War Memorial to Coronation Park, Ormskirk.

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 proposal from the Custodian Trustees to relocate the Comrades Club War Memorial to Coronation Park Ormskirk be accepted

B. That the Assistant Director Community Services be authorised to finalise the location of the War Memorial

C. That the Assistant Director Community Services be authorised to finalise the valuation of the commuted sum and to enter into all necessary agreements to secure the payment.

D. That the Assistant Director Community Services be authorised to take all necessary action, obtain all necessary permissions and consents and to enter into all necessary documentation to enable the relocation of the War Memorial.

Note: Councillors Fowler and Westley declared personal and prejudicial interests in this item and were absent from the meeting during its consideration.

#### **109. DRAFT REVENUE BUDGET 2012-2013**

Councillor Westley introduced the report of the Borough Treasurer which provided a summary on the current budget position.

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 for 2012-13 and later years be noted.
- B. That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm proposals to Council on 29 February 2012 to enable the budget to be set.
- C. That call-in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 2 February 2012.

**110. MEDIUM TERM CAPITAL PROGRAMME**

Councillors Westley and Owens introduced the report of the Borough Treasurer which set out a number of options for determining the medium term capital programme in the context of the current difficult financial environment.

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 medium term financial position be noted.
- B. That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm proposals to Council on 29 February 2012 to enable the capital programme to be set.
- C. That call-in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 2 February 2012.

**111. FEES AND CHARGES POLICY**

Councillor Westley introduced the report of the Borough Treasurer which detailed proposals for the introduction of a new Fees and Charges Policy.

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

- RESOLVED: That the Fees and Charges Policy set out in Appendix 1 to the report be approved.

**112. QUARTERLY PERFORMANCE INDICATORS (JULY 2011 TO SEPTEMBER 2011)**

Councillor Westley introduced the report of the Transformation Manager which detailed performance monitoring data for the quarter ended 30 September 2011.

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 performance against the indicator set for the quarter ended 30 September 2011 be noted.
- B. That call-in is not appropriate for this item as the report is to be submitted to the next meeting of the Corporate Overview and Scrutiny Committee on 1 March 2012.

**113. ESTATE MANAGEMENT POLICY**

Councillor Mrs Hopley introduced the report of the Assistant Director Housing and Regeneration which presented an Estate Management Policy for adoption.

A copy of Minute No. 60 of Landlord Services Committee (Cabinet Working Group) held on 11 January was circulated, endorsing the recommendation.

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 implementation of the Estate Management Policy attached at Appendix A to the report be agreed.

**114. HOUSING SERVICE IMPROVEMENT PLAN**

Councillor Mrs. Hopley introduced the report of the Assistant Director Housing and Regeneration which explained the arrangements for the scrutinising and monitoring of the Housing Service Improvement 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: A. That no further monitoring reports in relation to the Housing Service Improvement Plan be submitted to Cabinet.
- B. That any residual work from the Service Improvement Plan together with the work that has been identified by the Peer Review, plus further areas of improvement identified, be built into the Service Action Plans for the Housing and Regeneration Service.
- C. That call-in is not appropriate as the report will be presented to the Corporate Overview and Scrutiny Committee on 1 March 2012.

**115. SKELMERSDALE TOWN CENTRE REGENERATION - PROGRESS IN 2010 AND 2011**

Councillor Grant introduced the report of the Executive Procurement and Projects Manager which summarised the progress made in respect of the Skelmersdale Town Centre Regeneration Project during the two year period (2010-11) and sought delegations in order for the project to progress.

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 'way-forward' as outlined in Section 11 to the report be endorsed.
  - B. That delegated authority be given to the Managing Director (Transformation) in consultation with the Leader and Portfolio Holder for Housing (Finance), Regeneration and Estates to negotiate and agree amendments to the Skelmersdale Town Centre Development Agreement to allow the construction of new office facilities for the Co-operative Bank. That delegation to include the obtaining/granting of all licences, easements, permissions and all other matters necessary to facilitate the development.
  - C. That delegated authority be given to the Managing Director (Transformation) in consultation with the Leader and Portfolio Holder for Housing (Finance) and Regeneration, to negotiate and enter into necessary agreements to allow the exit of the Co-operative Bank Plc from Delf House.
  - D. That delegated authority be given to the Managing Director (Transformation), in consultation with the Leader and the Portfolio Holder for Housing (Finance) and Regeneration, to identify an acceptable phased town centre development as outlined in paragraph 5.5 of the report and to negotiate and agree amendments to the Skelmersdale Town Centre Development Agreement to allow its construction. That delegation to include the obtaining/granting of all licences, easements, permissions and all other matters necessary to facilitate the development.

**116. ASSOCIATION OF RETAINED COUNCIL HOUSING (ARCH)**

Councillor Mrs Hopley introduced the report of the Assistant Director Housing and Regeneration which explained the changes the Association of Retained Council Housing (ARCH) would be making to its governance and structural arrangements and the requirement for the Council to nominate Directors to the Board if it wishes to retain ARCH Executive status.

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 becomes a member of the Association of Retained Council Housing (ARCH) Ltd. (a company limited by guarantee).
  - B. That the Portfolio Holder for Landlord Services and Community Safety and the Assistant Director of Housing and Regeneration become Directors of ARCH Ltd.
  - C. That in accordance with S323(1) of the Companies Act 2006 the Council authorises the Portfolio Holder for Landlord Services and Community Safety and the Assistant Director Housing and Regeneration, or their substitutes, to be the Council's representatives at any meeting of ARCH and execute voting rights on behalf of the Council.

### **117. PROCUREMENT OF REPAIRS APPOINTMENTS SYSTEM**

Councillor Owens introduced the report of the Assistant Director Housing and Regeneration which provided an update of the current position in relation to the development of a repairs appointment system.

The Assistant Director Housing and Regeneration circulated additional information and revised recommendations.

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

- RESOLVED:
- A. That the background and current position regarding development of a repairs appointments system be noted.
  - B. That £48,000 for the delivery of a repairs appointment system utilising One-Connect Ltd. in partnership with EPIX systems Ltd., be approved from the HRA Specified Reserve and that all matters necessary to facilitate the development and procurement of this system be undertaken by the Assistant Director Housing and Regeneration.
  - C. That call in is not appropriate for this item as the matter is one requiring urgent action.

### **118. HOUSING REVENUE ACCOUNT (HRA) BUSINESS PLAN**

Councillors Mrs Hopley introduced the report of the Assistant Director Housing and Regeneration which advised of the current position on business planning for the Housing Revenue Account (HRA) including available options.

A copy of Minute No. 61 of Landlord Services Committee (Cabinet Working Group) held on 11 January was circulated.

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

- RESOLVED:
- A. That the current position be noted.
  - B. That the information in this report be used for consultation purposes prior to Council considering this matter in February.
  - C. That the Housing Finance Portfolio Holder be given authority to bring proposals to the Council meeting on 29<sup>th</sup> February 2012 for the Housing Revenue Account Business Plan and the budget for 2012/13 as a minimum.
  - D. That call-in is not appropriate as the matter will be considered by the Executive Overview and Scrutiny Committee on 2 February 2012.

#### **119. REINVIGORATING THE RIGHT TO BUY AND ONE FOR ONE REPLACEMENT – CONSULTATION**

Councillor Mrs Hopley introduced the report of the Assistant Director Housing and Regeneration which sought views on the proposed response to the above-mentioned consultation paper which has been issued by the Government.

A copy of Minute No. 62 of Landlord Services Committee (Cabinet Working Group) held on 11 January was circulated.

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

- RESOLVED:
- A. That the response at Appendix A to the consultation concerning Reinvigorating the Right to Buy and One for One Replacement, be approved.
  - B. That the Assistant Director Housing and Regeneration in consultation with the relevant Portfolio Holders be authorised to amend the response at Appendix A in the light of any agreed comments made by the Executive Overview and Scrutiny Committee at its meeting on 2 February 2012.
  - C. That call-in is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2 February 2012.

**120. 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 items of business on the grounds that it they involve the likely disclosure of exempt information as defined in paragraph 3 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.

**121. MATTERS REQUIRING DECISIONS**

Consideration was given to reports relating to the following matters requiring decisions as contained on pages 1301 to 1327 of the Book of Reports:

**122. STRATEGIC ASSET MANAGEMENT PROJECT**

Councillor Owens introduced the report of the Assistant Director Housing and Regeneration which provided an update on the progress of the Strategic Asset Management Project, advised on the outcomes of the Birch Green and Wrightington Wards and sought authority to dispose of assets.

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

- RESOLVED: A. That the contents of the report, including the work undertaken by officers to date, and the progress on the assets previously identified for disposal be noted.
- B. That the Borough Economic Regeneration and Strategic Property Officer be authorised to take the actions recommended in Appendices A and B in relation to the 115 sites in Birch Green ward and the 24 sites in Wrightington ward, together with Elmers Green which is an opportunity site.
- C. That the Borough Economic Regeneration and Strategic Property Officer be authorised to dispose of all of the sites marked in bold with an \* in Appendix A, together with land at Elmers Green, as referred to in paragraph 4.4 of the report on the attached plan.

**123. FURTHER UPDATE ON SHOPMOBILITY LTD. ORMSKIRK**

Councillor Owens introduced the report of the Assistant Director Housing and Regeneration which detailed the current position regarding the Shopmobility tenancy on the unit located in the Two Saints Place Car Park, Ormskirk.

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

- RESOLVED: A. That the contents of the report be noted.
- B. That the Borough Economic Regeneration & Strategic Property Officer continue to negotiate the terms, conclude and enter into the lease with Shopmobility at Two Saints Car Park, at market rent under her delegated authority.
- C. That Shopmobility be permitted to hold over on the existing terms and conditions for a period up to 30 April 2012, or such other period as agreed by the Borough Economic Regeneration & Strategic Property Officer in consultation with the Portfolio Holder for Housing (Finance), Regeneration and Estates.

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LEADER







**AGENDA ITEM: 9(a)**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
2 February 2012**

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**Report of: Borough Solicitor**

**Relevant Managing Director: Managing Directors**

**Contact for further information: Mrs S Griffiths (Extn. 5097)  
(E-mail: [susan.griffiths@westlancs.gov.uk](mailto:susan.griffiths@westlancs.gov.uk))**

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**SUBJECT: CALL IN ITEM – ORMSKIRK MOTOR FESTIVAL**

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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. 106 of the meeting of Cabinet held on 17 January 2012.

**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 a meeting of Cabinet on 17 January 2012.

3.2 The decision of Cabinet reads as follows:

**“106. ORMSKIRK MOTOR FESTIVAL**

Councillor Forshaw introduced the report of the Assistant Director Community Services in which he sought funding for the running of a second MotorFest event organised and managed by the Aintree Circuit Club in Ormskirk Town Centre in 2012.

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 sponsorship of up to £17,500 for a second MotorFest event in 2012 be funded from contingencies, offset appropriately by commercial sponsorship or other income generated by the event.
- B. That the Assistant Director Community Services, in consultation with the Portfolio Holders for Planning & Technical Services and Health & Leisure be given delegated authority to approve a suitable date in 2012 for the holding of the event by Aintree Circuit Club and to make all appropriate arrangements as necessary.
- C. That a full assessment be made after the running of the second MotorFest event as to the feasibility of running future events”

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

*“That funding should be limited to £10,000 for the Ormskirk Motor Festival and £7,500 be provided for a West Lancashire Show.”*

3.4 The requisition also provided a different decision which was:

*“That resolution A be amended to read:*

- A. That sponsorship of up to **£10,000** for a second MotorFest event in 2012 be funded from contingencies, offset appropriately by commercial sponsorship or other income generated by the event **and the other £7,500 identified in the report be used for a 'West Lancashire Show'.**”*

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 Fillis  
Councillor Gagen  
Councillor Nolan  
Councillor Moran  
Councillor R.A. Pendleton

#### **4.0 COMMENTS OF THE ASSISTANT DIRECTOR COMMUNITY SERVICES**

- 4.1 The level of funding allocated for the running of the MotorFest is clearly a Cabinet decision, however, I can confirm that to run a successful event again in 2012, on a similar basis to the 2011 event, this would need the full £17,500 level of funding to be made available.
- 4.2 In relation to a “West Lancashire Show”, I am not aware of the existence of, or format for, this show and any initiative would therefore need to be set up from “scratch”. There are currently no staffing or funding resources identified for the organisation of such an event and I would suggest that for the Council to take on

the running of a “West Lancashire Show” it would require considerably more than the £7500 mentioned in the ‘reason for call in’.

- 4.3 I am not necessarily against the idea, in principal, for some time in the future. However, before such an initiative could be progressed, a robust business plan would need to be drawn up supported by the provision of additional resources to take the matter forward. In my opinion, for a large-scale event, you would need the minimum of a dedicated full time officer, with access to support staff, over several months.

## **5.0 CONCLUSION**

- 5.1 Following consideration of the decision of Cabinet, the requisition for call in and the comments of the Assistant Director Community Services, 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.

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### **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**

An Equality Impact Assessment has been considered as part of the attached report.

### **Appendices**

Report of the Assistant Director Community Services





**AGENDA ITEM: 6(e)**

**CABINET: 17 January 2012**

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**Report of: Assistant Director Community Services**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holders: Councillors M Forshaw and A Fowler**

**Contact for further information: J Nelson (Extn. 5157) / C A Brady (Extn. 5125 )  
(E-mail:john.nelson@westlancs.gov.uk /  
colin.brady@westlancs.gov.uk)**

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**SUBJECT: ORMSKIRK MOTOR FESTIVAL**

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Wards affected: Scott, Derby, Knowsley.

**1.0 PURPOSE OF THE REPORT**

1.1 To seek funding for the running of a second MotorFest event, to be organised and managed by Aintree Circuit Club, in Ormskirk town centre in 2012.

**2.0 RECOMMENDATIONS**

2.1 That sponsorship of up to £17,500 for a second MotorFest event in 2012 be funded from contingencies, offset appropriately by commercial sponsorship or other income generated by the event.

2.2 That the Assistant Director Community Services, in consultation with the Portfolio Holders for Planning & Technical Services and Health & Leisure be given delegated authority to approve a suitable date in 2012 for the holding of the event and to make all appropriate arrangements as necessary.

2.3 That a full assessment be made after the running of the second Motor Fest event as to the feasibility of running future events.

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**3.0 BACKGROUND**

3.1 On 14 September 2010 Cabinet approved funding for the running of a motor festival in Ormskirk town centre, with the proposed date for the event being subsequently agreed as 28 August 2011. The event offered the opportunity to

the West Lancashire community to see and hear vehicles in static displays and controlled parades around the town centre. The entries came from a cross section of the classic and competition motoring / motorcycling world

- 3.2 The MotorFest subsequently took place on 28 August 2011, with approximately 250 vehicles participating in both static displays in the town centre, on Coronation Park and in demonstration parade laps around the town centre. Children's fairground rides and other supporting activities also took place in Coronation Park during the course of the day.
- 3.3 The event was organised by a local motor club, Aintree Circuit Club (ACC), who took care of all vehicle entries, event infrastructure, administration, management and co-ordination of the event on the day, with the Council providing an important supportive role for the staging of the event. ACC have also indicated that they would be interested in being involved in the organising of any future events.
- 3.4 Aintree Circuit Club is a Motor Sports Association (MSA) registered club, experienced in running motor sport events. The MSA is recognised as the sole motor sport governing body for the United Kingdom by the world governing body, the Federation Internationale de L'Automobile (FIA). As the governing body, the MSA is responsible for the governance and administration of all forms of motor sports in the UK.
- 3.5 The event was an outstanding success, a true community family event, with crowds in attendance on the day in the region of 10,000, certainly the biggest event which has been held in Ormskirk in recent times. Businesses that were open on the day were able to take advantage of the increased footfall in the town centre to increase turnover on the day.
- 3.6 The MotorFest received a considerable amount of positive media interest in the run up to and on the day of the event itself. This interest helped raise the profile of Ormskirk both regionally and nationally. The event was also exceptionally well received by the local community and business community with both the Council and ACC having received good post event support. There is an expectation and hope from the public that the event is repeated again in 2012.

#### **4.0 ISSUES**

- 4.1 The event was unique and conceptual and as such the original business plan evolved as the event organisation progressed. After the successful running of the first event we are now in a more informed position in relation to running any future MotorFest events in terms of both the logistical and financial implications.
- 4.2 Again, with the event being a first and organised in a difficult economic climate business sponsorship was difficult to secure, with just a small number of local businesses coming on board. Given the success and profile of the first event, it is hoped should the event be repeated in the future that more local businesses will come on board in support. This, however, cannot be guaranteed and any future event running decisions should not be based on any over-optimistic projected sponsorship income.

- 4.3 The event was a “free” event with no charges being levied to either the public or display vehicles and this no doubt helped underpin its success. The MotorFest cannot really be considered in the first instance as a money making venture, as there is no real opportunity to accrue revenue by charging the visiting public, which is where the majority of income for similar events is generated from.
- 4.4 ACC feel that, such was the interest in the event, the event could be staged on an annual basis and even organised for a suitable date in 2012, if a decision to run the event is made reasonably soon. See Section 6 for the financial details.
- 4.5 As can be appreciated by the scale of the 2011 Motorfest event, a considerable amount of time and effort was devoted to the pre-planning, organisation, promotion and running of the event by Aintree Circuit Club.

## **5.0 PROPOSALS**

- 5.1 Cabinet support and approve the running of a second MotorFest motoring themed event in Ormskirk town centre in 2012, as outlined in the body of this report.
- 5.2 A 2012 event is organised and managed by ACC and a suitable Agreement between the Council and ACC in relation to the availability of financial support and covering all risks and liabilities be drawn up accordingly.
- 5.3 The Head of Leisure & Cultural Services and the Technical Services Manager enter in to early negotiations with representatives from ACC to discuss the staging of a second MotorFest event in 2012 and ensure that a suitable strategy is in place to maximise potential sponsorship income, which would be used to offset the Council’s contribution to the event as appropriate.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 6.1 As can be appreciated by the scale of the 2011 Motorfest event, a considerable amount of time and effort was devoted to the pre-planning, organisation, promotion and running of the event by Aintree Circuit Club.
- 6.2 Should the MotorFest event be agreed to be held again in 2012 then additional funding up to a maximum of £17,500 in support of the event, would need to be made available by the Council to Aintree Circuit Club with publicity and promotion costs, additional to this, being met from existing Council budgets. This sum is to cover the event infrastructure set up costs in relation to traffic management, advance signage, additional policing, additional street cleansing, public toilet and CCTV monitoring operations and also the organisational costs and event management expenses incurred by ACC.
- 6.3 Council staff resources to support the administration of the event would be met from within existing budgets.

## **7.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

7.1 The running of successful town centre events will help continue to sustain and promote the vitality of the town centre, which is very important in social and economic terms. It is also in line with the aspirations of the recent Market Towns Initiative, which is identified as a priority project in the Sustainable Community Strategy.

## **8.0 RISK ASSESSMENT**

8.1 With the event being organised and managed by ACC, then the risk to the Council is more in terms of reputation by association plus the obvious potential financial risk for any agreed costs incurred.

## **9.0 CONCLUSIONS**

9.1 The recent MotorFest helped significantly raise the profile of Ormskirk both regionally and nationally.

9.2 The MotorFest presented the opportunity for the Council to be involved in a “good news” event that was well received by both the local / business communities and the event participants.

9.3 If the event were proposed to be held again in 2012 then negotiations, decisions and appropriate funding would need to be in place fairly quickly in order to give a workable lead in time for good event planning. The successful running of the first event has helped provide a good template for the organisation and delivery of any future events.

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### **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**

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

### **Appendices**

Appendix 1                      Equality Impact Assessment



<p>1. Using information that you have gathered from service monitoring, surveys, consultation, and other sources such as anecdotal information fed back by members of staff, in your opinion, could your service/policy/strategy/decision (including decisions to cut or change a service or policy) disadvantage, or have a potentially disproportionately negative effect on, any of the following groups of people:  <i>People of different ages – including young and older people</i>  <i>People with a disability;</i>  <i>People of different races/ethnicities/ nationalities;</i>  <i>Men; Women;</i>  <i>People of different religions/beliefs;</i>  <i>People of different sexual orientations;</i>  <i>People who are or have identified as transgender;</i>  <i>People who are married or in a civil partnership;</i>  <i>Women who are pregnant or on maternity leave or men whose partners are pregnant or on maternity leave;</i>  <i>People living in areas of deprivation or who are financially disadvantaged.</i></p>	<p>The proposals contained within the report would not appear to disadvantage or have an adverse impact on any of these groups</p>
<p>2. What sources of information have you used to come to this decision?</p>	<p>Feedback from various quarters after the successful running of the 2011 MotorFest event</p>
<p>3. How have you tried to involve people/groups in developing your service/policy/strategy or in making your decision (including decisions to cut or change a service or policy)?</p>	<p>No groups have been engaged to date</p>
<p>4. Could your service/policy/strategy or decision (including decisions to cut or change a service or policy) help or hamper our ability to meet our duties under the Equality Act 2010? Duties are to:-  <i>Eliminate discrimination, harassment and victimisation;</i>  <i>Advance equality of opportunity (removing or minimising disadvantage, meeting the needs of people);</i>  <i>Foster good relations between people who share a protected characteristic and those who do not share it.</i></p>	<p>It is not believed that there will be any effect</p>
<p>5. What actions will you take to address any issues raised in your answers above</p>	<p>Officers will continue to engage with the local Ormskirk business and residential communities in order to identify any potential issues which may arise out of the running of a motor festival in 2012</p>





**AGENDA ITEM: 9(b)**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
2 February 2012**

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**Report of: Borough Solicitor**

**Relevant Managing Director: Managing Directors**

**Contact for further information: Mrs S Griffiths (Extn. 5097)  
(E-mail: susan.griffiths@westlancs.gov.uk)**

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**SUBJECT: CALL IN ITEM – SKELMERSDALE & UP HOLLAND DEMAND  
RESPONSIVE TRANSPORT SYSTEM**

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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. 104 of the meeting of Cabinet held on 17 January 2012.

**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 a meeting of Cabinet on 17 January 2012.

3.2 The decision of Cabinet reads as follows:

“104. Skelmersdale & UpHolland Demand Responsive Transport System

Councillor Forshaw introduced the report of the Borough Planner which advised Members of the progress made regarding provision of a demand responsive transport

system linking residential and employment areas in Skelmersdale and Up Holland, and sought approval for a pilot scheme funded through S106 commuted sums.

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 authority be given to the Borough Planner to:-

- (i) pilot a scheme to provide a demand responsive transport system to operate initially for 9 months with a review after 6 months linking residential and employment areas in Skelmersdale and Up Holland utilising S106 funds and to take all action necessary in relation to the scheme and
  - (ii) enter into a Service Level Agreement (SLA) with Lancashire County Council to ensure that formal agreement is in place regarding LCC's role in operating this service including how S106 money will be transferred to LCC to operate this service.
- B. That the results of the pilot scheme be subject of a further report to Cabinet after the 6 month review."

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

*"That the service should not be restricted to just Pimbo and Up Holland"*

3.4 The requisition also provided a different decision which was:

*"That the pilot scheme be extended to cover the whole of Skelmersdale, including other industrial estates."*

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 Fillis  
Councillor Gagen  
Councillor Nolan  
Councillor Moran  
Councillor R.A. Pendleton

#### **4.0 COMMENTS OF THE BOROUGH PLANNER**

4.1 The proposal is to run the scheme to the Pimbo industrial estate, for people within Skelmersdale and Up Holland, as a pilot scheme for 9 months only and this will be reviewed after 6 months. This will enable consideration to be given as to whether the scheme should be extended to run to other employment areas in Skelmersdale and the area in which people will be able to use the service. It will also allow time to consider which Section 106 agreements should be used and for any legal discussions to take place if these needed to be varied.

4.2 The Section 106 agreement being used for the pilot scheme can only be used for a scheme serving the Pimbo Estate. For it to be used for other areas in the town a deed of variation to the agreement would be required and this would delay the project. In terms of other Section 106 agreements relating to transport improvements in Skelmersdale, it might be possible to use one of these to run such a demand responsive service to White Moss Business Park, but this would delay the starting of the service, and it is my view that this should be looked at as part of the review process. The Stanley or Gillibrands employment areas would need deeds of variation to current Section 106 agreements in order to run a service to these areas and this would cause significant delay to starting the pilot scheme.

4.3 A limited operating area for the pilot will also allow for a more targeted marketing exercise to be undertaken and by promoting it in a more focussed way help with its establishment, which can then hopefully rolled out if this proves to be a success.

## **5.0 CONCLUSION**

5.1 Following consideration of the decision of Cabinet, the requisition for call in and the comments of the Borough Planner, 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.

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## **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**

An Equality Impact Assessment has been considered as part of the attached report.

## **Appendices**

## Report of the Borough Planner



AGENDA ITEM: **6 (c)**

CABINET: 17 January 2011

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**Report of: Borough Planner**

**Relevant Managing Director: Managing Director (Transformation)**

**Relevant Portfolio Holder: Councillor M Forshaw**

**Contact for further information: Dominic Carr (Extn. 5194)**  
**(E-mail: dominic.carr@westlancs.gov.uk)**

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**SUBJECT: Skelmersdale & Up Holland Demand Responsive Transport System**

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Wards affected: Skelmersdale/Up Holland Wards.

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To inform Members of the progress made into looking to provide a demand responsive transport system linking residential and employment areas in Skelmersdale and Up Holland
- 1.2 To seek authorisation to proceed with a pilot scheme funded through S106 commuted sums.

## **2.0 RECOMMENDATIONS TO CABINET**

- 2.1 That authority be given to the Borough Planner to
  - (i) pilot a scheme to provide a demand responsive transport system to operate initially for 9 months with a review after 6 months linking residential and employment areas in Skelmersdale and Up Holland utilising S106 funds and to take all action necessary in relation to the scheme and
  - (ii) enter into a Service Level Agreement (SLA) with Lancashire County Council to ensure that formal agreement is in place regarding LCC's role in operating this service including how S106 money will be transferred to LCC to operate this service.

- 2.2 That the results of the pilot scheme be subject of a further report to Cabinet after the 6 month review.
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### **3.0 BACKGROUND**

- 3.1 The Skelmersdale Roundabout Project was a demand responsive bus service developed with Government Urban Bus Challenge Funding and operated between 2003-2005. The cost of the project was £218,000 per year. In 2005 the Roundabout project was withdrawn as, although passenger numbers had started to grow, the service was unsustainable and relied upon subsidies. Following the withdrawal of the Roundabout service the West Lancashire Dial-a-Ride project has been able to help provide provision for some journeys, however, this scheme has not focused on employment, where it is believed the lack of adequate public transport has represented a barrier to local residents gaining employment. In addition in 2008 the West Lancashire Integrated Transport Review recommended that there was the potential to introduce a demand-responsive employment bus service in Skelmersdale.
- 3.2 Various stakeholder groups including Job Centre Plus (JCP) Skelmersdale and Ormskirk College, West Lancashire Community for Voluntary Services (CVS), Lancashire County Council (LCC), Primary Care Trust (PCT) and Quarry Bank Community association met to discuss the gap in transport provision within Skelmersdale. The group set up the Phoenix Community Transport Group to review the situation. This group gained funding from the Local Strategic Partnership (LSP) to review the gap in the market and provide impartial recommendations detailing the options for filling this gap.
- 3.3 The Integrated Transport Review recommended a demand responsive system using a social enterprise business model. This model was designed to allow the operation to be sustainable in the medium term. The steering group employed consultants to develop a Business Case into a more comprehensive Business Plan with assistance from the Borough Council and LCC. The business plan detailed a simple delivery model. This project required the commitment of LCC to provide 2 new buses, 'Kickstart Better Buses Funding' from the Department of Transport and Section 106 funding.
- 3.4 In March 2010 it was announced that the bid for funding from the 'Kick Start Better Buses' was unsuccessful. The loss of this 'Kick Start' funding had a major impact upon the viability of the business case for the project. Also Lancashire County Council no longer had the facility to provide any buses.
- 3.5 In July 2010 the LSP Transport Thematic Group recognised that the Phoenix Project as originally conceived would be unviable and officers from the Borough Council offered to discuss with the County Council whether or not there would be any alternative viable scheme that could be brought forward.



- 3.6 The County Council initially looked at possible alternatives to the Phoenix bus project. Their view was that there was no scope to run a scheme such as the old Roundabout project or Phoenix Bus proposal due to the large set up costs and questionable long term viability. Therefore they examined the possibility of a Demand Responsive Taxi (following a similar business model to the Burnley Employment Shuttle Transit service). They proposed a scheme that could operate solely as a means of transport between employment areas and residential areas and it would not be in direct competition with the existing West Lancashire Dial-A-Ride scheme or taxi firms. It would also have low start up costs plus there would be no need to purchase vehicles and there would be low running costs (no maintenance and no new booking facilities).
- 3.7 In November 2010 a report was taken to Cabinet explaining the updated situation following the failure to secure 'Kick Start' funding. This report also asked that Cabinet note the progress made so far and authorise officers to continue to work with LCC officers to further develop this scheme. At this meeting it was resolved that progress so far be noted and that once a pilot scheme has been more fully developed a further report be taken to Cabinet.
- 3.8 Unfortunately as a result of an internal restructure at LCC, the Council was subsequently informed that there was no longer the staffing resource available to take a lead role in this matter. This clearly created a problem in advancing the project as Borough council officers did not have the relevant expertise in this field.
- 3.9 Following a series of meetings to discuss this matter, the County Council agreed in November 2011 to reverse their original decision and to provide the necessary staffing resource to proceed with the scheme. LCC officers have since worked with Borough Council officers to work out the final details of the scheme.

#### **4.0 CURRENT POSITION**

- 4.1 LCC have made officers within the Environment Directorate available to implement and run the proposed service linking Pimbo Industrial Estate with residential areas of Skelmersdale.
- 4.2 As such LCC officers have recommended the establishment of a demand responsive taxi service, which would be operated by a transport contractor, using private hire or hackney carriage licenses. The contractor would provide the service using their own vehicles and would also operate the booking service. The contractor would be paid based on the number of in service miles that it provides on the service (we would not pay for mileage getting to and from the customer). Members of the public would be able to use the service, providing that they are members of the scheme. This scheme would be limited and have a strict criteria.
- 4.3 In order to become members of the scheme members of the public must demonstrate that:
- They cannot make the journey reasonably on the existing public transport network.

- They live within either Skelmersdale or Up Holland as defined within Map A (Appendix A)
- They are making this journey in order to access employment on the Pimbo Industrial Estate.

And also:

- They have been referred to this service by Job Centre Plus or a private employment/recruitment company as somebody whom transport has presented an obstacle to entering work; or,
- They have been referred to by a private companies HR department as being somebody who is new to the company and cannot reasonably access work due to a lack of public transport; or,
- They have been referred to by a private companies HR department as being an existing employee who is struggling to maintain employment due to transportation difficulties. This must be because their transportation circumstances have changed i.e their shift patterns have changed and fall outside of normal public transport hours/they can no longer car share or get a lift/their hours/wages have been reduced and they can no longer afford alternative transport methods; or,
- The individual has walking difficulties and/or is disabled and cannot reasonably access employment without this service.

- 4.4 It is recommended that a flat fare, based on existing bus fares in the area is charged for each single journey and, in addition, a saver strip be made available containing ten journeys at a cost of nine journeys. Fares paid by the passenger would be kept by LCC and offset against the cost of the service.

For example the following fares are available on Arriva's 375/385 service:

Skelmersdale Bus Station – Derby Arms (1 mile)	£1.70
Skelmersdale Bus Station – War Memorial (2 miles)	£1.90
Skelmersdale Bus Station – Firwood Road (2.5 miles)	£2.00
Skelmersdale Bus Station – Up Holland (2.5 miles)	£2.00

- 4.5 Officers recommend a flat fare of £2.00 and a multi journey saver strip of ten journeys for £18.00. Each one way trip represents one journey i.e. to travel to and from work using the service will cost the customer £4.
- 4.6 It is recommended that the service operates on a Monday to Saturday basis from 05.30 until 23.00 and passengers must book their journey with the contractor at least 24 hours in advance. Block bookings would be available. Previous work "Phoenix Roundabout – Initial Business Case Lancashire County Developments Ltd" showed that work shifts usually follow the following patterns:

06.00 – 14.00  
 09.00 – 17.00  
 14.00 – 22.00  
 18.00 – 02.00  
 22.00 – 06.00

- 4.7 The scheme will be publicised by Skelmersdale Job Centre Plus, Employment Agencies and employers on the Pimbo Industrial Estate to individuals meeting the criteria set out in paragraph 4.3

## 5.0 ESTIMATED COSTS

- 5.1 It is difficult to estimate how many people would use the scheme although we would expect the number of users to increase over time as the scheme gets established.

- 5.2 However, using the business case developed for the Phoenix Community Transport Group ("Phoenix Roundabout – Initial Business Case Lancashire County Developments Ltd") details use of the Roundabout bus service during February 2005. The following trips were made to Pimbo Industrial Estate and commenced from the stated areas of Skelmersdale :

	Ashurst	Birch Green	Digmoor	Old Skelmersdale	Tanhouse	Total
Pimbo	78	42	107	153	87	467

(Return journeys for full month of February 2005)

The following costs have been estimated for journeys to Pimbo Industrial Estate:

Estimated Annual Figures.							
	Single journeys	Est. av. mileage per journey	Est. av. passengers per journey	Total est. mileage	Est. Gross Cost	Est. Revenue	Net Cost
Ashurst	936	4	2	3744	£7,488.00	£3,744.00	£3,744.00
Birch Green	504	3.5	2	1764	£3,528.00	£2,016.00	£1,512.00
Digmoor	1284	2	2	2568	£5,136.00	£5,136.00	£0.00
Old Skelmersdale	1836	4	2	7344	£14,688.00	£7,344.00	£7,344.00
Tanhouse	1044	2.5	2	2610	£5,220.00	£4,176.00	£1,044.00
Total	5604			18030	£36,060.00	£22,416.00	£13,644.00

- 5.3 In these calculations the following assumptions have been made:

- Cost per in service mile of £2.00;
- Flat fare of £2.00 is charged;
- On average 2 passengers are carried during each journey. (The Burnley Best scheme currently operates with an average of 3 passengers per vehicle)

Please also note that the figures above have been based on an established service which did not have strict criteria for entry and it may take some time to build up to these levels. However, the contract would be tendered so that only those journeys made would be paid for by the Council.

	Annual Figures
Miles (in operation)	18030
Passenger Journeys	11208
Gross Cost	£36060
Revenue from fares	£22416
Net Cost of service	£13644
Subsidy per passenger journey	£1.21
Revenue to cost	62%

5.4 The above figures are estimated annual figures and show the revenue to cost (revenue as a percentage of gross cost) and subsidy per passenger (net cost divided by passenger journeys). Generally the County Council sets guidelines that it's subsidised services should have revenue to cost figure of greater than 40% and a subsidy per passenger of less than £2.00.

## **6.0 PROCURING THE SERVICE**

6.1 LCC officers would procure the service through open tender, advertising in the Official Journal of the European Union (OJEU). The tender process would take a minimum of 77 days. There will be no charge for LCC procuring this service.

## **7.0 MANAGING THE SERVICE.**

7.1 It is understood LCC officers would manage the service at no cost to WLBC. A formal Service Level Agreement (SLA) will be put in place between LCC and the Borough Council to ensure that the role and responsibility of the County Council is fully set out before this service goes ahead. LCC's involvement in this service will incorporate the following activities

- set up the Membership list and maintain it;
- ensure the contractor operates the service in compliance with the Contract;
- calculate payments due to the contractor and pay the contractor;
- take up any complaints from the service user with the contractor;
- review the service and provide WLBC with figures and information on the service to enable WLBC to make decisions on the future of the service.

## **8.0 FUNDING THE SERVICE**

8.1 The estimated cost of running the service to Pimbo industrial estate for 9 months has been calculated at £10,233 with annual running costs likely to be a maximum of £13,644. Based on these figures officers estimate that the total cost of expanding the service across Skelmersdale and Up Holland would be less than £35,000 per annum

8.2 The Council has £143,625 S106 funding available from Walkers Snacks which must be spent on providing an alternative means of transport to the site located

on the Pimbo industrial estate. Officers have approached Walkers and they have indicated that they are supportive of the proposal. If Cabinet are minded to approve funding for the pilot scheme, and if Cabinet decide after 6 months that they would like to see the scheme rolled out across Skelmersdale and Up Holland this funding can be pooled with other S106 funds available for improving transport infrastructure in the locality.

- 8.3 In order to pay for this service the Council will transfer in advance an agreed sum of money from S106 funds to LCC to pay the operator of the service. The details of the amount and the method of payment will be stipulated within the agreed Service Level Agreement between both councils.
- 8.4 No money will be transferred to LCC until the SLA is completed.
- 8.5 Although transport services such as this are never fully self sustaining the Council does have sufficient funds to maintain this service for a number of years based on estimated costs.

## **9.0 VIEWS OF THE BOROUGH PLANNER**

- 9.1 Clearly this scheme has the potential to provide real benefits to the local community by providing an affordable alternative transport solution allowing local residents who are most in need to access the local jobs market. However, there is a financial risk with the service. Therefore in order to give this scheme an opportunity to succeed and to avoid spending large amounts of S106 funding unnecessarily I recommend that Members authorise the use of S106 commuted sums to establish a pilot scheme to run for 9 months, that will be reviewed after the initial 6 months. There should be an option to extend this service after 6 months to a maximum of 5 years.
- 9.2 After the initial 6 months a further report will be taken to Cabinet detailing the progress of the scheme. It will be at this point that Members can decide whether to cease funding, to continue with the scheme in its existing form, or extend the scheme to expand across Skelmersdale and Up Holland.

## **10.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 10.1 If successful the transport system will meet many of the aims of the Sustainable Community Strategy. It will assist in getting people to work and will reduce the use of cars and therefore reduce the amount of carbon emitted. Thus it will have economic, environmental and social benefits.

## **11.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 11.1 The proposed pilot scheme will require public subsidy to function however this can be funded through existing S106 monies specifically acquired for such a scheme.

## **12.0 RISK ASSESSMENT**

- 12.1 There is a risk that the amount of passengers will not meet expectations
- 12.2 Some of the Section 106 funding is ring-fenced specifically for improvements to public transport within Skelmersdale and contractually will have to be returned to developers if not spent within a set time scale for schemes such as that subject of this report.
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### **Background Documents**

Phoenix Roundabout- Initial Business case Lancashire County Developments Ltd

### **Equality Impact Assessment**

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

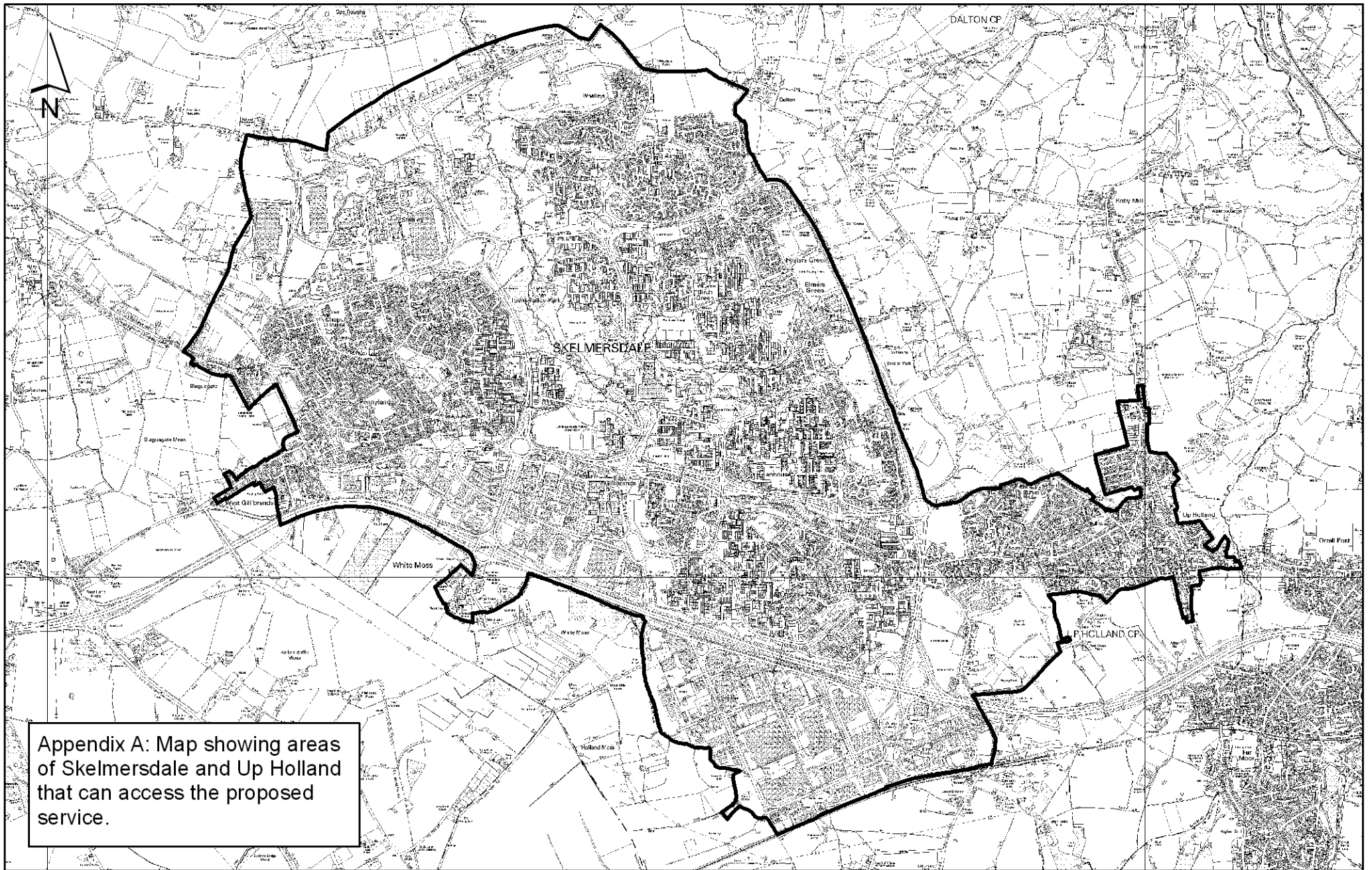
### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

### **Appendices**

Appendix A (Map showing areas of Skelmersdale and Up Holland which can access the proposed service)

Appendix B Equality Impact Assessment



Appendix A: Map showing areas of Skelmersdale and Up Holland that can access the proposed service.





<p>1. Using information that you have gathered from service monitoring, surveys, consultation, and other sources such as anecdotal information fed back by members of staff, in your opinion, could your service/policy/strategy/decision (including decisions to cut or change a service or policy) disadvantage, or have a potentially disproportionately negative effect on, any of the following groups of people:  <i>People of different ages – including young and older people</i>  <i>People with a disability;</i>  <i>People of different races/ethnicities/ nationalities;</i>  <i>Men; Women;</i>  <i>People of different religions/beliefs;</i>  <i>People of different sexual orientations;</i>  <i>People who are or have identified as transgender;</i>  <i>People who are married or in a civil partnership;</i>  <i>Women who are pregnant or on maternity leave or men whose partners are pregnant or on maternity leave;</i>  <i>People living in areas of deprivation or who are financially disadvantaged.</i></p>	<p>No</p>
<p>2. What sources of information have you used to come to this decision?</p>	<p>Officers have analysed information contained within the Phoenix Roundabout- Initial Business Case Lancashire County Developments Ltd as background information.</p> <p>Officers have also consulted with Lancashire County Council public transport officers</p>
<p>3. How have you tried to involve people/groups in developing your service/policy/strategy or in making your decision (including decisions to cut or change a service or policy)?</p>	<p>As part of the initial Business Case a number of organisations were involved and consulted including Job Centre Plus (JCP) Skelmersdale and Ormskirk College (West Lancashire College), West Lancashire Community for Voluntary Services (CVS), Lancashire County Council (LCC), Primary Care Trust (PCT) and Quarry Bank Community.</p> <p>As the project was further developed additional consultation took place involving Skelmersdale Job Centre Plus and a large local employer</p>
<p>4. Could your service/policy/strategy or decision (including decisions to cut or change a service or policy) help or hamper our ability to meet our duties under the Equality Act 2010? Duties are to:-  <i>Eliminate discrimination, harassment and victimisation;</i>  <i>Advance equality of opportunity (removing or minimising disadvantage, meeting the needs of people);</i>  <i>Foster good relations between people who share a protected characteristic and those who do not share it.</i></p>	<p>The proposed scheme is designed to increase accessibility within Skelmersdale in order to help people access employment and in doing so should help meet the Council's duties under the Equality Act 2010</p>
<p>5. What actions will you take to address any issues raised in your answers above</p>	<p>Not Applicable</p>





**AGENDA ITEM: 10**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
2 February 2012**

**CABINET: 13 MARCH 2012**

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**Report of: Borough Solicitor**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holder: Councillor Mrs V Hopley**

**Contact for further information: Mrs S Griffiths (Extn. 5097)  
(E-mail: [susan.griffiths@westlancs.gov.uk](mailto:susan.griffiths@westlancs.gov.uk))**

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**SUBJECT: SELECTIVE HMO LICENSING – ITEM REFERRED BY CABINET TO  
EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

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Borough wide interest

**1.0 PURPOSE OF THE REPORT**

1.1 To seek comments on the “Selective HMO Licensing” report as requested by Cabinet.

**2.0 RECOMMENDATION TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

2.1 That the Committee consider the “Selective HMO Licensing” report of the Assistant Director Community Services and any agreed comments be referred to Cabinet for consideration on 13 March 2012.

**3.0 RECOMMENDATIONS TO CABINET**

3.1 That, subject to consideration of the comments of the Executive Overview and Scrutiny Committee, a selective houses in multiple occupation licensing scheme not be introduced at the current time.

3.2 That the progress of the Landlord Accreditation Scheme be monitored with the Assistant Director Community Services bringing back a report to Cabinet in September 2012.

3.3 That call-in is not appropriate for this item, as the matter has been considered by the Executive Overview and Scrutiny Committee.

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## **4.0 BACKGROUND**

- 4.1 Cabinet received a report on Selective HMO Licensing at its last meeting on 17 January 2012, and resolved “That this report be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2 February 2012 for agreed comments and then referred back to the next meeting of Cabinet with any comments for decision”.
- 4.2 A copy of the original report is attached as Appendix A.

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### **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**

An Equality Impact Assessment has been completed and is attached to the report set out in Appendix A.

### **Appendices**

- A. Cabinet report 17 January 2012 of the Assistant Director Community Services
- B. Minute of Executive Overview and Scrutiny Committee 2 February 2012 (Cabinet only)



**AGENDA ITEM: 6(d)**

**CABINET: 17 January 2012**

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**Report of: Assistant Director Community Services**

**Relevant Managing Director: Managing Director (People and Places)**

**Relevant Portfolio Holder: Councillor V Hopley**

**Contact for further information: Miss Laura Gee (Extn. 5196)  
(E-mail: [laura.gee@westlancs.gov.uk](mailto:laura.gee@westlancs.gov.uk))**

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**SUBJECT: SELECTIVE HMO LICENSING**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To provide members with an understanding of the Selective Licensing process for houses in multiple occupation (HMO) and the reasons why a Landlord Accreditation Scheme was preferred

**2.0 RECOMMENDATIONS**

2.1 That a Selective Licensing Scheme not be introduced at the current time.

2.2 That the progress of the Landlord Accreditation Scheme be monitored with the Assistant Director Community Services bringing back a report to Cabinet in September 2012.

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**3.0 BACKGROUND**

3.1 Members will recall that Cabinet received a Report on the Landlord Accreditation Scheme in September 2011. In agreeing to implement such a scheme, Members also agreed that a Selective HMO Licensing Scheme be explored, with a Report being brought back to Cabinet.

- 3.2 The Housing Act 2004 (the Act) introduced mandatory and selective provisions to licence HMO's. A HMO is defined as a dwelling that is occupied by persons who do not form a single household.
- 3.3 The mandatory licensing scheme applies to properties that are occupied by five or more unrelated households where the living accommodation is spread over three or more storeys (including converted lofts and basements).
- 3.4 The measures to apply the mandatory scheme are already in place.

#### 4.0 SELECTIVE LICENSING

- 4.1 Whereas the mandatory scheme only applies to three storey properties with five or more unrelated occupants, a selective licensing scheme can be applied to all privately rented housing, subject to certain limitations. The limitations are;
- selective licensing can only operate in designated areas;
  - certain tenancies and licenses are exempt from selective licensing;
  - a scheme can only be in place for 5 years;
  - there must be no other course of action available to achieve the same objectives;
  - the appropriate national authority must approve the designation.
- 4.2 The aim of a selective licensing scheme is to raise standards in the private rented sector and drive out poor landlords in areas where privately rented properties are problematic for the wider community.
- 4.3 Before designating an area, the local authority must consult with anyone who is likely to be affected by the introduction of a scheme and must be able to show that selective licensing is being considered in response to three sets of housing problems, namely, low housing demand, persistent anti-social behaviour or other challenging housing problems.
- 4.4 Low housing demand refers to areas where house prices are low, there is a high turnover of occupiers, there are a large number of properties available for sale or rent and properties remain empty for long periods of time. There are no areas within the Borough that would be designated as being low demand.
- 4.5 An area can be deemed to be suffering from significant and persistent anti-social behaviour if it suffers from:
- **Crime:** tenants not respecting the property in which they live and engaging in vandalism, criminal damage, burglary, robbery/theft and car crime.
  - **Nuisance Neighbours:** intimidation and harassment; noise, rowdy and nuisance behaviour; animal related problems; vehicle related nuisance. Tenants engaged in begging; anti-social drinking; street prostitution and kerb-crawling; street drugs market within the curtilage of the property.
  - **Environmental Crime:** tenants engaged in graffiti and fly-posting; fly-tipping; litter and waste; nuisance vehicles; drugs paraphernalia; fireworks misuse in and

around the curtilage for their property.

- 4.6 Section 80 (6) (b) of the Act requires the local housing authority to consider that some or all of the private sector landlords who have let premises in the area are failing to take action to combat such problems and that it would be appropriate for them to take such action.
- 4.7 The local authority must be able to show that the introduction of a selective licensing scheme would, in combination with other measures, eliminate the problem.

## **5.0 LANDLORD ACCREDITATION SCHEME**

- 5.1 The Landlord Accreditation Scheme will offer an alternative solution to Selective Licensing. The introduction of this scheme was approved by Cabinet on the 13 September 2011.
- 5.2 The Accreditation Scheme will achieve the same aims i.e. raising standards but there are no limitations and there is no requirement for housing problems to be in existence.
- 5.3 A working group has been established to progress implementation of the scheme and a launch event with landlords is being planned for February 2012.

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 There are no financial implications as a Selective Licensing Scheme is not being recommended.

## **8.0 RISK ASSESSMENT**

- 8.1 The recommendation to Cabinet is that it is not appropriate to introduce a Selective Licensing Scheme at this time in West Lancashire. There is no risk associated with not introducing a scheme therefore it does not require a formal risk assessment.

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### **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>
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Housing Act 2004 (Part 3)

February 2010 Approval steps for additional and Selective Licensing designations in England

[www.communities.gov.uk/documents/housing/doc/approvalsteps.doc](http://www.communities.gov.uk/documents/housing/doc/approvalsteps.doc)

### **Equality Impact Assessment**

There is a significant direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report

### **Appendices**

1. Equality Impact Assessment



<p>1. Using information that you have gathered from service monitoring, surveys, consultation, and other sources such as anecdotal information fed back by members of staff, in your opinion, could your service/policy/strategy/decision (including decisions to cut or change a service or policy) disadvantage, or have a potentially disproportionately negative effect on, any of the following groups of people:  <i>People of different ages – including young and older people</i>  <i>People with a disability;</i>  <i>People of different races/ethnicities/ nationalities;</i>  <i>Men; Women;</i>  <i>People of different religions/beliefs;</i>  <i>People of different sexual orientations;</i>  <i>People who are or have identified as transgender;</i>  <i>People who are married or in a civil partnership;</i>  <i>Women who are pregnant or on maternity leave or men whose partners are pregnant or on maternity leave;</i>  <i>People living in areas of deprivation or who are financially disadvantaged.</i></p>	<p>No</p>
<p>2. What sources of information have you used to come to this decision?</p>	<p>An alternative landlord accreditation scheme is being introduced which will address the same problems as a selective licensing scheme had have a positive impact on the above groups</p>
<p>3. How have you tried to involve people/groups in developing your service/policy/strategy or in making your decision (including decisions to cut or change a service or policy)?</p>	<p>No work has been undertaken as the areas of the Borough where selective licensing would be considered do not meet the approved criteria laid down by Government</p>
<p>4. Could your service/policy/strategy or decision (including decisions to cut or change a service or policy) help or hamper our ability to meet our duties under the Equality Act 2010? Duties are to:-  <i>Eliminate discrimination, harassment and victimisation;</i>  <i>Advance equality of opportunity (removing or minimising disadvantage, meeting the needs of people);</i>  <i>Foster good relations between people who share a protected characteristic and those who do not share it.</i></p>	<p>The decision not to introduce a selective licensing scheme will not hamper these duties as the alternative accreditation scheme will help the Council meet the above duties by improving management and property standards within the private rented sector whereby reducing incidents of landlord harassment and fostering good relations between landlords and tenants</p>
<p>5. What actions will you take to address any issues raised in your answers above</p>	<p>No further actions at this time</p>





**AGENDA ITEM: 11**

**CABINET: 17 January 2012**

**EXECUTIVE OVERVIEW AND  
SCRUTINY COMMITTEE:  
2 February 2012**

**COUNCIL: 29 February 2012**

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**Report of: Managing Directors**

**Relevant Portfolio Holder: Councillor D Westley**

**Contact for further information: Mrs G Rowe (Extn. 5002)**

**(E-mail: Gill.Rowe@westlancs.gov.uk)**

**Ms K Webber (Extn. 5005)**

**(E-mail: Kim.Webber@westlancs.gov.uk)**

**Ms C McNamara (Ext. 5380)**

**(E-mail: Cath.McNamara@westlancs.gov.uk)**

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**SUBJECT: BUSINESS PLAN – 2012/13 REFRESH**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To seek approval for the “Business Plan 2012/13 Refresh” (Appendix A).

**2.0 RECOMMENDATIONS TO CABINET**

2.1 That the “Business Plan 2012/13 Refresh” (Appendix A) be approved and adopted by Council.

2.2 That authority be given to the Managing Director (Transformation) to make any final amendments to the document, prior to publication.

2.3 That call-in is not appropriate for this item, as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2 February 2012.

**3.0 RECOMMENDATION TO EXECUTIVE OVERVIEW AND SCRUTINY**

3.1 That the Committee consider the “Business Plan 2012/13 Refresh” at Appendix A to the report and agreed comments to be considered by Council on 29 February 2012.

#### **4.0 RECOMMENDATIONS TO COUNCIL**

- 4.1 That the “Business Plan 2012/13 Refresh” at Appendix A to the report be adopted.
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#### **5.0 BACKGROUND AND CURRENT POSITION**

- 5.1 In early 2011, with the support of senior officers, the Business Plan Working Group developed a strategy, the aim of which was to deliver a managed approach to balancing the budget whilst delivering the Council aims over the next four years. The Council adopted this Business Plan 2011/15 in April 2011.
- 5.2 The Business Plan 2011/15 set out the Council’s strategy to deliver its priorities and the savings that it must over a four-year period.
- 5.3 Excellent progress has been made in 2011 and the Business Plan has now been refreshed to reflect refinements in Members’ aspirations and priorities. The amended version, “Business Plan 2012/13 Refresh”, is attached at Appendix A to this report.
- 5.4 Progress against the Business Plan Delivery Plan is reported through Members Updates. This shows both the progress that was made in 2011/12 and demonstrating how projects within the workstreams will be taken forward in the future.
- 5.5 The Council’s vision, values and priorities have been updated to provide a greater strategic focus. The new Joint Managing Directors’ approach to delivering the Business Plan is now outlined within it, as is information about the budget and the budget strategy.

#### **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 There are no direct implications arising from this report.

#### **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 The draft Business Plan appended to this report will ensure the Council is able to continue to pursue its objectives, within the resources available. It sets out a range of ways in which efficiency savings, income and cost reductions might be achieved in the future.
- 7.2 Officer time will continue to be required throughout the process of refining and delivering the Business Plan.

#### **8.0 RISK ASSESSMENT**

- 8.1 The development of the Business Plan and associated processes mitigates against the risks that the Council will not deliver its aspirations within a balanced budget.

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## **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 a direct impact on members of the public, employees, elected members and / or stakeholders. However, specific EIAs will be carried out as a consequence of more detailed strategic decisions being made.

## **Appendices**

Appendix A: "Business Plan 2012-13 Refresh" (version dated November 2011)

Appendix B: Business Plan 2011-15

Appendix C: Minute of Cabinet - 17 January 2012 (Executive O&S and Council only)

Appendix D: Minute of Executive Overview and Scrutiny Committee – 2 February 2012  
(Council only)





# Business Plan 2011-2015

## 2012/13 Refresh

### Council 29<sup>th</sup> February 2012

## CONTENTS

Leader's Statement	3
Managing Directors' Review	5
Council's Vision, Values and Priorities	5
Financial Review	7
Delivery Structures:	
Cabinet Structure	8
Officer Management Structure	9
Core Functions	10
Key Activities	10
Budget Strategy	11
Resource Budgeting and Staffing	13
Consultation	13
Monitoring of Activities	13
Contacts for Further Information	14



## Leader's Statement

This is an exciting but challenging time for West Lancashire. Over the next three years, the Council faces the task of continuing to provide the best possible services within the resources available to it, at a time of shrinking public finance, and with economic challenges facing the country. Our commitment remains to provide the most efficient and effective services possible for residents and businesses in the Borough.



Cllr Ian Grant  
Leader  
West Lancashire  
Borough Council

However, we do not underestimate the task - to balance the Council's budget, at a time when Government grant has been reduced by around 40% over 4 years - it will mean change. Already, we have made significant inroads and identified £3 million towards the £5 million we anticipate is required.

Our track record is a good one and I am determined we won't be complacent, and will continue to seek to move forward. We have the best record in Lancashire for zero or low Council Tax increases. As a result of the work that has been undertaken as part of this Business Plan over the last 12 months to identify savings, we have identified policy options that will mean that we anticipate that we can continue to deliver our services in 2012/13 on budget, whilst minimising the impact for customers on the standard and range of service that they receive from their Borough Council. However, our task, looking to the future, continues to be tough. Our aspiration is to maintain performance in as many frontline services as possible, but reductions in some areas are going to be necessary.

Looking ahead, our focus will be upon working towards sustainable regeneration and growth. Our emphasis will be on improvement within available resources - caring for our Borough by doing the

small things that make the biggest difference to the quality of life of the people of West Lancashire. Continuing to maximise efficiency and, concentrating resources on the areas that matter most, will continue to be our focus over the next three years.

In 2010, the Council received feedback on its housing service from a number of quarters. While there were some positive messages, there were some significant challenges. Recent feedback demonstrates that impressive improvements have been made with the assistance of tenants and staff. But we will not rest on our laurels and further improvement remains a firm priority. We have worked in partnership with developers Fawley Construction Ltd and John McCall Architects to build the first Council Houses in West Lancashire for 20 years. The £1.7 million project was jointly funded by the Council and the HCA and has delivered 17 new homes in Elmstead. It is expected that the new Housing Self Financing system that the Government is implementing from April 2012 will provide the Council with significantly more resources to invest in its housing stock and greater certainty for the future. A Housing Business Plan will be drawn up to ensure the Council invests these extra funds wisely and obtains good value for money. The changes that the national Government is bringing about to reduce inspection regimes and bureaucracy, will enable us to further hone the efficiency of our services.

We will continue to look to partnership working as a means of delivering financial efficiencies, without compromising the standard of the services received by our customers. However, service reductions are likely in some areas and we will need to prioritise spending carefully in line with local needs. We can achieve this through innovative working, harnessing technology, listening and consulting with local people and working with partners. To deliver this aspiration, we have devised a programme around three principles:

- Lean - we will continue to look for ways of providing better services at reduced cost, working with partners where economy of scale can bring dividends, and re-engineering services so that they are customer focussed and as lean as possible.
- Local - where services are best delivered locally, we will work with our partners, including the County Council, OneConnect, West Lancs Community Leisure Trust, Serco and Parish Councils to make sure decisions are locally based and focussed on what local people want. Where we can, we will continue to place emphasis on supporting the development and enhancement of the voluntary and community sectors as often these sectors are best placed to deliver services and support to local communities. And we will be transparent - clear about what we spend public money on, and why.
- Fair to the Tax Payer and to Staff - we firmly believe that the best approach is a managed approach to change in this era of reduced finance. This means that our Business Plan sets out a measured approach that will take some time to deliver. We do not intend to adopt the sort of knee-jerk approach to cuts that we have seen elsewhere. We have studied each service in depth through major service reviews to look at what level each service is best delivered at and where there are areas of discretion which are less valued by our customers. We will continue to roll out this successful programme. It is likely that in the future we will be a smaller organisation. In making this change, we will unashamedly be seeking to minimise compulsory redundancy amongst staff where we can - as this is better for the tax payer, for staff and the local economy.

The 1<sup>st</sup> November 2011 saw the start of a new era for West Lancashire as we became the first Council in the country to implement a new and innovative Joint Managing Director structure. This is a streamlined structure designed to provide the strong corporate focus that is needed to rise to the challenges that lie ahead in the next few years and deliver our Business Plan.

Following the departure of the Chief Executive, and with our two new Managing Directors at the helm, our senior management team has been streamlined, reducing costs, so as to enable a more corporate focus and flexible style of management.

Both of our new Managing Directors were integral to the development of the Business Plan in their former roles with the authority and outlined overleaf is the fresh approach that they will take to continue to deliver the excellent results of the last year. I hope you will enjoy reading our Business Plan Year 2 Refresh. I, and everyone at West Lancashire Borough Council, look forward to working with you all, shaping this next period in West Lancashire life.

## Managing Directors' Review

For those in local government, as everywhere, the last few years have marked a period of unprecedented change. Councils across the country have had to make tough, but necessary, decisions to balance their budgets and, as far as they can, protect services.



Kim Webber      Gill Rowe  
Joint Managing Directors

With over 50 years service in local government between us, we have both been fortunate to have experienced times of growth and contraction in the public sector. More recently, we have also both been part of the management team that has been successful in planning for the difficulties on the horizon, thereby enabling a proactive managed approach to change and the Council to prepare for the challenges ahead. That approach has culminated in the development of this Business Plan and we remain steadfast in our commitment to this strategy as the way to steer this Council through the change that must be delivered over the next 3 years.

In the last 12 months, part of that change has been the restructuring of the senior management team and staff. We are acutely conscious of the effect that such a period of dramatic transition has had upon the organisation, particularly its greatest asset - the staff. We are aware that to continue to deliver our Business Plan and the services that we provide on a daily basis, our staff need to feel secure, engaged and motivated. As Joint Managing Directors, we will strive to care about and involve staff as we move forward.

We are committed to continuing to deliver the Council's Business Plan and now is the time for a fresh approach. This will involve:

- A strong corporate focus;
- Caring about and involving staff;
- Giving committed professional leadership; and
- Providing the best possible services within the resources available - the wellbeing of West Lancashire is paramount.

## The Council's Vision, Values and Priorities

### The Council's Vision is:

To be a Council to be proud of - delivering services that are lean, local and fair.

### The Council's Values are:

We will deliver our vision by continuing to be an innovative organisation which:

- Prioritises customers and the services that are most important to quality of life;
- Work as 'one council' to provide a joined up approach;
- Is open and accountable in the way that it makes decisions;
- Develops and values employees;
- Promotes equality and diversity; and
- Works in partnership to benefit the Borough.

Our values underpin the way in which we will deliver our priorities and achieve our vision.

### Our Corporate Priorities for the next three years are:

Over the next three years, we will lead the Council to achieve its vision by:

- Balancing the budget and providing the best possible services within the resources available;
- Focussing upon sustainable regeneration and growth within the Borough;
- Caring for our Borough - delivering the small improvements that can make a big difference;
- Minimising uncertainty for staff and stakeholders by continuing to implement a managed approach to change; and

- Exploring innovation as a means to secure further value for money.

#### Our Service Priorities are:

Subject to affordability, our Service Priorities for the next three years (2012/13 - 2014/15) are:

- Protect and improve the environment and keep our streets clean and tidy;
- Combat crime and the fear of crime;
- Work to create opportunities for and retain good quality jobs in particular for local people;
- Improve housing and deliver housing that meets the needs of local people, including affordable housing; and
- Provide opportunities for leisure and culture that together with other council services contribute to healthier communities.

#### **Workstreams**

To achieve the Council's vision, this strategy has been developed encompassing four streams of work. The first is a Shared Services Programme which involves looking at those services that might be delivered better on a wider footprint than just West Lancashire boundaries, by working with partners to deliver services. The key strand of this strategy will be to continue to work with Lancashire County Council and OneConnect Ltd, to deliver key support and back-office services. In 2011, we successfully entered into a shared service contract for the delivery of our Revenues and Benefits and ICT Services. This arrangement means that these services will be delivered at significantly reduced cost, whilst protecting staff and service quality. We are able to achieve these savings through the economies of scale that such an arrangement enables. Looking ahead, we will continue to explore options for entering into similar agreements for the delivery of our HR & Payroll, Financial

Management Services and Estates Function. In addition, we will continue to work with the County Council to look at how we can make better use of our assets, for example by sharing office accommodation. We are already seeing success in this area, as the County Council's Registration Office in Ormskirk has now relocated to a refurbished suite at 52 Derby Street. This goes to the heart of this Council's efficiency ethos, and the County Council's Locality Programme, and we will be discussing with County Council how we might assist them in delivering their services more locally and more efficiently by devolving management and resources where appropriate.

The next work stream is our Value for Money Programme. The key to this is the continuation of our successful *Major Service Review Programme*. In 2011, we examined every aspect of the Council's business to develop options for alternative forms of service delivery, streamlining services to make them more efficient and prioritise the affordability and desirability of services that we can deliver. This exercise has enabled the Council to identify in the region of the £2 million that we must achieve in 2012/13. It is acknowledged that increasingly the level of savings that we must make will impact upon service delivery, the success of this programme in Year 1 means that we will be rolling it forward for the remaining duration of this Business Plan as the key vehicle to deliver the necessary savings and balance the Council's budget. We will also be continuing to take a strategic and targeted approach to re-engineering the parts of our organisation where this programme can deliver the most significant savings, with Housing and Planning Services being the focus of this in 2012/13.

*Effective Procurement* of goods, supplies and services remains a key strand of our VfM Programme and a number of tender exercises to test the market will be concluded shortly, including tenders for CCTV and Council vehicles. The application of new technology through our ICT partnership with LCC and One Connect Ltd. will release efficiency savings year on year and this will remain an important area of work. We will also look to build on the positive

relationship we have with the Community Leisure Trust/Serco to see how we might achieve further improvements and efficiencies across our leisure activities.

The third work stream over the next four years is Resource Management. We are currently undertaking a strategic review of our asset holding (the *Strategic Asset Management Plan*), with a view to prioritising these assets for retention, improvement or disposal and this will provide a useful income stream and resources for future capital projects. We have undertaken projects in a number of wards across the Borough. We have undertaken a thorough refurbishment at 52 Derby Street, including the erection of a new roof for the building and use of newer technologies to make the building more energy efficient, thereby reducing running costs and its environmental impact. Effective *Human Resource Management and Development* of our staff is vital to the delivery of services.

The Council has also been looking at new ways of *generating income* by introducing an appropriate fees and charges scheme, the principle being that basic universal services should be free at point of use with appropriate charges being introduced for additional services in order to maintain their sustainability into the longer-term. A report detailing findings from the project work and proposals for change will be received by Council and we anticipate introducing the new strategy from April 2012.

The final stream of our strategy is to retain, where we can in the context of the financial situation, our focus on the delivery of good, basic front-line services and enhancement of the well being of the Borough. To do this we identified a number of Priority Delivery Projects. Excellent progress has been made towards completing them over the last 12 months and we will continue to pursue them in 2012/13 by:

- Working with the County Council and other partners to deliver support for enterprise and the generation of funding and inward investment to the Borough.
- Implementing the MSR 2012/13 Policy Options and undertaking further MSRs in 2013/14 and 2014/15.
- Monitoring the implementation of the new JVC partnership arrangements with LCC and OneConnect Ltd in relation to HR, Revenues and Benefits and ICT Services to ensure their success.
- Progressing the Skelmersdale Vision Town Centre Action Plan in partnership with the Homes and Community Agency and St Modwen.
- Delivering a Self Financing Business Plan for Housing.
- Implementation of the Housing Service Improvement Plan.
- Delivering an adopted Local Plan to provide the basis of a sustainable Borough going forward

### **Financial Review**

*Borough Treasurer to draft financial statement.*

### **Organisational Structure**

In order to meet the challenges of the future, the Council has reviewed its senior management team. We have replaced the previous model, which had a Chief Executive at the top, with one that is more streamlined and corporate, whilst at the same time more flexible, in order to provide focus and deliver this Business Plan in the most cost effective way for taxpayers. We are the first council in the country to introduce this new style of management, the structure of which is illustrated on page 9.

The Leader has also restructured his Cabinet (below) to ensure that political management arrangements are also streamlined and complement the officer structure and deliver the Council's vision.

# CABINET MEMBERS & PORTFOLIOS

Taken from draft constitution review 1.11.11



Leader of the Council: Councillor Ian Grant

Responsible for:

Chairman of the Cabinet; community leadership; Customer Relations; Legal & Democratic Services; Press & Media Strategy; Consultation & Community Engagement Strategy; Local Strategic Partnership; Sustainable Community Strategy; management issues; town twinning; liaison with County Council, Parish Councils.

Taken from draft constitution review 1.11.11



**Portfolio Holder Housing (Finance), Regeneration & Estates**

Councillor Adrian Owens  
(Deputy Leader)

Responsible for:

Regeneration; external & internal funding; marketing the authority & borough; grants & training advice to businesses; housing finance; corporate & commercial property portfolio management/maintenance; Asset Management Plan; Asset Register & Land Terrier; acquisition/sale of land; valuation advice; rating appeals; Lancashire Economic Partnership; Lancashire & Blackpool Tourist Board; Lancashire Rural Partnership; European Objective 2 Priority 2 funding; Investing in Business Regeneration Programme.



**Portfolio Holder Planning & Technical Services**

Councillor Martin Forshaw

Responsible for:

Planning policy; Local Development Framework; development control; building control & enforcement; conservation of built & natural environment; arboricultural & landscape services; council-owned unadopted footways, highways & grit bins; highway works; off-street public car parking; Ormskirk market & bus station; land drainage & coastal engineering; 'green' issues.



**Portfolio Holder Health & Leisure**

Councillor Andrew Fowler

Responsible for:

Commercial safety; public protection & licensing; environmental protection; Leisure Trust and Serco contracts; sports development, swimming pools, sports centres; playgrounds and community centres; arts development, Chapel Gallery; countryside service including golf course, formal parks, open spaces, rights of way and environmental improvements; outdoor recreational opportunities; children's services; voluntary sector grants.



**Portfolio Holder Resources & Transformation**

Councillor David Westley

Responsible for:

Accounting services; capital and revenue estimates and budgeting; annual statement of accounts; treasury management; internal audit; risk management & insurance; exchequer administration; information & communication technology; corporate procurement; freedom of information; value for money, including major service reviews and organisational re-engineering; performance management.



**Portfolio Holder Landlord Services & Community Safety**

Councillor Val Hopley

Responsible for:

Public sector housing: repairs & maintenance, housing allocations, tenancy management, former tenant arrears, sheltered housing & tenant empowerment/participation; private sector housing: renovation grants, disabled facilities grants, home energy efficiency & unfit homes; housing strategy; housing advice service; Supporting People Initiative; community safety.



**Portfolio Holder Public Realm & Human Resources**

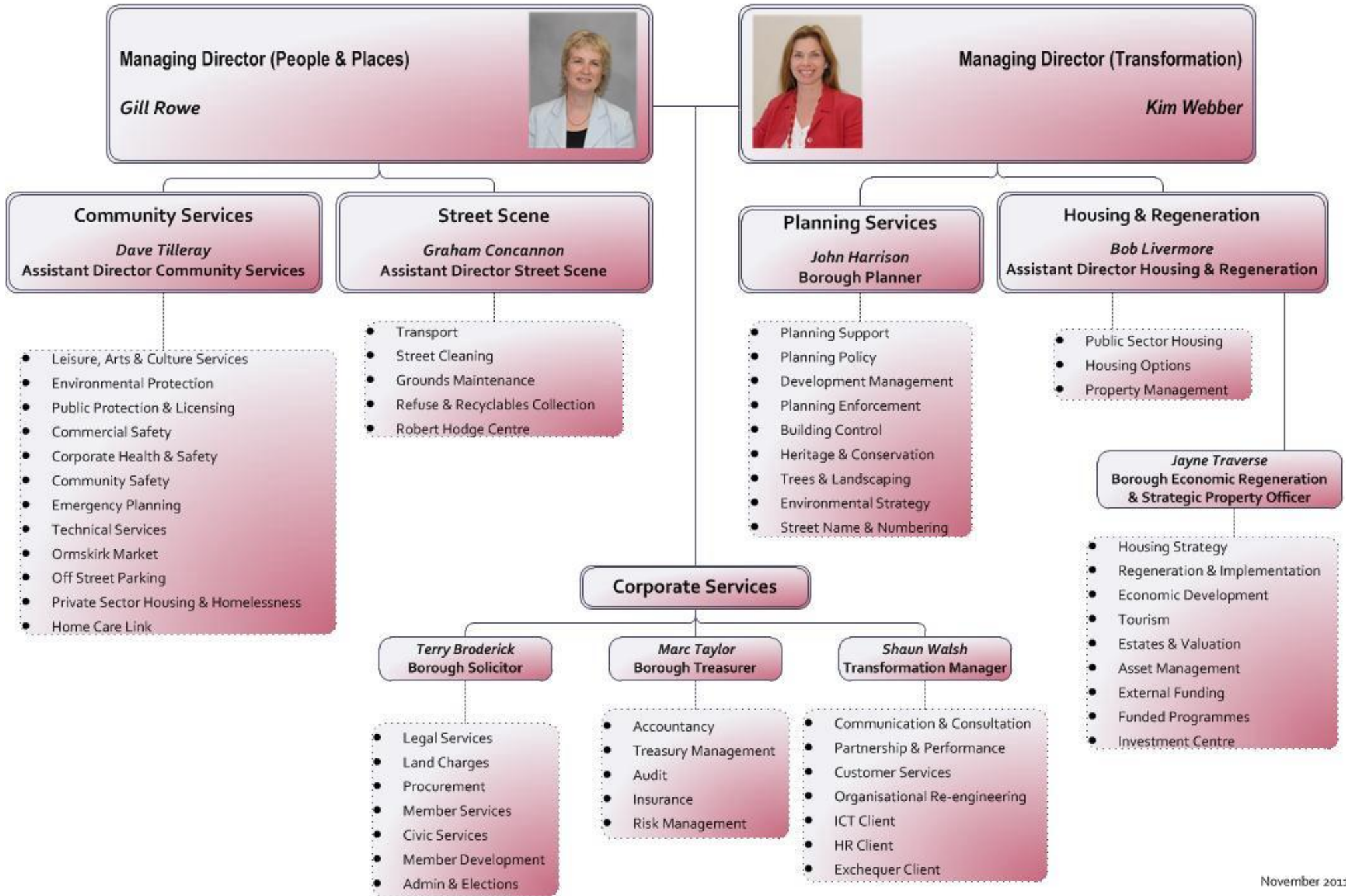
Councillor Iain Ashcroft

Responsible for:

Street scene: fleet/garage/depot facilities, street cleansing, grounds maintenance, stores; waste disposal & recycling: waste management including through partnership; green waste & recyclables collection, farm round, trade refuse services; corporate & strategic HR issues, strategy, policies & procedures; social inclusion, equality & diversity, cohesive & integrated local communities; council representative at NWLAEO meetings; council JCC; equality lead member/champion, employee/development champion; health & safety champion.

November 2011

# SENIOR OFFICER MANAGEMENT STRUCTURE



## CORE FUNCTIONS

The Council has key roles to play as both a local strategic leader and a local delivery partner. As a public body, it is crucial that the Council is transparent and accountable in all of its operations.

The services provided by the Council are determined by statute, although often there is discretion as to the level, or nature, of the service provided. The aim of this Council is to focus upon providing those services in the most advantageous way possible for local people. In some instances this will require direct delivery by the Council's workforce, in other instances delivery under contract or agreement with a private sector company or third sector organisation, and sometimes via a shared service or partnership arrangement.

Both the Council and this Business Plan are structured to deliver the key roles of strategic leader and local delivery partner as effectively

Strategic Direction and Local Leadership	
<b>Internal Focus:</b> <ul style="list-style-type: none"> <li>• Shared Services</li> <li>• Value for Money Programming</li> <li>• Resource Management</li> </ul>	<b>External Focus:</b> <ul style="list-style-type: none"> <li>• Partnership Working</li> <li>• Community Leadership</li> <li>• Strategy Development &amp; Prioritisation</li> </ul>
Local Delivery	
<b>Direct Delivery:</b> <ul style="list-style-type: none"> <li>• Customer Services</li> <li>• Financial Management (partnership under discussion)</li> <li>• Legal/Democracy</li> <li>• Estates (partnership under discussion)</li> <li>• Planning</li> <li>• Housing</li> <li>• (aspects of) Leisure, Arts &amp; Culture</li> <li>• Economic Regeneration</li> <li>• Environmental Health/Licensing</li> <li>• Grounds Maintenance (including undertaking work on behalf of LCC)</li> </ul>	<b>Delivery Partner or Partnership:</b> <ul style="list-style-type: none"> <li>• Leisure Centres</li> <li>• Community Safety</li> <li>• Human Resources</li> <li>• Transport</li> <li>• Recycling</li> <li>• Street Cleansing</li> <li>• Refuse Collection</li> <li>• Exchequer Services</li> <li>• Council Tax</li> <li>• Information and Communication Technology</li> </ul>
Accountability	
<b>Corporate:</b> <ul style="list-style-type: none"> <li>• Full Council</li> <li>• Cabinet</li> <li>• Overview &amp; Scrutiny Committees</li> <li>• Audit and Governance</li> </ul>	<b>External:</b> <ul style="list-style-type: none"> <li>• Local Democracy &amp; Elections</li> <li>• Freedom of Information</li> <li>• Statutory Publication Requirements</li> <li>• Transparency Agenda</li> <li>• Local Strategic Partnership</li> <li>• Tenant Scrutiny</li> </ul>

as possible. Mechanisms are in place enabling all operations and decisions to be open to scrutiny, as robust challenge is integral to effective and accountable decision-making.

## KEY ACTIVITIES

Local authorities must continue to achieve significant savings over the next three years. In 2011, we undertook a significant examination exercise of all of our services, so that we can think not only about what we can do, what services we can provide, but also about how they are provided. The latter is particularly important with regard to the functions that we are required to provide under statutory duty.

To ensure that we are providing the most appropriate services, as effectively and efficiently as possible, the Council has agreed a programme of activities to be undertaken over the next few years that are focussed upon realising the maximum value for money for residents.

In order to achieve the necessary budget approach, without compromising front line services as far as is practicable, in addition to the day to day business of the the local authority, over the next three years the following programmes will continue to be a major focus of work for the council:

- Shared Services Programme;
- Value for Money Programme;
- Resource Management; and
- Priority Delivery Projects.

Taken as a whole, these projects will deliver the Council's Budget Strategy, which is outlined in the next section. The how and when of the programmes' delivery is outlined in the following sections. Full details, including the milestones and targets against which the



Council's progress and success in achieving these will be monitored and managed, as provided in the Delivery Plan.

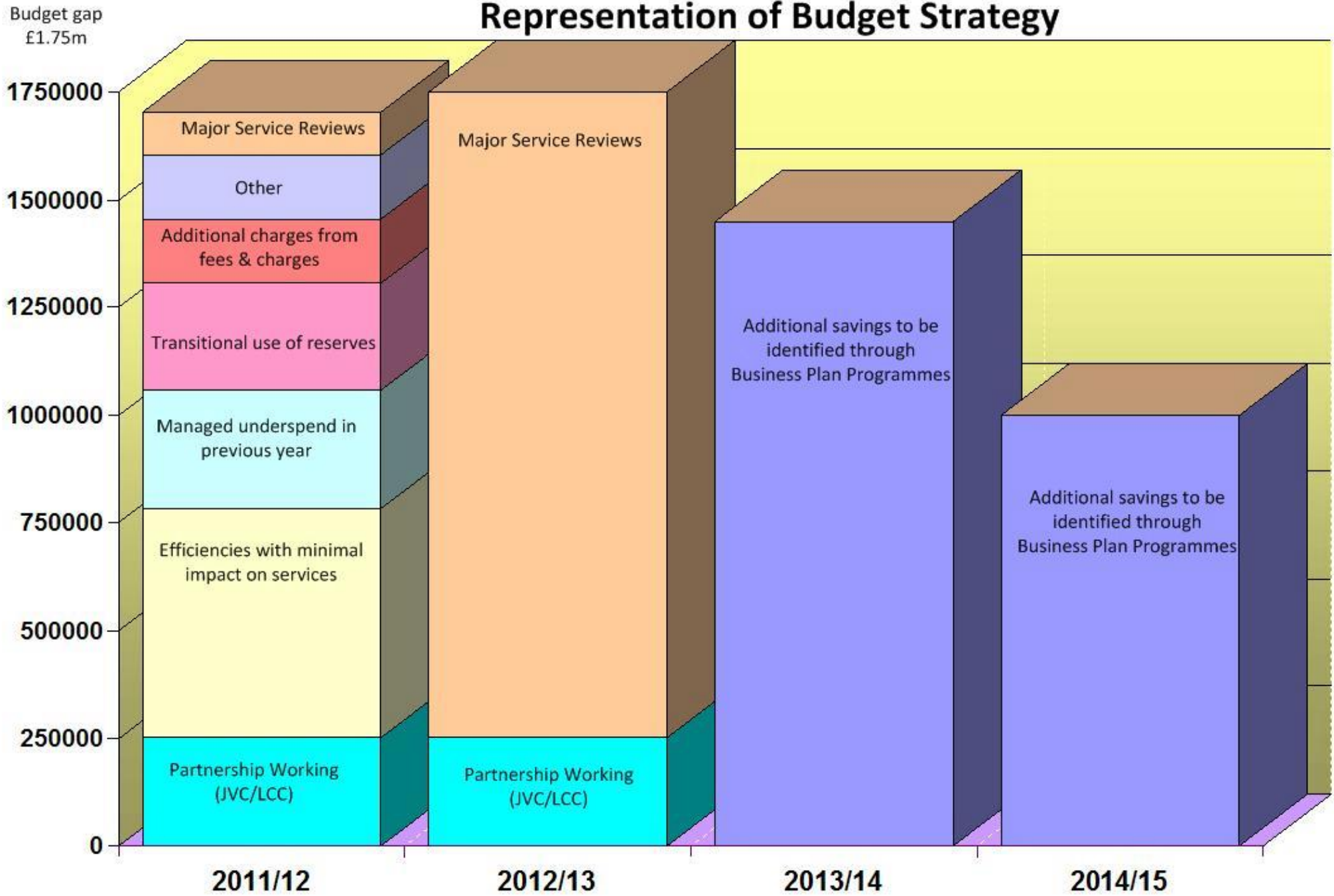
## **BUDGET STRATEGY**

A medium term financial forecast covering a four year period has been prepared which compares the resources that are expected to be available to the Council and the level of spending that would be required to maintain agreed service levels. This forecast projects a budget gap between spending and available resources of £1.7m in 2011-12, which represents around 10% of the budget. In total over four years the cumulative budget gap is estimated at around £5m or 30% of the budget.

This medium term forecast is based on a number of assumptions and has been calculated on a prudent but not worst case scenario taking into account information that is currently available. However due to the inherent uncertainties involved with this type of financial projection there is scope for significant variance particularly in later years. Consequently the forecast will need to be periodically reviewed to ensure that it remains up to date. However it does provide a clear indication of the magnitude of savings that will be required. The next update of the forecast is due to take place in January 2012 after the Government issues the next Local Government Finance Settlement.

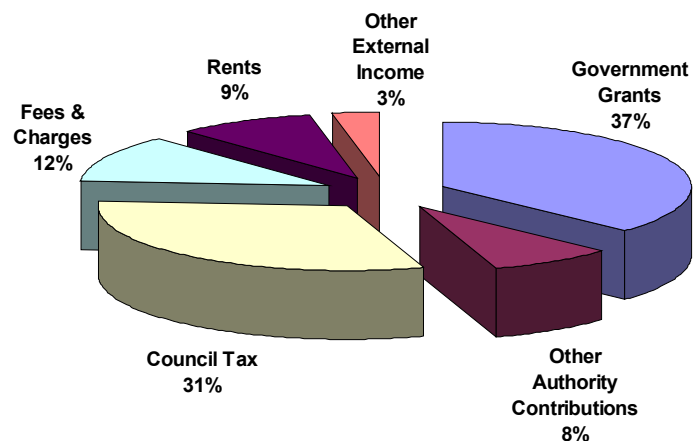
*Further detail to be drafted following financial statement*

# Representation of Budget Strategy

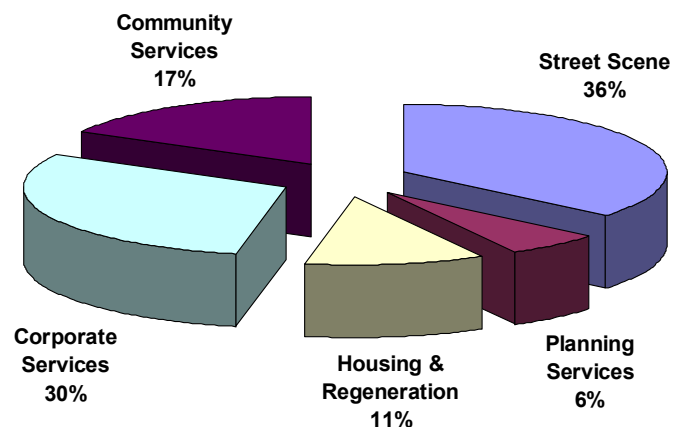


## RESOURCE BUDGETING AND STAFFING

The Council's 2011/12 income was made up as follows:



In 2011/12, the budget was spent as follows:



The Council is committed to protect jobs wherever possible and is taking measured and timely actions, including limiting external recruitment; increased use of internal secondment arrangements where appropriate, systematic consideration of voluntary redundancy; reduction in the use of agency staff as appropriate; consideration of feasibility of short term temporary contracts and a reduction in the use of non-contractual overtime. It is anticipated

that these actions will provide some potential redeployment opportunities for staff displaced as a result of the continued Major Service Review process, and limit compulsory redundancies as far as possible.

## CONSULTATION AND EQUALITIES

The Council has a statutory duty to involve representatives of local people in exercising its functions when it considers it appropriate. The duty specifies three ways of involving that need to be covered in this consideration: providing information; consulting; or involving in another way. There is also a common law requirement for fair consultation which requires Councils to conscientiously take account of the representations of consultees.

In addition, the Council has statutory responsibilities in relation to taking account of Equality Impacts in considering new or amended policies, strategies or cessation of services. The Council will ensure it seeks to meet these important duties, informed by an Equality Impact Assessment process where appropriate.

In September 2011, the Government released a new Statutory Guidance on Best Value. The document lists a series of expectations of local authorities, should they decide to reduce or cease services that will impact upon service users or the Third Sector. The Council will have due regard to this guidance throughout the implementation of this Business Plan.

## MONITORING OF ACTIVITIES.

### Business Plan Monitoring

Performance and progress against the four year Business Plan is reported annually to the Council and the public in the form of an Annual Report.

### **Programme/Project Monitoring**

In addition, the Council's Business Plan Working Group will receive regular reports regarding progress against the Delivery Plan, with Cabinet reviewing progress on a six monthly basis. This will enable any issues to be identified at the earliest opportunity.

A Head of Service is identified as the 'Lead Officer' against each of the projects contained within the Delivery Plan. Lead Officers will regularly monitor progress and performance against their projects, and report any issues to the Senior Management Team by exception.

### **Risk Management**

The programmes contained within the Delivery Plan and the individual Priority Delivery Projects will be entered as high level risks on the Key Risk Register.

Cabinet receives reports against the Key Risk Register. These reports are available for call-in through the Overview and Scrutiny process, ensuring the opportunity for robust challenge regarding any issues of concern.

### **Contact for Further Information:**

If you require any further information, or copies of this document in alternative formats, please contact:

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# Business Plan 2011-2015

## CONTENTS

Leader's Statement	2
Chief Executive's Review	3
Financial Review	4
Delivery Structures:	
Cabinet Structure	5
Management Team	6
Core Functions	7
Key Activities	7
Budget Strategy	7
Year to View Jan 2011-Apr 2012	9
Resource Budgeting and Staffing	11
Consultation	11
Monitoring of Activities	11

## Leader's Statement

This is an exciting but challenging time for West Lancashire. Over the next four years, the Council faces the task of striving to pursue its ethos of providing the best possible services within the resources available to it, at a time of shrinking public finance, and with economic challenges facing the country. Our commitment remains to provide the most efficient and effective services possible for residents and businesses in the Borough. However, we do not underestimate the task - to balance the Council's budget, at a time when Government grant is to reduce by around 40% over 4 years - it will mean change.

Our track record is a good one and I am determined we won't rest on our laurels, but will continue to seek to move forward. On those indicators that matter most, we have continued in the last few years to improve performance and at the same time we have the best record in Lancashire for zero or low Council Tax increases. (This approach reflects the messages that we have had informally, and formally through regular customer surveys, that local people want good services at an affordable price). However, our task, looking to the future, will undoubtedly be tougher. Our aspiration is to maintain performance in as many frontline services as possible, but reductions in some areas are going to be necessary.

The advent of the Coalition Government has provided an opportunity to tackle these challenges in a way which will help minimise the impact on the services that matter most to local people. The Council reduced its spending by £1.25 million in 2010/11 following a major downsizing initiative, and this followed years of delivering efficiency savings through the Council's Organisational Re-engineering Programme. Cumulatively, £2.6 million of cash and efficiency savings have been delivered since the start of the Programme in 2004 - at the same time as improving the quality of, and access to, the services we provide. But we will need to speed up the delivery of programmes like this, if we are to bridge the budget gap facing us in the future most effectively.

In 2010, the Council received feedback on its housing service from a number of quarters. While there were some positive messages, there are clearly some significant challenges, and this remains one of our firm priorities. The changes that the national Government are bringing about in the environment in which Councils work, by reducing inspection regimes and bureaucracy, will enable us to further hone the efficiency of our services.

The above is our primary focus for the next four years - driving out as much inefficiency as possible, and focusing resources on the areas that matter most to minimise the effect of reductions in funding to Councils on frontline services like refuse collection, recycling and street cleaning. Service reductions are likely in some areas and we will need to prioritise spending carefully in line with local needs. We

can achieve this through innovative working, harnessing technology, listening and consulting with local people and working with partners. To deliver this aspiration, we have devised a programme around three principles:

- **Lean** - we will continue to look for ways of providing better services at reduced cost, working with partners where economy of scale can bring dividends, and by re-engineering our services so that they are customer focussed and as lean as possible.
- **Local** - where services are best delivered locally, we will work with our partners, including Serco, the County Council and Parish Councils to make sure decisions are locally based and focussed on what local people want. Where we can, we will continue to place emphasis on supporting the development and enhancement of the voluntary and community Sectors as often these sectors are best placed to deliver services and support to local communities. And we will be transparent - clear about what we spend public money on, and why.
- **Fair to the Tax Payer and to Staff** - we firmly believe that the best approach is a managed approach to change in this era of reduced finance. This means that our Business Plan sets out a measured approach that will take some time to deliver. We do not intend to adopt the sort of knee-jerk approach to cuts that newspapers have been full of over the recent months. We intend to study each service in depth through major service reviews to look at what level each service is best delivered at and where there are areas of discretion which are less valued by our customers. It is likely that in the future we will be a smaller organisation. In making this change, we will unashamedly be seeking to minimise compulsory redundancy amongst staff where we can - as this is both better for the tax payer, for staff and the local economy.

I hope you will enjoy reading our Business Plan. I, and everyone at West Lancashire Borough Council, look forward to working with you all, shaping this next period in West Lancashire life.

Cllr Ian Grant  
Leader  
West Lancashire Borough Council





## Chief Executive's Review - Organisational Strategy for 2011/12 - 2014/15

This is an unprecedented period of change for Local Government. The Council of the future will need to be focussed, innovative and prepared to make radical change for the benefit of local people. Over the next four years, Councils will receive less grant and face a number of spending and income pressures - that translates to the Council needing to make savings of 10% in 2011/12 and 30% over the next four years.

In money terms, this translates into a Budget Gap of around £1.7M in 2011/12 and £1.3M in 2012/13, with further amounts being needed to be found in the following years. The Council has sought over recent years to minimise the tax burden on local people by delivering programmes which drive forward efficiencies, cutting waste and reducing bureaucracy and keeping Council Tax increases at their lowest levels across the whole of Lancashire. Whilst continued efforts will be made to retain this notable record, it is likely that at some point in the future, in lesser priority areas, service levels will need to be reduced or ceased and, if we are to meet customer aspirations, Councillors will need to consider appropriate levels of Council Tax. However, listening carefully to what local people have to say, the Council has asked me and my staff to make sure that we keep this as low as possible. Be assured that we will be doing our utmost to achieve this.

To deliver the Council's vision of Lean, Local and Fair services, our objectives over the next four years are set out below:

'Putting SERVICES FIRST - building a Borough second to none' Our aim is to make the best use of resources to deliver the best possible services.	
<b>OUR VALUES</b> We will deliver this by continuing to be an innovative organisation which: <ul style="list-style-type: none"> <li>● Puts residents and frontline services first;</li> <li>● Ensures local services offer the best possible value including embracing partnership as a way of securing greater value for money;</li> <li>● Provides local people with the information that they need to judge how well their council is serving them;</li> <li>● Is open and accountable in the way we make decisions;</li> <li>● Promotes equality of opportunity and values the diversity of our communities;</li> <li>● Values and develops our employees.</li> </ul>	<b>OUR PRIORITIES</b> Our values underpin the way in which we will deliver our priorities and achieve our vision. Our corporate priorities for the next four years are: <ul style="list-style-type: none"> <li>● Maximising all possible efficiencies to minimise the impact of grant reductions on the range and quality of front line services;</li> <li>● Managing change and embracing innovation through developments such as the Locality Working agenda with the County Council, shared service partnerships and joint ventures;</li> <li>● Scrutinising our service offer, in light of local priorities, to ensure it is affordable in the years ahead;</li> <li>● Striving to ensure that service standards meet realistic expectations by communicating effectively with customers;</li> <li>● Implementing more focussed, yet flexible, management structures; and</li> <li>● Seeking to ensure that our workforce remains skilled and motivated.</li> </ul>

To achieve the Council's vision, a strategy has been developed encompassing four streams of work. The first is a Shared Services Programme which involves looking at those services that might be delivered better on a wider footprint than just West Lancashire boundaries, by working with partners to deliver services. The key plank of this strategy in the first few years will be to work with Lancashire County Council and the Joint Venture Company that has been recently established, to look at more effective ways of delivering key support and back-office services including ICT, Finance, Legal and Democratic Services, Revenues & Benefits and the Estates Function. In addition, we will be working with the County Council to look at how we can make better use of our assets, for example by sharing office accommodation. This goes to the heart of this Council's efficiency ethos, and the County Council's Locality Programme, and we will be discussing with County Council how we might assist them in delivering their services more locally and more efficiently by devolving management and resources where appropriate. We also benefit in West Lancashire from having a number of unitary authorities bordering our own and, in some service areas, e.g. Legal and Democratic services, there may be economies that can be achieved by working in partnership with these councils.

The next work stream is our Value for Money Programme. The key to this is the continuation of our successful *Organisational Re-engineering* approach - using Lean philosophy to strip out unnecessary processes and improve services for customers, where appropriate. We will be speeding up this programme in 2011/12 and have tendered for a private sector partner to work with us.

We will also be undertaking indepth reviews across each service area, *Major Service Reviews*, looking at the services each Division provides and asking key questions about whether or not each service is still affordable or desirable within the new context in which we are working. The result of these reviews will be reported to Council in July and, following this, we will be consulting with staff and local people before making a decision as to what services can be afforded in the future.

*Effective Procurement* of goods, supplies and services remains a key plank of our VfM Programme and a number of tender exercises to test the market will be concluded in the plan period, including market testing our very popular Home Care Link system, our CCTV monitoring approach and our internal garage services. The application of new technology through our ICT development programme continues to release efficiency savings year on year and this will remain an important area of work. We will also look to build on the positive relationship we have with Serco to see how we might achieve further improvements and efficiencies across our leisure activities, by working in a similar way to the way we have done on our Leisure Centres.

The third work stream over the next four years is Resource Management. We are currently undertaking a strategic review of our asset holding (the *Strategic Asset*

Management Plan), with a view to prioritising these assets for retention, improvement or disposal and this will provide a useful income stream and resources for future capital projects. We continue to investigate and plan for the best possible option in terms of future head office accommodation, given the investment needs at the 52 Derby St. building, and this will enable us to improve energy efficiency and efficiency of working in the future.

Effective Human Resource Management and Development of our staff is vital to the delivery of services, and we will continue to look for ways of sustaining the partnership benefits we have secured by working with the County Council in delivery of this important internal support service.

The Council will also need to look to new ways of generating income by introducing an appropriate fees and charges scheme, the principle being that basic universal services should be free at point of use with appropriate charges being introduced for additional services in order to maintain their sustainability into the longer-term.

The final stream of our strategy for the next 4 years is to retain, where we can in the context of the financial situation, our focus on the delivery of good, basic front-line services and enhancement of the well being of the Borough. To do this we have identified a number of Service Priorities and Priority Delivery Projects, these being:

Service Priorities	Priority Delivery Projects
<p>Subject to affordability and local priorities:</p> <ul style="list-style-type: none"> <li>• Protect and improve the environment and keep our streets clean and tidy;</li> <li>• Combat crime and the fear of crime;</li> <li>• Work to create opportunities for and retain good quality jobs in particular for local people;</li> <li>• Improve housing and strive to achieve affordable housing that is available for local people;</li> <li>• Provide opportunities for leisure and culture that together with other council services contribute to healthier communities.</li> </ul>	<ul style="list-style-type: none"> <li>• Work with the County Council and other partners to deliver support for enterprise and the generation of funding and inward investment to the Borough.</li> <li>• Implementation of the major planned changes in the Revenue &amp; Benefits Services as highlighted in the Government’s white paper on Universal Credit.</li> <li>• Delivery of the Skelmersdale Vision Town Centre Action Plan in partnership with St Modwen.</li> <li>• Delivery of a Self Financing Business Plan for Housing.</li> <li>• Implementation of the Housing Service Improvement Plan.</li> <li>• Delivery of a new Local Development Framework to provide the basis of a sustainable Borough going forward</li> </ul>

We look forward to a further four years of success and commitment to delivering the best possible services to the people and businesses of West Lancashire, within the resources available.

Mr William J Taylor MBE  
Chief Executive



The Council has a good track record of effective financial management and currently has a healthy financial position. Our latest Audit Letter from our External Auditors concludes that “this Council has strong financial arrangements in place which effectively support the delivery of strategic objectives and secure sound financial health” and that we have “built up a sound financial standing with appropriate levels of reserves and balances”.

The Council’s strong financial position can also be demonstrated by:

- Over the last 9 years we have had the lowest cumulative council tax increase of all Lancashire district authorities
- The recent Organisational Downsizing initiative generated sufficient savings to enable a budget to be set in 2010-11 which froze the council tax level but without requiring any significant cuts in services or use of reserves
- The mid year review of financial performance in the current year forecasts that we are on course to achieve a favourable budget variance at the year end

However looking to the future the financial prospects for the Council are very challenging. In the Comprehensive Spending Review, the Government announced it would significantly reduce the funding it provides to local authorities and this is our main source of income. These reductions will be the biggest cuts in funding since the Second World War and will have a massive impact on the local government sector.

The Government has recently published grant figures for individual local authorities, and for West Lancashire this will mean a grant cut next year of 14.8%, with an additional reduction of 11.5% in the following year. In total over the 4 year Comprehensive Spending Review period our total grant reduction is likely to be approaching 40%. At the same time the continuing effect of the recession is likely to depress income in other areas as well.

There are also a number of spending factors that will create budget pressures including rising employee costs, tax increases, and inflationary uplifts on contracts. Taken together this double effect of reducing resources and increased spending pressures will require savings of 10% to be made on the bottom line budget next year and 30% to be made in total over the next four years.

This financial position represents a massive challenge for the Council, and the business planning process sets out how we will deal with this situation in an effective and well managed manner.

### Organisational Structure

In order to meet the challenges of the future, the Council has reviewed its senior management team. Over the next few months the authority will be changing its structure to one with a Chief Executive and two directors, (shown on pg 6), in order to provide focus and deliver this Business Plan in the most cost effective way for taxpayers.

It is also the Leader of the Council’s intention to review the Cabinet Structure in the light of these changes, to ensure that is it fit for purpose.

## CABINET MEMBERS AND PORTFOLIOS



**Leader of the Council:** Cllr Ian Grant.  
 Responsible for: Community Leadership; Strategic Service Delivery Partnerships; matters of urgency; Customer Relations| Legal and Democratic Services; Press and Media Strategy; Council input to the Local Strategic Partnership and Sustainable Community Strategy.  
 Principal Advisers: Bill Taylor; Gill Rowe; Kim webber; Terry Broderick; Jayne Traverse



Deputy Leader and Portfolio Holder for Housing (Finance), Regeneration and Estates:

**Cllr Adrian Owens.**

Responsible for:

Regeneration; External Funding; Inward Investment; Marketing; Advice to Businesses; Housing Finance; Self-Financing Business Plan; Property Portfolio Mgt; Asset Mgt Plan; Asset register; land Terrier; Liaison with the Local Strategic Partnership, Lancashire Economic Partnership, Lancashire and Blackpool Tourist Board and Lancashire Rural Partnership; Objective 2 Priority 2



**Portfolio Holder Planning and Transportation:**  
 Cllr Martin Forshaw.

Responsible for:

Planning Policy; Local Development Framework; Development Control; Building Control & Enforcement; Conserving Built & Natural Environment, Arboricultural & Landscape Services; Maintaining Council Owned Unadopted Footways & Highways; Car Parks; Ormskirk Market & Bus Station; Green Issues.

Principal Advisers: Gill Rowe; John Harrison; Dave Tilleray



**Portfolio Holder Community Services & Health:**  
 Cllr Andrew Fowler.

Responsible for:

Commercial Safety; Public Protection & Licensing; Environmental Protection; Sports Development; Sports Centres; Arts Development; Playgrounds; Community Centres; Leisure Trust/Serco Contract; Countryside Service; Outdoor Recreational Opportunities; Children's Services; Voluntary Sector Grants; Parish Council Liaison.  
 Principal Advisers: Gill Rowe; KimW ebber; Dave Tilleray; Shaun Walsh



**Portfolio Holder Finance & Performance Management:**  
 Cllr David Westley

Responsible for: Commercial Safety; Public Protection & Licensing; Environmental Protection; Sports Development; Sports Centres; Arts Development; Playgrounds; Community Centres; Leisure Trust/Serco Contract; Countryside Service; Outdoor Recreational Opportunities; Children's Services; Voluntary Sector Grants; Parish Council Liaison.  
 Principal Advisers: Gill Rowe; Kim Webber; Marc Taylor; Shaun Walsh; Peter Blakey



**Portfolio Holder Landlord Services and Community Safety:**  
 Cllr Val Hopley

Responsible for: Public Sector Housing – Service Delivery matters; Repairs & Maintenance; Housing Allocations; Tenancy Mgt; Rent Arrears Mgt; Sheltered Housing and Tenant Empowerment/ Participation. Private Sector Housing – Renovation and Disabled Facilities Grants; Home Energy Efficiency and Unfit Homes; Housing Strategy; Housing Advice Service; Supporting People Initiative. Community Safety.  
 Principal Advisers: Kim Webber; Gill Rowe; Bob Livermore; Dave Tilleray



**Portfolio Holder Public Realm and Human Resources:**  
 Cllr Iain Ashcroft

Responsible for: Street Scene Management - Council's fleet of vehicles/garage/ depot facilities; Street Cleansing; Grounds Maintenance; Waste Disposal & Recycling inc. Domestic Household Refuse & Recyclables Collection; Green Waste & Recyclables Collection; Farm Round; Trade refuse Services; Corporate & strategic HR inc. JE, Workforce Planning, national/Local Pay Bargaining & Diversity; Council representative at NWLAEO & WLBC JCC; HR Strategy, Policies & Procedures; Equality Lead Member/Champion; Employee Dev't Champion; Health & Sfatey Champion; Sickness, Employee Numbers & Workforce Profile Monitoring.; Cohesive Communities.  
 Principal Advisers: Kim Webber; Shaun Walsh; Sharon Lewis; Bob Livermore; Gill Rowe; Graham Concannon; Dave Tilleray


# EXECUTIVE MANAGEMENT AND RESPONSIBILITIES

**Chief Executive: William J Taylor (Returning Officer)**


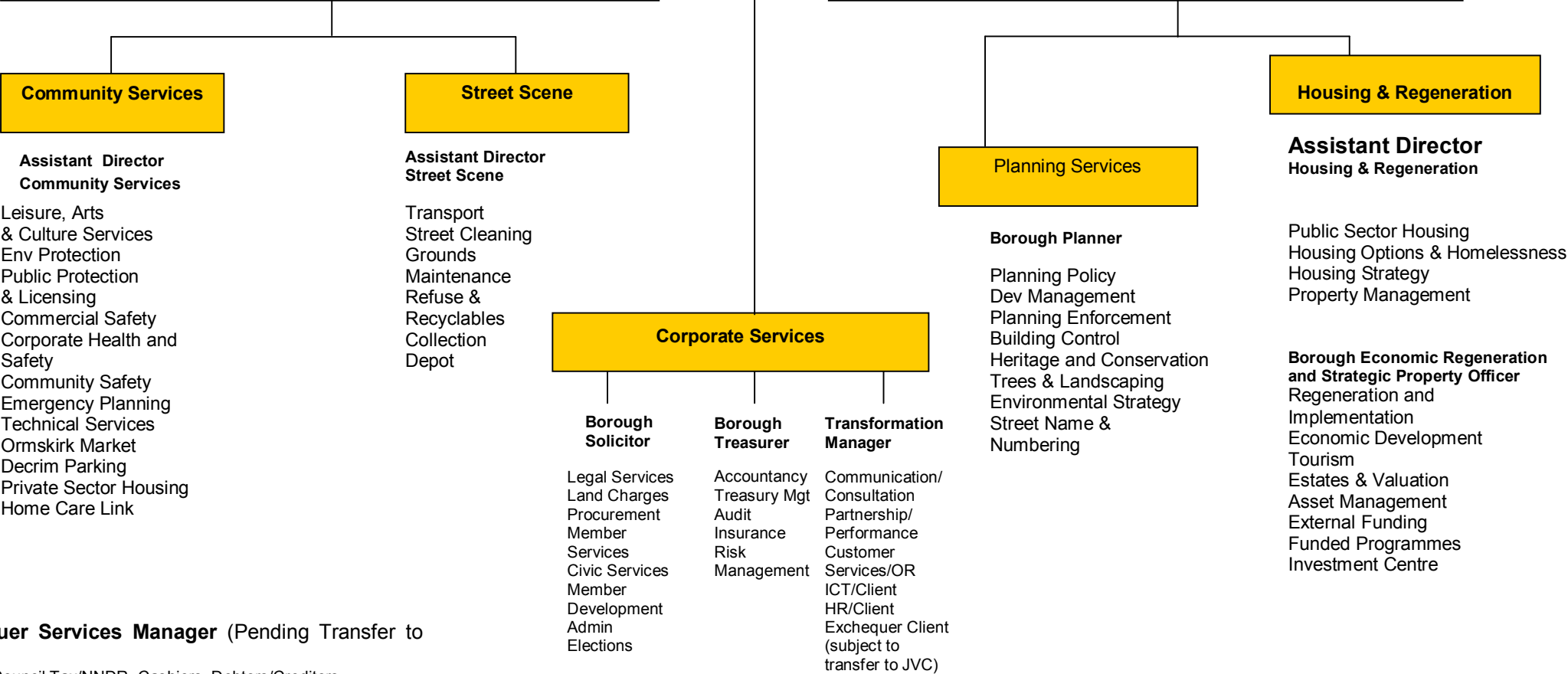


- Corporate Strategic Management & Development
- Strategic Support to Elected Members
- Head of Council's Paid Service
- Civil Protection

**Director of People and Places**  
Gill Rowe



**Director of Transformation**  
Kim Webber

**Exchequer Services Manager (Pending Transfer to JVC)**  
Benefits, Council Tax/NNDR, Cashiers, Debtors/Creditors, Salaries/Wages, Housing Advances

## CORE FUNCTIONS

The Council has key roles to play as both a local strategic leader and a local delivery partner. As a public body, it is crucial that the Council is transparent and accountable in all of its operations.

The services provided by the Council are determined by statute, although often there is discretion as to the level, or nature, of the service provided. The aim of this Council is to focus upon providing those services in the most advantageous way possible for local people. In some instances this will require direct delivery by the Council's workforce, in other instances delivery under contract or agreement with a private sector company or third sector organisation, and sometimes via a shared service or partnership arrangement.

Both the Council and this Business Plan are structured to deliver the key roles of strategic leader and local delivery partner as effectively as possible. Mechanisms are in place enabling all operations and decisions to be open to scrutiny, as robust challenge is integral to effective and accountable decision-making.

Strategic Direction and Local Leadership	
<b>Internal Focus:</b> <ul style="list-style-type: none"> <li>• Shared Services</li> <li>• VfM Programming</li> <li>• Resource Management</li> </ul>	<b>External Focus:</b> <ul style="list-style-type: none"> <li>• Partnership Working</li> <li>• Community Leadership</li> <li>• Strategy Development &amp; Prioritisation</li> </ul>
Local Delivery	
<b>Direct Delivery:</b> <ul style="list-style-type: none"> <li>• Benefits (partnership under discussion)</li> <li>• Council Tax (partnership under discussion)</li> <li>• Customer Services</li> <li>• ICT (partnership under discussion)</li> <li>• Finance (partnership under discussion)</li> <li>• Legal/Democracy (partnership under discussion)</li> <li>• Estates (partnership under discussion)</li> <li>• Planning</li> <li>• Housing</li> <li>• (aspects of) Leisure, Arts &amp; Culture</li> <li>• Economic Regeneration</li> <li>• Environmental Health/Licensing</li> <li>• Grounds Maintenance (partnership under discussion)</li> </ul>	<b>Delivery Partner or Partnership:</b> <ul style="list-style-type: none"> <li>• Leisure Centres</li> <li>• Community Safety</li> <li>• HR</li> <li>• Transport</li> <li>• Recycling</li> <li>• Street Cleansing</li> <li>• Refuse Collection</li> </ul>
Accountability	
<b>Corporate:</b> <ul style="list-style-type: none"> <li>• Full Council</li> <li>• Cabinet</li> <li>• Overview &amp; Scrutiny Committees</li> <li>• Audit and Governance</li> </ul>	<b>External:</b> <ul style="list-style-type: none"> <li>• Local Democracy &amp; Elections</li> <li>• Freedom of Information</li> <li>• Statutory Publication Requirements</li> <li>• Transparency Agenda</li> <li>• Local Strategic Partnership</li> <li>• Tenant Scrutiny</li> </ul>

## KEY ACTIVITIES

Recent Government announcements have confirmed that local authorities will need to achieve significant savings over the next four years. This means that we need to think not only about what we can do, what services we can provide, but also about how they are provided. The latter is particularly important with regard to the functions that we are required to provide under statute.

To ensure that we are providing the most appropriate services, as effectively and efficiently as possible, the Council has agreed a programme of activities to be undertaken over the next few years that are focussed upon realising the maximum value for money from the Council, for residents.

In order to achieve the necessary budget approach, without compromising front line services as far as is practicable, in addition to the day to day business of the the local authority, over the next four years the following programmes will be a major focus of work for the council:

- Shared Services Programme;
- Value for Money Programme;
- Resource Management; and
- Priority Delivery Projects.

Taken as a whole, these projects will deliver the Council's Budget Strategy, which is outlined in the next section. The how and when of the programmes' delivery is outlined in the following sections. Full details, including the milestones and targets against which the Council's progress and success in achieving these will be monitored and managed, is provided in the Delivery Plan, (appendix a).

## BUDGET STRATEGY

A medium term financial forecast covering the next four years has been prepared which compares the resources that are expected to be available to the Council and the level of spending that would be required to maintain agreed service levels. This forecast projects a budget gap between spending and available resources of £1.7m in 2011-12, which represents around 10% of the budget. In total over the next four years the cumulative budget gap is estimated at around £5m or 30% of the budget.

This medium term forecast is based on a number of assumptions and has been calculated on a prudent but not worst case scenario taking into account information that is currently available. However due to the inherent uncertainties involved with this type of financial projection there is scope for significant variance particularly in later years. Consequently the forecast will need to be periodically reviewed to ensure that it

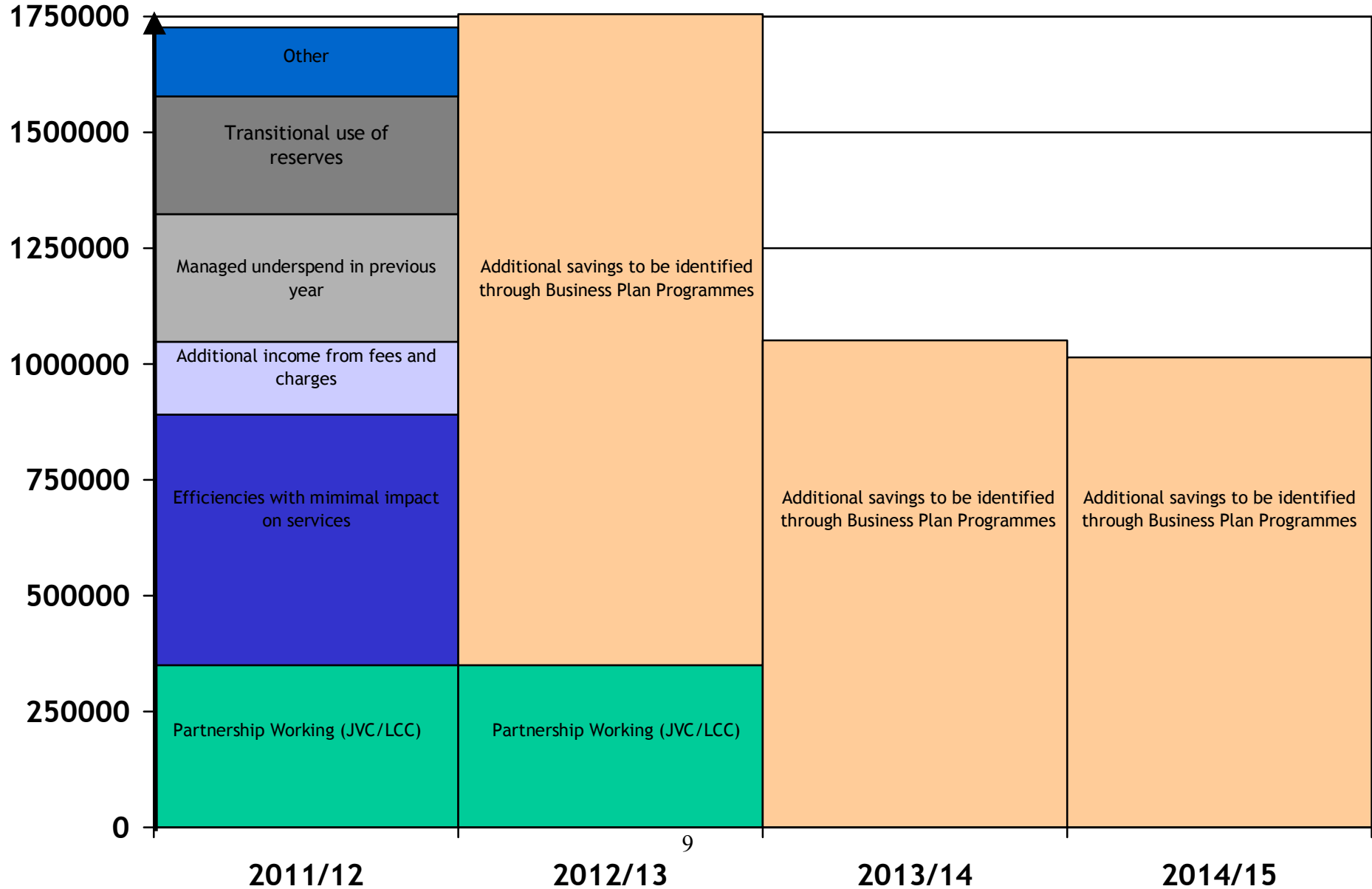
remains up to date. However it does provide a clear indication of the magnitude of savings that will be required.

At the Council meeting in February 2011, a balanced budget was set for 2011-12, which will freeze the council tax level for the second year in a row. This budget does not contain any proposals for reductions in front line services or redundancies, and will deliver over a £1m of savings through shared services and partnership working, efficiency savings, and increases in fees and charges.

The 2011-12 budget reflects the Council's lean, local and fair principles and represents a significant step forward in dealing with the very difficult financial environment. However while good progress has been made there is still a long way to go, with a budget gap of £1.4m for 2012-13 and a cumulative gap of £3.5m over the final 3 years of the business plan period. Consequently every effort will continue to be made to deliver the savings required from the business plan programmes.

**REPRESENTATION OF BUDGET STRATEGY**

BUDGET GAP  
£1.7M



YEAR TO VIEW 2011/12

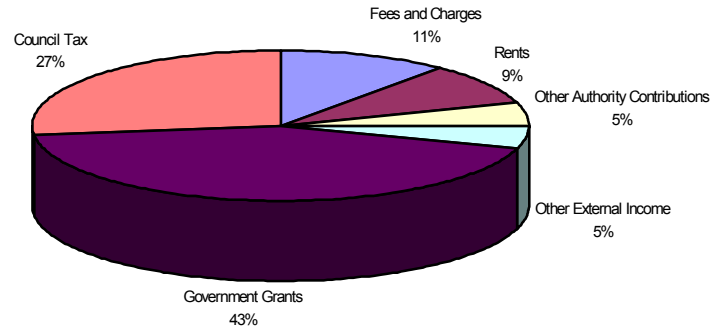
ACTIVITIES AND KEY PROJECTS	MONTH/YEAR														
	2011												2012		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
<b>Shared Service Programme</b>															
1. Lancashire County Council Lancashire Strategic Partnership/Joint Venture Company (e.g. ICT, Revenues & Benefits, Finance, Estates, Legal and Democratic Services)	Project Work/Consultation						Implementation								
2. Whole Leisure Trust	Project Work														
3. Other Locality Working with Lancashire County Council e.g. Devolved Decisions/Services	Discussion			Project Work											
4. Partnership Working with Neighbouring Councils - e.g. Legal and Democratic Services	Project Work/Consultation			Implementation											
<b>VfM Programme</b>															
5. Major Service Reviews - All Divisions	Methodology Development			Project Work			Consultation			Implementation					
6. Procurement Projects: Home Care Link Garage Tender CCTV	Tender Process (including evaluation)					Implementation									
	Tender Process (including evaluation)				Implementation										
	Tender Process (including evaluation)						Provide new facilities								
7. Organisational Re-Engineering e.g. Planning Services	Tender Process and Selection of Private Sector Partner						Pilot Project Work			Implementation					
8. ICT Development Programme e.g. EDM and Server Virtualisation	Implementation														
<b>Resource Management</b>															



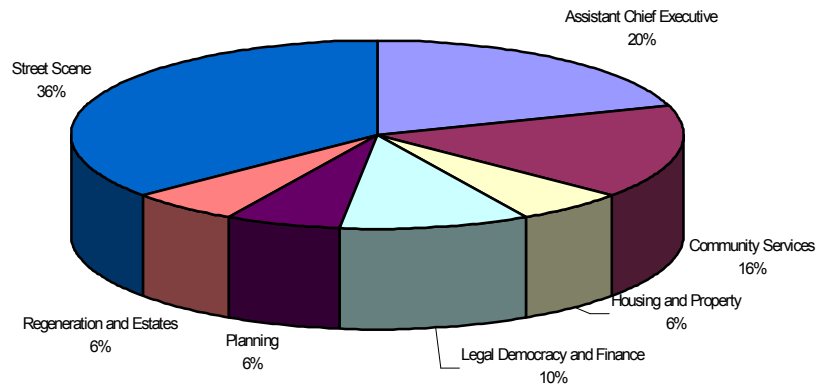
ACTIVITIES AND KEY PROJECTS	MONTH/YEAR														
	2011												2012		
	JAN	FEB	MAR	APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR
9. Strategic Asset Management Programme	Business Plan Development. Pilot Asset Management work						Asset Management Project Implementation (subject to Cabinet approval July 2011)								
10. 52 Derby Street Project	Quotations and tender preparations	Various work on site and office moves													
11. Human Resources Partnership Development and Delivery	Ongoing														
12. Income Generation/Fees and Charges Strategy	Project Work						Consultation			Implementation					
<b>Priority Delivery Projects</b>															
13. Local Enterprise Partnership/ Investment/Growth Fund	RGF Round 1 Bidding Process		LEP structure in place (subject to Government approval)				LIP 1 & 2 in place			LIP Implementation					
14. Implementation of Revenues and Benefits Changes (Universal Credit)	Project Work														
15. Skelmersdale Vision	Financial Viability Work							(if viable) Construction work to commence							
16. Self Financing Business Plan	Prepare for and implement new arrangements from April 2012														
17. Local Development Framework					Consultation on Core Strategy Preferred Options				Consultation on DM Policies DPD		Publish Core Strategy			Publish DM Policies DPD. Submit Core Strategy (30/3)	
18. Housing Service Improvement Plan	Plan to Council for Approval	Implementation and Monitoring													

## RESOURCE BUDGETING AND STAFFING

The Council's 2010/11 income was made up as follows:



In 2010/11, the budget was spent as follows:



The Council aims to protect jobs wherever possible and is taking measured and timely actions, including an external recruitment freeze; increased use of internal secondment arrangements, which will be extended across other local Council's as appropriate; consideration of Voluntary Redundancy; reduction in the use of agency staff as appropriate; consideration of feasibility of short term temporary contracts and a reduction in the use of non contractual overtime. It is anticipated that these actions will provide potential redeployment opportunities for vacancies to be freed as Major Service Review's result in revised structures with possible redeployment requirements for displaced staff.

## CONSULTATION AND EQUALITIES

The Council has a statutory duty to involve representatives of local people in exercising its functions when it considers it appropriate. The duty specifies three ways of involving that

need to be covered in this consideration: Providing information; consulting; or involving in another way. There is also a common law requirement for fair consultation which requires Councils to conscientiously take account of the representations of consultees.

In addition, the Council has statutory responsibilities in relation to taking account of Equality Impacts in considering new or amended policies, strategies or cessation of services. The Council will ensure it seeks to meet these important duties, informed by an Equality Impact Assessment process where appropriate.

## MONITORING OF ACTIVITIES.

### Business Plan Monitoring

Performance and progress against this four year Business Plan will be reported annually to the Council and the public in the form of an Annual Report.

### Programme/Project Monitoring

In addition, the Council's Business Plan Working Group will receive regular reports regarding progress against the Delivery Plan, with Cabinet reviewing progress on a six monthly basis. This will enable any issues to be identified at the earliest opportunity.

A Head of Service is identified as the 'Lead Officer' against each of the projects contained within the Delivery Plan. Lead Officers will regularly monitor progress and performance against their projects, and report any issues to the Senior Management Team by exception.

### Risk Management

The programmes contained within the Delivery Plan and the individual Priority Delivery Projects will be entered as high level risks on the Key Risk Register.

Cabinet receives reports against the Key Risk Register. These reports are available for call-in through the Overview and Scrutiny process, ensuring the opportunity for robust challenge regarding any issues of concern.

### Contact for Further Information:

If you require any further information, or copies of this document in alternative formats, please contact:

Kim Webber  
 Director of Transformation  
 WLBC  
 52 Derby Street  
 Ormskirk  
 L39 2DF

[Kim.webber@westlancs.gov.uk](mailto:Kim.webber@westlancs.gov.uk)

Tel: 01695 585005 Fax: 01695 585229







## **AGENDA ITEM: 12**

**CABINET: 17<sup>th</sup> January 2012**

**EXECUTIVE OVERVIEW AND  
SCRUTINY: 2<sup>nd</sup> February 2012**

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**Report of:** Borough Treasurer

**Relevant Managing Director:** Managing Director (People and Places)

**Relevant Portfolio Holder:** Councillor D Westley

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

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**SUBJECT: DRAFT REVENUE BUDGET 2012-13**

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Wards affected: Borough Wide

### **1.0 PURPOSE OF THE REPORT**

1.1 To provide a summary of the current budget position.

### **2.0 RECOMMENDATIONS TO CABINET**

2.1 That the financial position for 2012-13 and later years be noted, and consideration given to how a balanced budget can be achieved.

2.2 That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm proposals to Council on 29<sup>th</sup> February 2012 to enable the budget to be set.

2.3 That call in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 2<sup>nd</sup> February 2012.

### **3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That the budget position be considered and that any comments agreed by the Committee be submitted to the Portfolio Holder for Resources and Transformation in advance of the Council meeting to be held on 29<sup>th</sup> February 2012.

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## 4.0 BACKGROUND

- 4.1 The Council is required to set a budget for the 2012-13 financial year in accordance with section 32 of the Local Government Finance Act 1992. The Council meeting on the 29<sup>th</sup> February will provide all Members with the opportunity to debate and agree this budget.

## 5.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

- 5.1 In mid-December the Government announced the provisional finance settlement for local authorities and the grant support it will provide to them for the 2012-13 financial year. This settlement was broadly in line with the medium term financial forecast and consequently had already been factored into the Council's business plan.
- 5.2 The Government will reduce the Council's core formula grants by £940,000 next year to £6.639m, which is equivalent to a 12.2% cut in grant funding on an adjusted basis. This follows on from the large scale reduction in grant funding that the government has already made in the current financial year.
- 5.3 The average reduction in funding for shire districts is 11.5%, while authorities with education and social services responsibilities have seen smaller reductions. Details on the settlements for other neighbouring local authorities are shown below.

AUTHORITY	Increase	AUTHORITY	Increase
Shire districts (average)	-11.5%	OTHER LANCASHIRE	
		Blackburn with Darwen	-7.4%
LANCASHIRE DISTRICTS		Blackpool	-5.9%
Burnley	-11.2%	Lancashire County	-7.6%
Chorley	-12.2%		
Fylde	-13.2%	NEIGHBOURING METS	
Hyndburn	-11.2%	Knowsley	-7.4%
Lancaster	-11.2%	Sefton	-8.4%
Pendle	-11.2%	St Helens	-8.4%
Preston	-10.7%	Wigan	-7.2%
Ribble Valley	-12.2%		
Rossendale	-13.2%		
South Ribble	-13.1%		
West Lancashire	-12.2%		
Wyre	-12.2%		

- 5.4 In 2011-12 the Government introduced a new scheme where it provided grant funding to those local authorities that did not increase their Council tax. This scheme proved popular and as a result all local authorities froze their council tax levels in the current year.
- 5.5 The Government has announced that it will run a new scheme for 2012-13 once again offering grant funding to those authorities that freeze their council tax levels. However this new scheme is not as attractive than the previous version as

the grant funding will be provided for one year only. Consequently it seems likely that some authorities may look to increase their council tax in 2012-13. The value of this one off grant to the Council would be £173,000, which is equivalent to a 2.5% council tax increase.

- 5.6 For Councils that do decide to increase their Council tax, the Government have announced that they will introduce powers for residents to veto “excessive” council tax increases through a local referendum. Consequently any local authority wanting to raise Council tax by more than 3.5% next year will have to consult the public in a referendum.

## **6.0 BUDGET POSITION FOR 2012-13**

- 6.1 Draft estimates have now been prepared for next year that set out a provisional budget for the Council covering all areas of expenditure and income, including the results of the local government settlement. These estimates include increases in the base budget to roll forward agreed service levels but do not allow for any service improvements. I have reviewed these estimates to ensure that they are robust for the purposes of the budget calculation in accordance with the requirements of the Local Government Act 2003.
- 6.2 In total the draft estimates show a small surplus of resources over expenditure of £60,000, and an analysis of key issues is summarised overleaf. This surplus would be available to help meet the savings requirement for the 2013-14 budget round which will be in excess of £1m.
- 6.3 The medium term financial forecast had identified that there would be significant funding pressures next year as a result of reductions in external income and a number of other factors. Consequently the Council’s Business Plan put in place a series of work streams to address this position. In essence the Major Service Review and Shared Services initiatives agreed by Council in recent months will deliver sufficient savings to enable a balanced budget position to be achieved. This demonstrates how a well thought out business planning process can effectively deal with the challenging financial environment.
- 6.4 The draft estimates also include an allowance of £150,000 for the impact of HRA self-financing on the GRA, which is an issue that has been previously reported to Council. The issues surrounding the implementation of this new system are still being considered with a view to trying to minimise the impact on the GRA, and consequently it is possible that this figure may still need to be revised.

£000

**Budget Summary**

Budget gap previously reported to Council in October based on the medium term financial forecast 1,605

Differences between draft estimates and medium term forecast

- Additional reduction in core grant funding announced in local government finance settlement 57
- Additional New Homes Bonus Grant -45
- Additional potential income from grant to freeze the council tax level -35
- Impact of previous year's budget decisions 33
- Base budget uplift 77

GRA Savings from Major Service Reviews and Shared Services initiatives (£2.402m) less those savings already recognised (£0.500m) -1,902

Impact of HRA Self Financing 150

Budget surplus -60

6.5 Heads of Service have identified a range of budget pressures for next year that mainly relate to unavoidable cost increases or income reductions. Members will need to carefully consider what proposals to include in the final budget to meet corporate and service objectives but also to ensure a balanced overall financial position. In line with the approach adopted in the medium term financial forecast a provision of £250,000 has been allowed for this factor in 2012-13, but its final value will depend on the political acceptability of these issues.

6.6 In looking at how the budget position can be balanced consideration will need to be given to a number of different factors including:

- The challenging financial position facing local authorities over the medium term
- The acceptance of budget issues identified by Heads of Service
- Changes to fees and charges and the level of the Council tax
- The projected favourable variance of £320,000 on the current year's budget identified in the mid year review
- The identification of further efficiency and budget savings



- The impact of HRA self financing
- The Business Plan process
- The Council's reserve strategy

6.7 The Group leaders and their financial spokespersons are currently examining in detail various budget options. A more detailed set of budget papers will be reported to the Executive Overview and Scrutiny Committee to enable a more in depth consideration of the budget position. The Council meeting will then provide an opportunity for each Political Group to put forward proposals that combine both expenditure and the means of funding it and to set the Council Tax.

## **7.0 MEDIUM TERM FINANCIAL POSITION**

7.1 A recent Audit Commission report "Tough Times" highlighted the fact that local authorities face a very challenging financial environment as a result of cuts in government grant funding and reductions in other sources of income. This report then estimated that around 10% of authorities were at risk of not balancing their budgets.

7.2 In West Lancashire we are currently in a healthy financial position where there is a projected favourable budget variance in the current year and the budget position for next year is now broadly balanced. However recent Government announcements have confirmed that local authorities will continue to face a period of austerity with further cuts in funding expected. Consequently the medium term financial picture remains very challenging.

7.3 The Council's medium term financial forecast will now be updated to reflect the details of the finance settlement and other recent developments. This forecast will then inform the business plan process and in particular will identify the level of savings that will be required in future financial years.

## **8.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

8.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder. The report has no significant links with the Sustainable Community Strategy.

## **9.0 RISK ASSESSMENT**

9.1 The formal consideration and reporting of the budget estimates is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.

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## **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**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required. A formal Equality Impact Assessment will be produced when the Council agrees the budget at its meeting in February.

### **Appendices**

Appendix – General Revenue Account Estimates

APPENDIX

**WEST LANCASHIRE BOROUGH COUNCIL  
GENERAL REVENUE ACCOUNT ESTIMATES**

<b>NET EXPENDITURE BUDGETS</b>	<b>2011/2012 BUDGET £</b>	<b>2012/2013 ESTIMATE £</b>
<b>SERVICE</b>		
Community Services	4,631,140	4,490,860
Corporate Services		
- Borough Solicitor	1,278,970	1,244,410
- Borough Treasurer	1,386,030	1,196,610
- Transformation Manager	1,923,540	1,545,920
Housing and Regeneration	322,450	208,690
Planning	1,892,880	1,674,140
Street Scene	5,636,900	5,225,060
GENERAL AND UNALLOCATED ITEMS	-1,058,450	-450,560
<b>Total Service Budgets</b>	<b>16,013,460</b>	<b>15,135,130</b>
<b>NON SERVICE ITEMS</b>		
Treasury Management	-186,690	75,930
Capital Charges	-1,154,870	-1,617,770
Minimum Revenue Provision	43,630	96,000
HRA Item 8	112,620	0
Less Transfer from Balances / Reserves	-550,700	-160,890
Total Non Service Items	-1,736,010	-1,606,730
<b>Total Requirement including Parish Precepts</b>	<b>14,277,450</b>	<b>13,528,400</b>





**AGENDA ITEM: 13**

**CABINET:** 17 January 2012

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:**  
2 February 2012

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**Report of:** Borough Treasurer

**Relevant Managing Director:** Managing Director (People and Places)

**Relevant Portfolio Holders:** Councillors D Westley and A Owens

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

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**SUBJECT: MEDIUM TERM CAPITAL PROGRAMME**

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Wards Affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To set out a number of options for determining the medium term capital programme in the context of the current difficult financial environment.

**2.0 RECOMMENDATIONS TO CABINET**

2.1 That the medium term financial position be noted, and consideration given to how a balanced capital programme can be achieved.

2.2 That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm proposals to Council on 29th February 2012 to enable the capital programme to be set.

2.3 That call in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 2nd February 2012.

**3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY COMMITTEE**

3.1 That consideration be given to how a balanced capital programme can be set and that any comments agreed by the Committee be submitted to the Portfolio Holder for Resources and Transformation in advance of the Council meeting to be held on 29th February 2012.

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## **4.0 BACKGROUND**

- 4.1 The Council has a medium term rolling capital programme, which is reviewed and updated on a regular basis. As part of the budget setting process, a programme covering the next few years will need to be agreed by Council at its meeting in February 2012.
- 4.2 The total value of the medium term capital programme currently stands at £24.316m. These approvals include Housing Public Sector capital schemes that are the subject of a separate report contained elsewhere on this agenda.
- 4.3 The main Council source of funding to support the capital programme are receipts from the sale of assets, and this is the primary focus of this report.

## **5.0 CAPITAL RECEIPT FUNDING**

- 5.1 In April 2011 the Council had a total of £5.807m of usable capital receipts that it held and which had been generated from asset sales in previous years. These receipts had mainly been generated from Council house sales, but also reflected a number of land sales.
- 5.2 The pattern of Council house sales in the past had meant that it could be relied upon to produce a very substantial and regular source of income for the capital programme. While land sales had also generated income, this had tended to be a smaller, less regular factor. However in recent years the number and value of asset sales has been very low, which mainly reflects the difficult economic climate.
- 5.3 It is currently estimated that capital receipts of around £0.225m could be generated each year from Council house sales and land sales. The assumptions underlying these projections have been based on discussions with colleagues in Housing and Estates. However it is possible that recent government proposals to offer a greater discount on Council house sales could affect both the number of sales and the value of the receipt that will be kept by the Council. The effect of these proposals will need to be kept under review.
- 5.4 This estimate, however, is potentially subject to significant variation as one large asset sale could produce a significant receipt. The Strategic Asset Management Plan may also identify opportunities in this area. However, in looking at medium term financial plans, it is best practice to use a prudent approach when estimating future available resources.
- 5.5 Consequently, looking at the medium term programme in total up to 2014/2015, it is estimated that there will be £6.707m available (based on £5.807m already held in April 2011 plus £0.225m of receipts per annum that will be generated this year and over each of the next 3 years).

## 6.0 SPENDING REQUIREMENTS

- 6.1 Based on budget decisions made previously by Council the total value of capital receipt funded scheme approvals over the medium term is £6.242m. The Appendix provides a detailed breakdown by scheme. The vast bulk of these approvals relate to Housing and Corporate Property and reflect the Council's main fixed assets. It should be recognised, however, that we operate a medium term capital programme and that where approvals have been given for future years these are indicative allocations only that are potentially subject to change.
- 6.2 In addition to the existing programme, there is also a need to consider potential future spending requirements, and it is normal practice in developing the rolling medium term programme to include provisional allocations for the next year of the programme (in this case 2014/15). Consequently the Appendix also contains provisional allocations of £0.752m, for ongoing capital schemes which typically receive funding each year.
- 6.3 Consequently, in total looking at the period up to 2014/2015, there is a potential spending requirement of £6.994m (based on £6.242m of existing approvals and £0.752m of potential additional expenditure).

## 7.0 OVERVIEW

- 7.1 Table 1 summarises the position in terms of capital receipt funding and spending approvals, and identifies a potential funding gap of £0.287m.

<b>Table 1 – Capital Receipt Funding Gap</b>	<b>£m</b>
Usable capital receipts held at April 2011	5.807
Estimate of £0.225m pa of receipts that will be generated between April 2011 and the end of the 2014/2015 financial year	0.900
Estimated receipts available	6.707
Spending Approvals covering period to 2013/2014	-6.242
Provisional spending approvals for 2014/2015	-0.752
<b>Total Funding Gap</b>	<b>-0.287</b>

- 7.2 Heads of Service have also identified a number of potential new spending requirements, which are not included in the table above. Consequently, there is a need to review and realign the programme to ensure it is affordable. However, this can be achieved over a medium term time scale as there are sufficient receipts already held by the Council to fund this year's and next year's programme.

## 8.0 WAY FORWARD

- 8.1 There are a number of options that can be used to realign the programme that essentially involve either reducing the level of current and future spending to match the available resources, re-profiling schemes into later years, or finding alternative sources of funding. Members will need to carefully consider what proposals to include in the final budget to meet corporate and service objectives but also to ensure a balanced overall financial position.
- 8.2 Given the reduced level of capital receipts available for the foreseeable future and the difficult financial position facing the Council in general, it now seems inevitable that a period of “belt tightening” should take place. This means that some desirable but not essential schemes will need to be taken out of the capital programme or reduced. This is particularly relevant to schemes that may have been approved several years ago but which are no longer consistent with current priorities and the more difficult financial climate.
- 8.3 The Council has been very successful at attracting external capital investment over many years, and this could provide additional funds to maintain the capital programme. However, while this avenue is worthy of exploration, such funding can have some considerable lead in times before issues are concluded and there are likely to be less opportunities in the future given reductions in government funding and the ongoing recession. Nevertheless, partnership with the private sector and other forms of external funding will be important for the future development of the programme.
- 8.4 A further option that could be considered is borrowing to provide additional resources. However, if the Council was to borrow £1m it would increase revenue costs by between £60,000 and £70,000 pa as a result of interest and minimum revenue provision requirements. The costs associated with borrowing would need to be factored into the revenue budget and the GRA is already facing a significant budget gap.
- 8.5 Officers will work with each Political Group throughout the budget process to review the available options. The Council meeting will then provide an opportunity for each Political Group to put forward proposals to produce a balanced capital programme.

## **9.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 9.1 The proper management of the Council’s asset base enhances service delivery. Assets consume a high level of resources both in terms of capital investment and revenue maintenance and having a proper strategy in this area ensures that the capital base can shape the future direction of the Council.

## **10.0 RISK ASSESSMENT**

- 10.1 The Council has fixed assets of around £200m and there is a capital strategy and asset management plan to ensure their proper management. In addition, the Property Services Team manage these assets and the capital and revenue



schemes associated with them. This ensures that health and safety and other legislative requirements are met.

- 10.2 The level of capital receipts generated by asset sales is a key risk to the future development of the programme. If receipts exceed the projections contained in this report, it would enable additional schemes to be developed. However, if receipts are below the projections, it would require reductions to be made.
- 10.3 Some schemes in the Programme are dependent on external partner funding. To minimise the risk of funding not being available, such schemes will only begin once their funding details have been finalised.

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### **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**

The decision from this report does not have any direct impact on members of the public, employees, elected members and/or stakeholders. Therefore, no Equality impact assessment is required. A full Equality Impact Assessment, however, will be included in the Council report when substantive decisions on expenditure are considered.

### **Appendix**

1. Existing capital receipt funding approvals
2. Minute of Cabinet – 17 January 2012 (Executive Overview & Scrutiny Committee only)



**APPENDIX - CAPITAL RECEIPT FUNDING FOR INDIVIDUAL SCHEMES**

SERVICE AND SCHEME	Current Allocations				Provisional Allocation
	2011/12	2012/13	2013/14	Total	2014/15
	£'000	£'000	£'000	£'000	£'000
<b><u>Corporate Services</u></b>					
Parish Capital Schemes	44	60	30	<b>134</b>	30
I C T Infrastructure (OCL contract)	54	50	50	<b>154</b>	50
Electronic Document Managing & Workflow	2			<b>2</b>	
ICT Development Programme	39	50	50	<b>139</b>	50
<b><u>Community Services</u></b>					
Contaminated Land Works	24			<b>24</b>	
Coronation Park	15			<b>15</b>	
Playground Improvements	2	30	30	<b>62</b>	30
Leisure Trust (Serco contract)	228	228	228	<b>684</b>	228
CCTV (Camera Upgrade)	1	350		<b>351</b>	
CCTV (Relocation)		4		<b>4</b>	
Empty Homes Initiative		100		<b>100</b>	
Housing Renewal Grants/Financial Assistance	282	400	300	<b>982</b>	
Disabled Facilities Grants	277	200	200	<b>677</b>	200
Clearance Programme, Skelmersdale	125	38		<b>163</b>	
<b><u>Planning Services</u></b>					
Free Tree Scheme	1			<b>1</b>	
Preservation of Buildings at risk	1			<b>1</b>	
<b><u>Corporate Property</u></b>					
Corporate Property Investment Programme	423	164	164	<b>751</b>	164
Energy Efficiency Initiatives - 52 Derby Street	40			<b>40</b>	
Office Refurbishment	747			<b>747</b>	
<b><u>Housing</u></b>					
Affordable Housing	388	306	350	<b>1,044</b>	
Sheltered Housing Upgrades	4			<b>4</b>	
Environmental Improvements	52			<b>52</b>	
Structural Works to Properties	14			<b>14</b>	
Decent Homes	11			<b>11</b>	
Fixtures and Fittings	37			<b>37</b>	
Improvements to Binstores	49			<b>49</b>	
<b>Total Programme</b>	<b>2,860</b>	<b>1,980</b>	<b>1,402</b>	<b>6,242</b>	<b>752</b>



Minute of Cabinet – 17 January 2012

**110. MEDIUM TERM CAPITAL PROGRAMME**

Councillors Westley and Owens introduced the report of the Borough Treasurer which set out a number of options for determining the medium term capital programme in the context of the current difficult financial environment.

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 medium term financial position be noted.
  - B. That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm proposals to Council on 29 February 2012 to enable the capital programme to be set.
  - C. That call-in is not appropriate for this item as it is to be submitted to the Executive Overview and Scrutiny Committee on 2 February 2012.



**AGENDA ITEM: 14**

**CABINET: 17 January 2012**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE:  
2 February 2012**

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**Report of: Assistant Director Housing and Regeneration**

**Relevant Managing Director: Managing Director (Transformation)**

**Relevant Portfolio Holders: Councillors A Owens and Mrs V Hopley**

**Contact for further information: Mr B Livermore (Extn. 5200)  
(E-mail: bob.livermore@westlancs.gov.uk)**

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**SUBJECT: HOUSING REVENUE ACCOUNT BUSINESS PLAN**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To advise on the latest position on business planning for the Housing Revenue Account (HRA) and to look at the options that are available.

**2.0 RECOMMENDATIONS TO CABINET**

2.1 That the current position be noted.

2.2 That the information in this report be used for consultation purposes prior to Council considering this matter in February.

2.3 That the Housing Finance Portfolio Holder bring proposals to the Council meeting on 29th February 2012 for the Housing Revenue Account Business Plan and the budget for 2012/13 as a minimum.

2.4 That call in is not appropriate as the matter will be considered by the Executive Overview and Scrutiny Committee on 2nd February.

**3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

3.1 That the position be noted

- 3.2 That any agreed comments be brought to the attention of Council for consideration via the Portfolio Holder Housing (Finance), Regeneration and Estates.
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#### **4.0 BACKGROUND INFORMATION**

- 4.1 The HRA Subsidy System has universally been disliked and the Labour Government, of the time, consulted on a voluntary scheme whereby the Subsidy System would be abolished in return for Local Authorities accepting debt was debated. The general consensus was that this was a positive way forward as it would allow local authorities to better plan and manage their housing finances.
- 4.2 The Coalition Government inherited the position where the consultation had been carried out and reviewed this in the light of the economic position faced by them. The Coalition Government took a view that the HRA Subsidy System was not fit for purpose and decided that rather than have a voluntary scheme, it would legislate to scrap the current arrangements and replace this with a self financing HRA position.
- 4.3 The position for West Lancashire is that as a current contributor into the HRA Subsidy System of £6.3m per annum, the Council will have to make a substantial one off payment to the Government to “buy” its way out of this system. This payment will mainly be funded through borrowing and consequently this will mean that the Council will lose its debt free status.
- 4.4 The Government has recently announced the self financing settlement which will involve a one off payment of £89m. Some time will be required to work through the detail of this settlement to ensure it is fully understood but the key principles of the new arrangements now seem to be clear.

#### **5.0 CURRENT POSITION**

- 5.1 The current position is that the Council have been taking steps to manage the process and these steps are considered below.
- 5.2 It is important to recognise that the new self financing system should provide the HRA with greater financial freedom and certainty and so should enable a more long term asset driven approach to managing the housing stock. The new system should also provide a significant financial improvement as the revenue costs of borrowing will be significantly less than the annual subsidy payments that are currently being made. This will provide funding to put additional investment into the Housing Service.

#### **6.0 HOUSING RENTS**

- 6.1 The Government had indicated that authorities should aim to achieve what is known as target rents by 2015. Target rents were set to broadly bring Local Authority rent in line with Housing Associations so that Tenants were paying a similar rent for similar properties within each locality. The target rent is based on the value of the property, the size of the property and the average regional earnings.

- 6.2 In line with previous years I propose to use my delegated authority to increase rents in accordance with the Government formula. This will mean that the average rent increase will be around 8.07%.
- 6.3 I also intend to let all new tenancies to applicants not in existing tenancies using the Government's formula rent with effect from April 2012. This will generate income for the HRA which will assist in tackling improvements to homes and service delivery. I have not suggested this previously as a significant percentage would have been taken away by the subsidy system. Now is the right time to maximise our income from new non-Council tenants.
- 6.4 Service charges will be increased by RPI (5.6%).
- 6.5 In this context it is important to recognise that around 2/3 of tenants receive housing benefit, and consequently a significant element of any rent increases would be funded by the government (through benefits) rather than directly by tenants.
- 6.6 To obtain the best possible procurement, it is advisable to let contracts over a number of years rather than on an annual basis which has been our custom and practice. The industry standard is that contracts can be let for a period of 3 years with an option of a 2 year extension, and this seems the most appropriate way to achieve best value. If the Authority took a decision to procure on this longer term basis to achieve the best possible arrangements then Members would need to lock in to a longer period of rent increases.
- 6.7 As part of the Business planning process, I believe we need to look at a rent strategy which takes us, as a minimum, towards target rent at the earliest opportunity, and because of funding issues in the early years of the business plan, consideration should be given to a guideline rent increase plus a percentage to help tackle some of the backlog issues.
- 6.8 I will propose in the report to Council that we should consult with tenants on a rent strategy for 2013-2020 that will achieve a comprehensive approach to rent, improvements and service delivery.

## 7.0 STOCK CONDITION SURVEY

- 7.1 The Council commissioned Savills, a leading surveying company, to carry out a stock condition survey based on a 25% sample. This gives us a robust position for investment purposes. The table below highlights the business plan year and the level of investment that is required. (All costs are exclusive of Professional Fees, VAT, management and administration costs and are based on today's prices and do not include response and cyclical maintenance costs).

<b>Business Plan Year</b>	<b>1 to 5</b>	<b>6 to 10</b>	<b>11 to 15</b>	<b>16 to 20</b>	<b>21 to 25</b>	<b>26 to 30</b>
Total Programme Renewals	£55,090,525	£28,685,385	£21,633,875	£30,911,810	£36,669,505	£25,975,790
Total per annum	£11,018,105	£5,737,077	£4,326,775	£6,182,362	£7,333,901	£5,195,158



- 7.2 In broad terms, over the next 5 years, the Business plan requires an investment of £11m per annum. This result is based on adopting a property standard that is higher than the current decent homes standard but broadly in line with tenant aspirations. These figures also do not include professional fees, the costs of any environmental works, or the costs of addressing issues on Firbeck and Findon.
- 7.3 Even with a rent strategy that looked to maximise income, there will still be a shortfall between the required spend and the income that can be generated.
- 7.4 Consultation with Tenants needs to consider how the standards associated with improvements needs to be adjusted so that they are affordable in the context of the business plan. Ultimately though it is Members who will need to decide how to prioritise the available resources against the competing priorities for tenants.

## **8.0 ENVIRONMENTAL IMPROVEMENTS**

- 8.1 The need to make environmental improvements particularly in Skelmersdale have been widely recognised because of the lay out and design of the estates.
- 8.2 Various interventions can be considered and one estimate is in excess of £300m to tackle the design issue which has not worked.
- 8.3 The business plan needs to ensure that properties have a sustainable future and therefore I have included within the business plan various investment models. However, I am of the opinion that £100m+ is a realistic investment requirement. This of course would be subject to consultation but would potentially make the business plan unviable but I refer later to the steps which are being taken to address this issue (see 13.1).

## **9.0 ASSET MANAGEMENT**

- 9.1 The stock condition survey has now given us robust information regarding the investment needs of each individual property. In parallel with this, consideration has been given to asset management requirements. The Landlord Services Committee (LSC) have endorsed a methodology which looks at estate by estate as to the risks associated with investing in properties which will not be sustainable in the longer term.
- 9.2 This information will now allow option appraisal to be undertaken of areas where there is a risk that investment is unsafe and will investigate whether the properties should be retained in their current use or if alternative arrangements should be identified. An example of this would be a sheltered housing scheme with bedsit accommodation which is proving not popular and where there is high turnover and long periods where the property does not benefit from a rental income. In these situations it would seem illogical to simply invest in accordance with the stock condition survey but rather to look at the long term future and make adjustments as necessary.
- 9.3 I anticipate that I will need to establish a multi disciplinary team that would look at the option appraisal of properties within estates to ensure that any early investment was not wasted.

- 9.4 This information will need to be fed into the business plan and I anticipate that the earliest that we could adopt a fully functional business plan would be in April 2013. This would give time for option appraisal to take place and to be broadly agreed so that the income that can be generated can be used to inform an investment strategy.
- 9.5 To allow work to progress on the Asset Management Plan I will be asking Members to determine where sustainable investment can be made and which estates the asset management work needs to focus on.
- 9.6 Based on this an investment plan will be determined for the first two years which will target the work identified by Savills and tenants will be advised of this.
- 9.7 Tenants, where further option appraisal needs to be carried out, will be advised that their investment needs are being explored and that these will be reported back to Council at budget setting in 2013 to agree an investment plan for the next five years and then we will advise residents of this.

## **10.0 TREASURY MANAGEMENT**

- 10.1 As part of the new system the HRA will need to make a one off payment to the Government of £89m at the end of March 2012. The HRA currently has internal resources of around £12m which it has internally lent to the GRA (technically known as the negative HRA capital financing requirement). It can use these resources but will then need to borrow at least £77m to fund the balance of the total £89m payment amount or indeed borrow £89m to assist financing the investment needs of the stock condition survey information and environmental work necessary following an asset management appraisal process. It is expected that this borrowing will be taken out through the Public Works Loans Board as it is offering very low interest rates specifically for HRA self financing. The Council also has the ability to borrow a further £5m if it wished to take advantage of this.
- 10.2 The GRA will then need to replace the £12m it was previously internally borrowing from the HRA. This will be achieved partly by reducing the level of external investments and partly by taking out external borrowing but this will lead to an increase in costs (as external borrowing rates are higher than internal rates). This issue has been previously reported to Members and it is currently estimated that it will lead to an increase in costs of £150,000 which has been reflected in the GRA budget position. The issues are still being considered with a view to trying to minimise the impact on the GRA and consequently it is possible that this figure may need to be revised.
- 10.3 We are currently working with Sector, our treasury management advisors, on the best way to structure the debt portfolio to minimise costs for both the HRA and the GRA.
- 10.4 As part of the settlement the Government will impose a borrowing cap on the HRA of around £94m. However as only around £77m will need to be borrowed for the self financing payment this will then leave borrowing headroom of £17m. As part of the business plan process, consideration will need to be given to what additional borrowing is required and whether it is affordable.

- 10.5 A further factor to consider is the level of provision that should be built into the business plan for the repayment of debt. Under the new self financing system there are no prescriptive rules and consequently it is a matter for local discretion. In reaching any decision careful consideration will need to be given to balancing the need for investment in the housing stock with the requirement for a business plan that is prudent, affordable and sustainable.

## **11.0 TENANT PRIORITIES**

- 11.1 Tenants are to be consulted on their priorities as part of the Annual Tenant Conference.
- 11.2 Tenant surveys have already given a good indication of what is important to tenants and this will be further tested to ensure that the service is focused on what matters to our customers.

## **12.0 FINDON AND FIRBECK**

- 12.1 The Council now has the freedom and flexibility to kick start a scheme which would help improve the area over a period and I will be bringing a report back to Council specifically on investment proposals that will be funded from the Housing Revenue Account that would achieve this objective.

## **13.0 THE WAY FORWARD**

- 13.1 The Council had invited Officials from the Department for Communities and Local Government as well as the Homes and Communities Agency to visit the area on the 2<sup>nd</sup> of December in order that we could look at the environmental issues affecting Skelmersdale. The meeting had to be postponed due to a Senior Government Official being ill and being unable to attend. It is anticipated that this will take place early 2012. In broad terms, the business plan, whilst having difficulties in the early years, can deliver a programme which will mean that all of our homes are up to a modern standard by the end of the business planning period (30 years). The cost of changing the environment is expensive and needs to be built into the Business Planning process. This will make the Business Plan unviable and the purpose of the meeting is to explore further how this issue can be tackled.
- 13.2 For this reason, I will be suggesting that we prepare a strategic document based on the information provided in this report which will act as a consultation paper for the longer term business plan purposes from year 2 of the business plan i.e. 2013/14.
- 13.3 Year one of the business plan will need to be agreed by Council at the February meeting in a similar manner to previous HRA budgets. Officers will work with both political groups and with tenants in the run up to the 2012/13 budget in a similar way to previous years. The 2012/13 budget will need to address the commitment given to make investment a priority to Findon and Firbeck. In addition, investment should be made in tenants' homes as identified within the stock condition survey and where Members are happy that the investment is sustainable. Also, I will be recommending that Members invest in essential

Health and Safety schemes for tenancies which will otherwise not benefit in year 1 of the investment programme (an example of this would be where a boiler required replacement during the financial year). This approach will allow the opportunity to work on the Asset Management Strategy and to link this to an investment plan for years 2-7 of the business plan which would ensure that wise investment would be made in our portfolio of priorities that would not be a risk (see paragraph 9.2).

- 13.4 In setting the 2012/13 budget the Council will also need to consider some other competing factors. There will be a need for additional resources to be deployed on the work necessary to arrive at a comprehensive Asset Management Plan which will then feed into a programme of investment priorities. In addition to this, the Council needs to strengthen some of its operational areas which have been identified as weaknesses by the Audit Commission, the Tenant Services Authority (TSA) and the Peer Review undertaken by Helena Partnerships. I am suggesting that in year one, these adjustments be made which will provide better services for customers but also will enable the organisational re-engineering projects to be undertaken which will then review each work area to ensure that it is benchmarked and compared with best practice so that efficiency and effectiveness can be focused throughout the organisation. One of the drivers will be to modernise working practices and I anticipate that investment will be needed to compliment the new computer system that has been introduced so that staff move on to more modern methods of working like hand held computers and will avoid double handling situations.
- 13.5 The business plan also needs to allow for known economic/social changes which will need to be taken into account. Here I am thinking about the changes to the welfare benefit system which will be introduced over a number of years resulting in the introduction of universal credit. At this stage the detail of this remains uncertain but it is sure to create additional arrears and financial provision needs to be made for this. Indeed, it may require some additional resources to be used to give advice and support to tenants at this particular time.
- 13.6 The position on the Right to Buy has been clarified with the consultation paper entitled 'Reinvigorating the Right to Buy and One for One Replacement'. A report is considered elsewhere on your agenda. The impact on the HRA is that provision for properties sold needs to be allowed for. If property sales increase so that Government targets are met then any funds attributed to the Council will need to be used to support the HRA Business Plan. It is estimated that this situation is unlikely to occur but needs to be considered if it does arise.

#### **14.0 AREAS OF CONSIDERATION**

- 14.1 Consideration needs to be given to the treasury management strategy. There appear to be a variety of options and in order to take matters forward a view needs to be determined on the following:
- a. the amount of debt that we should adopt and when it should be taken out.
- £77m
  - £89m
  - £94m

b. the strategy for paying off debt which could be:

- No debt repayment
- Repay debt over 30 years of the business plan
- Interest only payment for a period say five years and repay debt over the remainder of the business plan (25 years)
- Repay debt over 75 years (estimated useful life of property). There are a range of other options from equal repayment of debt, interest only for five years and then repayment of the remaining debt or equal real value instalments.

14.2 The costs associated with all the options in b. are dependant on the options chosen in a. above. Appendix A highlights the costs associated with each of these for the varying amounts of debt which could be taken on.

14.3 The rent and service charge increase will be addressed in 2012/13 as outlined in paragraph 6. However, a rent strategy needs to be prepared for future years particularly after convergence in 2015.

14.4 The budget needs to be agreed for 2012/13 and the considerations at 14.1 to 14.3 above need to be determined prior to the budget setting process. Once the budget setting process had been undertaken the normal practice will be for a roll over budget to be tabled (Appendix B). Budgetary pressures include the following areas which will need to be determined so that the residual investment opportunity becomes clear. The areas are as follows:

Asset management work	£250,000
Phase II improvements to computerised working	£200,000
Improvements highlighted in the peer review	£100,000
Communication	£50,000
Improving services using customer profiling	£50,000
Tenancy Strategy	£30,000

14.5 In terms of investment there are numerous options and I propose to work with political groups and tenants on these. The investment opportunities will be dependant on the level of debt and how this is repaid. Once these amount are considered and put forward as part of the budget setting process it will be clearer to work an investment strategy. However, I am concerned that there are some investment requirements that could prove to be unsustainable and would wish the work of asset management to take place prior to any investment plan being agreed. There will be proposals for investment in Findon and Firbeck which will be the subject of a separate report to Council in February.

## **15.0 DEVELOPING THE BUSINESS PLAN AND LINKS TO THE BUDGET**

15.1 External consultants (Tribal) were employed earlier this year to draw up an initial financial assessment of a 30 year business plan. This indicative plan showed that all of the borrowing taken out for self financing could be repaid within 22 years, and so the self financing model was affordable. However, this was based on management and maintenance costs at that time and did not include all the

work associated with stock condition survey, nor any costs for environmental betterment.

- 15.2 The figures in the draft business plan now need to be substantially updated and reworked to allow for new information that has become available. This includes the recent Government settlement figures and the stock condition survey results. This will then provide a more firm assessment of the resources that will be available, which can be used to develop medium and long term investment and asset management plans.
- 15.3 Various scenarios will need to be modelled to take into account different assumptions as to interest rates, inflation etc.
- 15.4 The budget for 2012/13 is being put forward for consideration based on my proposals in paragraph 14 above.
- 15.5 I propose to model the business plan on various scenarios which will be presented to Council following consultation with tenants and political groups.

## **16.0 SUSTAINABILITY IMPLICATIONS / COMMUNITY STRATEGY**

- 16.1 Clearly the Council with its Tenants will want to ensure that the future business plan ensures that properties are brought up to a reasonable standard and that appropriate investment is able to be made at the appropriate time. The further modelling of the business plan in year one (2012/13) will enable a well informed investment plan to be developed that takes into account the priorities of Tenants, the investment needs in the stock which have been considered as part of a well thought out asset management strategy. It will ensure that the rent levels reflect the needs and requirements of the stock and meet Tenant priorities.
- 16.2 The community strategy has highlighted that local people should receive good quality homes for a fair and appropriate rent which is changed. The move towards the business plan in April 2013 will ensure that the business plan takes into account these issues and if further funding is necessary then as part of the plan, this issue will be addressed.

## **17.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 17.1 The financial and resource implications have been highlighted throughout this report. The Council needs to determine the following:
- Treasury management
  - Investment priorities
  - Service delivery needs
- 17.2 A fully worked up proposal will be brought back to Council highlighting all the financial and resource implications both in terms of revenue and capital which will support the Housing Revenue Account Business Plan.
- 17.3 The implication for the General Fund as referred to in paragraph 10.2 and will be considered by Council as part of the budget setting process in February 2012.

## **18.0 RISK ASSESSMENT**

- 18.1 The business plan will be fully risk assessed before it is finalised and will allow for regular monitoring and review.
- 18.2 The report on Findon and Firbeck investment which will be considered by Council on 29th February will include a separate risk assessment.

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### **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**

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore no Equality Impact Assessment is required.

### **Appendices**

- Appendix A: Interest costs and debt repayment options  
Appendix B: Draft HRA budget 2012-13

**INTEREST COSTS AND DEBT REPAYMENT OPTIONS****INTEREST COSTS**

The Public Works Loans Board (PWLB) have announced that they will provide low rate borrowing to local authorities specifically to cover HRA self financing payments.

The indicative rates they have quoted are below other rates currently available on the market and consequently it is expected that all local authorities will use this route to borrow funds.

A number of different loans will be taken out to minimise exposure to future interest rate movements and to spread risk in accordance with standard treasury management principles. This will ensure that the debt portfolio has a range of fixed and variable rate loans and a spread of short, medium and long term borrowing. Expert advice will be sought from our treasury management consultants, Sector, on the best way to structure this debt portfolio.

The budget estimates currently assume that the average rate of interest on the debt portfolio will be 3.02%. However this will vary dependent on movements in interest rates between now and the end of March, and the exact structure of the debt portfolio that is used.

The Council will need to borrow around £77m to fund the one off payment to the Government but can borrow up to its borrowing cap of £94m. The interest costs for differing debt amounts are shown in the table below for illustrative purposes.

<b>Debt Amount</b>	<b>Estimated Interest Rate</b>	<b>Interest Cost per Annum</b>
£77m	3.02%	£2.325m
£89m	3.02%	£2.688m
£94m	3.02%	£2.839m



## DEBT REPAYMENT OPTIONS

Under the new self financing system there are no prescriptive rules concerning how debt should be repaid and consequently it is a matter for local discretion. In reaching any decision careful consideration will need to be given to balancing the need for investment in the housing stock with the requirement for a business plan that is prudent, affordable and sustainable.

There are a number of different debt repayment strategies that could be used under the new system and a range of options are set out below. The annual cost figure is based on taking out borrowing of £77m.

Debt Repayment Strategy	Annual Cost, £000
<p>[1] No debt repayment</p> <p>The business plan does not allow for any debt repayment. This is the approach used by RSL's and means the real value of the debt reduces over time due to inflation</p>	NIL
<p>[2] Repay debt over 30 year business plan period</p> <p>(a) Equal re-payment of debt in each year of the business plan period</p> <p>(b) Assume no debt repayment is made in the first five years to allow for the requirements of the stock condition survey and then the debt is paid off in the remaining 25 years</p>	<p>2567</p> <p>Nil / 3080</p>
<p>[3] Repay debt over 75 years - the estimated useful life of a property for asset management purposes is 75 years. Repaying the debt over this period would then tie the debt repayment and asset management strategies together</p> <p>(a) Equal re-payment of debt in each year of the 75 year period</p> <p>(b) Assume no debt repayment is made in the first five years to allow for the requirements of the stock condition survey and then the debt is paid off in the remaining 70 years</p> <p>(c) Repay debt over 75 years in equal real value instalments This approach adjusts the value of the payment each year so that it is equal in real terms after allowing inflation at 2.5% per year.</p>	<p>1027</p> <p>Nil / 1100</p> <p>359</p> <p>Year 1 value</p>

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM		2011/12	2012/13
		BUDGET	BUDGET
		1	2
	<b>SUMMARY</b>		
	EXPENDITURE		
		£	£
1	General Expenses HRA 2.7	10,450,010	953,596
2	Supervision, Management & Housing Repairs & Maintenance HRA 3.8	10,444,240	10,818,946
3	<b>Total HRA Expenditure</b>	<b>20,894,250</b>	<b>11,772,542</b>
	INCOME		
4	General Income HRA 2.10	20,762,320	20,649,700
5	Transfer from Unused Reserves	30,000	
6	Transfer from working Balance	101,930	
5	<b>Total Income</b>	<b>20,894,250</b>	<b>20,649,700</b>
7	Working Balance	632,708	632,708
8	<b>Available HRA Resources HRA 1.6 plus HRA 1.7</b>	<b>632,708</b>	<b>9,509,866</b>
9	Add Rent Increase (see Note 3 Page HRA 7)		tba
10	Add Additional Borrowing (see Note 2 Page HRA 7)		tba
11	Less Repayment of Debt on dwgs sold under RTB (based on 16 RTB's)		235,984
12	Less Voluntary Repayment of Debt (see Note 2 Page HRA 7)		tba
13	Less Interest on debt (see Note 2 Page HRA 7)		tba
14	Less Revenue Growth Items (see paragraph 14 4 or the Report)		tba
15	Less Maintaining an adequate level of working balance	632,708	630,000
16	<b>Residual for Investment HRA 1.8+1.9+1.10 less sum of 1.11 to 1.15</b>	<b>0</b>	<b>tba</b>

tba - to be agreed

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM		2011/12	2012/13
		BUDGET	BUDGET
		1	2
	<b>GENERAL EXPENSES</b>	£	£
1	Housing Revenue Account Subsidy Housing Element	6,249,990	-
2	Premises Related Expenses	38,610	46,596
3	Contributions to Provisions for Bad Debts	50,000	125,000
4	Contingency Sum - Unavoidable Employee Related expenditure	32,000	32,000
5	Contribution to Capital Outlay (see Note 1 Page HRA 7)	4,279,410	750,000
6	Office Efficiencies to be allocated	(200,000)	-
7	Total Expenditure to Summary To HRA 1.1	10,450,010	953,596
	<b>GENERAL INCOME</b>		
8	Customer & Client Receipts (see Note 3 Page HRA 7)	20,649,700	20,649,700
9	Interest	112,620	-
10	Total Income to Summary To HRA 1.4	20,762,320	20,649,700

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM			2011/12	2012/13
			BUDGET	BUDGET
			1	2
	<b><i>SUPERVISION, MANAGEMENT &amp; HOUSING REPAIRS &amp; MAINTENANCE</i></b>			
	<b>SUMMARY</b>			
1	Central Administration	HRA 4.8	2,081,800	2,160,818
2	Performance Improvement Team	HRA 4.13	547,520	320,375
3	Rent & Money Advice	HRA 4.18	617,400	634,183
4	Voids & Allocations	HRA 5.8	1,826,630	1,863,916
5	Estate Management & Tenant Participation	HRA 5.16	658,630	738,632
6	Property Services	HRA 6.9	4,084,240	4,626,526
7	Elderly & Disabled Support	HRA 6.18	628,020	474,496
8	Total Expenditure to summary	To HRA 1.2	10,444,240	10,818,946

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM		2011/12	2012/13
		BUDGET	BUDGET
		1	2
	<b><i>SUPERVISION, MANAGEMENT &amp; HOUSING REPAIRS &amp; MAINTENANCE</i></b>		
	<b><i>- CENTRAL ADMINISTRATION</i></b>		
	EXPENDITURE		
1	Employee Expenses	459,920	453,126
2	Premises Related Expenses	-	-
3	Transport Related Expenses	10,100	10,100
4	Supplies and Services	123,140	123,170
5	Support Services	1,695,700	1,684,482
6	<u>Total Expenditure</u>	2,288,860	2,270,878
7	INCOME	207,060	110,060
8	Net Expenditure to Summary to HRA 3.1	2,081,800	2,160,818
	<b><i>- PERFORMANCE IMPROVEMENT</i></b>		
	EXPENDITURE		
9	Employee Expenses	157,580	180,435
10	Transport Related Expenses	5,920	5,920
11	Supplies and Services	342,440	92,440
12	Support Services	41,580	41,580
13	Net Expenditure to Summary to HRA 3.2	547,520	320,375
	<b><i>- RENT &amp; MONEY ADVICE</i></b>		
	EXPENDITURE		
14	Employee Expenses	382,490	399,293
15	Transport Related Expenses	15,380	15,380
16	Supplies and Services	39,010	38,990
17	Support Services	180,520	180,520
18	Net Expenditure to Summary to HRA 3.3	617,400	634,183

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

-

ITEM		2011/12	2012/13
		BUDGET	BUDGET
		1	2
	<b>- VOIDS &amp; ALLOCATIONS</b>		
	EXPENDITURE		
1	Employee Expenses	389,920	413,759
2	Premises Related Expenses	1,571,710	1,585,197
3	Transport Related Expenses	21,750	21,750
4	Supplies and Services	63,360	63,320
5	Support Services	31,210	31,210
6	<u>Total Expenditure</u>	2,077,950	2,115,236
7	INCOME	251,320	251,320
8	Net Expenditure to Summary to HRA 3.4	1,826,630	1,863,916
	<b>- ESTATE MANAGEMENT &amp; TENANT PARTICIPATION</b>		
	EXPENDITURE		
9	Employee Expenses	326,470	384,822
10	Premises Related Expenses	146,150	167,790
11	Transport Related Expenses	23,730	23,730
12	Supplies and Services	139,630	139,640
13	Support Services	35,000	35,000
14	<u>Total Expenditure</u>	670,980	750,982
15	INCOME	12,350	12,350
16	Net Expenditure to Summary to HRA 3.5	658,630	738,632

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM		2011/12	2012/13
		BUDGET	BUDGET
		1	2
	<b>- PROPERTY SERVICES</b>		
	<b>ADMINISTRATION</b>		
		£	£
1	Employee Expenses	1,002,940	1,289,253
2	Premises Related Expenses	3,368,820	3,371,193
3	Transport Related Expenses	86,840	75,740
4	Supplies & Services	94,940	94,980
5	Agency & contracted Services	51,730	51,730
6	Support Services	67,670	67,670
7	<u>Total Expenditure</u>	4,672,940	4,950,566
8	INCOME	588,700	324,040
9	Net Expenditure to Summary to HRA 3.6	4,084,240	4,626,526
	<b>- ELDERLY &amp; DISABLED SUPPORT</b>		
10	Employee Expenses	1,057,110	792,299
11	Premises Related Expenses	505,960	515,697
12	Transport Related Expenses	55,810	50,680
13	Supplies & Services	94,050	76,283
14	Agency & contracted Services	5,000	5,000
15	Support Services	196,160	158,850
16	<u>Total Expenditure</u>	1,914,090	1,598,809
17	INCOME	1,286,070	1,124,313
18	Net Expenditure to Summary to HRA 3.7	628,020	474,496

**WEST LANCASHIRE BOROUGH COUNCIL**  
**REVENUE ESTIMATES 2012/2013**  
**DRAFT HOUSING REVENUE ACCOUNT**

ITEM	<b>NOTES</b>										
1	<p><b>Contribution to Capital Outlay</b></p> <p>The 2012-13 budget includes a small contingency provision for Health and Safety work and capitalised repairs. Investment priorities for 2012-13 will be considered under consultation with appropriate stakeholders and included in the report to Council.</p>										
2	<p><b>Debt Payments</b></p> <p>The Council has a minimum requirement to pay around £77m to Government under Self-financing. However, the Council has the opportunity to invest up to around £94m. The amount of interest and any debt repayment will be subject to investment proposals and treasury management advice.</p>										
3	<p><b>Customer &amp; Client Receipts</b></p> <p>The above estimates include increases in service charges in accordance with RPI Sept 2011 5.6%. Rent, however, has not been increased pending a decision as to whether increase in accordance with Government guideline or use the headroom created under the existing rent restructuring guidance from Government, details provided below:</p> <table style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="width: 80%;"></th> <th colspan="2" style="text-align: right; border-bottom: 1px solid black;">Est. Additional income</th> </tr> </thead> <tbody> <tr> <td>a) Increase in accordance with Government Rent Restructuring guidance</td> <td style="text-align: right;">£1.6m</td> <td style="text-align: right;">8.07%</td> </tr> <tr> <td>b) Increase to Guideline Rent</td> <td style="text-align: right;">£1.7m</td> <td style="text-align: right;">8.57%</td> </tr> </tbody> </table>			Est. Additional income		a) Increase in accordance with Government Rent Restructuring guidance	£1.6m	8.07%	b) Increase to Guideline Rent	£1.7m	8.57%
	Est. Additional income										
a) Increase in accordance with Government Rent Restructuring guidance	£1.6m	8.07%									
b) Increase to Guideline Rent	£1.7m	8.57%									







**AGENDA ITEM: 15**

**CABINET: 17th January 2012**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE: 2nd  
February 2012**

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**Report of: Assistant Director Housing and Regeneration**

**Relevant Managing Director: Transformation**

**Relevant Portfolio Holder: Councillor V Hopley  
Councillor A Owens**

**Contact for further information: Mr B Livermore (Extn. 5200)  
(E-mail: bob.livermore@westlancs.gov.uk)**

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**SUBJECT: CONSULTATION – REINVIGORATING THE RIGHT TO BUY AND ONE  
FOR ONE REPLACEMENT**

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Wards affected: Borough wide

**1.0 PURPOSE OF THE REPORT**

1.1 To seek views on the proposed response to this consultation paper which has been issued by the Government.

**2.0 RECOMMENDATIONS TO CABINET**

2.1 That Cabinet approve the response at Appendix A to the consultation concerning Reinvigorating the Right to Buy and One for One Replacement.

2.2 That the Assistant Director of Housing and Regeneration in consultation with the relevant Portfolio Holders be authorised to amend the response at Appendix A in the light of any agreed comments made by the Executive Overview and Scrutiny Committee at their meeting on 2nd February 2012.

2.3 That Call In is not appropriate for this item as the report is being submitted to the next meeting of the Executive Overview and Scrutiny Committee on 2nd February 2012.

**3.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE**

- 3.1 That the Committee notes the proposed response to the consultation paper approved by Cabinet on 17th January 2012.
  - 3.2 That any agreed comments made by the Committee be considered by the Assistant Director of Housing and Regeneration, after consultation with the relevant Portfolio Holders, for inclusion in the response to Government on this consultation paper.
- 

#### **4.0 BACKGROUND**

- 4.1 The Government wish to make amendments to the provisions of the Right to Buy legislation which would effectively give tenants a greater level of discount than currently exists.
- 4.2 The Government are therefore consulting on these changes and are seeking the views of this Council. The Government wish to protect the level of receipts which it estimates that it will receive from Right to Buy sales and where the level of receipts exceeds the estimated level of capital receipt for the Government and the Local Authority, the Government will make arrangements for replacement homes to be provided on a one to one basis.
- 4.3 The consultation paper which is entitled 'Reinvigorating Right to Buy and One for One Replacement' was issued by the Government on 22nd December 2011 and the consultation finishes on 2nd February 2012.
- 4.4 The consultation paper runs to 48 pages and I have therefore not included this as part of this report. However, if Members wish to have a hard copy of the consultation paper one can be provided upon request. Alternatively the consultation paper is available at the following link: <http://www.communities.gov.uk/documents/housing/pdf/2053578.pdf>.

#### **5.0 PROPOSED RESPONSE**

- 5.1 The Government have asked 16 questions as part of the consultation paper and a proposed response is attached at Appendix A to this report.
- 5.2 One of the most significant aspects of the proposal is that the existing cap on the maximum discount will change. Currently the cap is set at £26,000 which is the maximum discount an existing Council tenant can receive. The proposals will increase this cap to £50,000 which will effectively give tenants a bigger discount. In order that Members can understand these changes I have produced a table (table 1) which shows the properties which have been sold this year. The table highlights the gross value of the property, the discount and the cash received. As Members will note, the average discount received by tenants is 38.3%. The total amount of cash which is received is in the order of £42,000. Currently administrative costs are removed from this figure and the remainder is then split between the Council and the Government. The Council retains 25% of the

receipt and the Government is given 75% (subject to the deduction of any improvement work carried out in the last three years).

**Table 1: SALE OF COUNCIL DWELLINGS 2011-2012**

ADDRESS		TYPE		GROSS VALUE (£)	DISCOUNT (%)	DISCOUNT (£)	CASH RECEIVED (£)
Sumner Avenue	Haskayne	3	H	120,000.00	21.6	26,000.00	94,000.00
Manor Drive	Burscough	3	H	124,750.00	20.8	26,000.00	98,750.00
Edgley Drive	Ormskirk	3	H	121,750.00	21.3	26,000.00	95,750.00
Irwell	Birch Green	2	F	57,000.00	45.6	26,000.00	31,000.00
Whitburn	Old Skelm	2	F	49,000.00	53.0	26,000.00	23,000.00
Colinton	Holland Moor	2	F	47,500.00	54.7	26,000.00	21,500.00
Hartland	Birch Green	3	H	54,000.00	48.1	26,000.00	28,000.00
Belfield	Digmoor	3	H	51,500.00	42.0	21,630.00	29,870.00
						<b>TOTAL</b>	<b>421,870.00</b>

- 5.3 As part of the proposals issued by Government the cap will be increased from £26,000 to £50,000. This will effectively give a greater level of discount to tenants. The Government see this as a way of reinvigorating the number of Right to Buy sales and they estimate that this process will result in greater sales. In the table below (Table 2) I demonstrate the same properties with their valuation based on the same principle but the higher discount level being applied. In this scenario, tenants that purchase their property would have an increased discount from Table 1 of 38.3% to 52%. The gross income would reduce from £421k to £336k. The reduction is in the order of £85k which approximately relates to about 20%.

**Table 2: SALE OF COUNCIL DWELLINGS 2011-2012**

ADDRESS		TYPE		GROSS VALUE (£)	DISCOUNT (%)	DISCOUNT (£)	CASH RECEIVED (£)
Sumner Avenue	Haskayne	3	H	120,000.00	39	46,800	73,200.00
Manor Drive	Burscough	3	H	124,750.00	51	50,000	74,750.00
Edgley Drive	Ormskirk	3	H	121,750.00	53	50,000	71,750.00
Irwell	Birch Green	2	F	57,000.00	68	38,760	18,240.00
Whitburn	Old Skelm	2	F	49,000.00	56	27,440	21,560.00
Colinton	Holland Moor	2	F	47,500.00	56	26,600	20,900.00
Hartland	Birch Green	3	H	54,000.00	51	27,540	26,460.00
Belfield	Digmoor	3	H	51,500.00	42	21,630	29,870.00
						<b>TOTAL</b>	<b>336,730.00</b>

- 5.4 The Government when allocating debt to Local Authorities who have for various reasons retained their Housing Stock have assumed that there would be Right to Buy sales. Each Local Authority has an individual number of sales allocated to it and in West Lancashire's case next year the target sales within the debt settlement has been set at 20. For financial year 2013/14 this is 24 and in financial year 2014/15, 28.
- 5.5 The Government have indicated that they have set their spending review figures based on this income and have estimated nationally that they should with increased sales even at discount rates achieve this level of income. Within the consultation document the Government have set out some formula for this. If the Council achieves the level of income that the Government is expecting any

surplus would be used to support one for one replacement of Council homes. If the settlement is less than the target estimated by Government, an alternative formula is used which apportions the debt between the Government and the Council. In the case of West Lancashire based on current sales we do not feel that given the value of properties in this area and the relevant proportion of £50,000 cap on discount that we will achieve the Government's estimate. I have referred to this in the response.

## **6.0 SUSTAINABILITY IMPLICATIONS/COMMUNITY STRATEGY**

- 6.1 There is no significant impact on crime and disorder as a result of this report.
- 6.2 The sustainability of new housing provision referred to in this report is unlikely to apply in West Lancashire although there is the possibility that monies raised nationally could be diverted to provide social housing in this area.
- 6.3 There are links to the Community Strategy which are to provide more appropriate and affordable housing to meet the needs of local people.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

- 7.1 The proposals will provide greater discount to Tenants who wish to exercise their Right to Buy.
- 7.2 If the increased discounts, achieved through increasing the current cap from £26,000 to £50,000 are introduced without a corresponding increase in sales, there is a likelihood that the income to the Council will reduce based on the Government's estimates.
- 7.3 The Council will need to review its capital resources in the light of future sales. At this stage it is difficult to estimate whether the increased discounts will lead to the levels of sales which the Government are forecasting. Initial consideration by officers feel that it is unlikely that there will be additional resources available as a result of this initiative to the Council. Indeed, if we meet the Government's target for capital receipts any resources raised over and above that will need to be set aside to protect the Housing Revenue Account as it would have an adverse effect on its business plan.

## **8.0 RISK ASSESSMENT**

- 8.1 There are clear risks to the Council's future Capital Programme and early monitoring of the impact of the proposals will need to take place and regular reports brought to Members to ensure that the expenditure that we plan to make on capital schemes is prudently incurred where there is likelihood that capital will be available for these investments.

## **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 a significant direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix to this report, the results of which have been taken into account in the Recommendations contained within this report.

## **Appendices**

1. Appendix A: Response to Consultation
2. Appendix B: Equality Impact Assessment
3. Appendix C: Minute of Cabinet – 17 January 2012 (Executive Overview & Scrutiny Committee only)





Right to Buy Consultation  
Affordable Housing Regulation and  
Investment Division  
Zone 1/B3  
Eland House  
Bressenden Place  
LONDON  
SW1E 5DU

Dear Sir/Madam

## **CONSULTATION: REINVIGORATING THE RIGHT TO BUY AND ONE FOR ONE REPLACEMENT**

The Council is generally supportive of the Government initiative to reinvigorate the Right to Buy scheme and create growth by building replacement houses which will help the construction industry and assist those who need to rent accommodation. The Council, whilst being generally supportive, has concerns that the general thrust of this initiative will not be achievable within West Lancashire and therefore the Council asks that the Government revise the target and realign in a more realistic way for the North West.

There are a number of questions that are posed as part of the consultation process and West Lancashire Borough Council would wish you to consider our response.

### **Question 1: We would welcome views on the proposals outlined above.**

The proposal to have a flat rate upper limit (cap) is welcome and will allow tenants in West Lancashire to receive the benefit of an average discount rate, we estimate, of around 52%. The Council sells more houses than flats and would see an advantage in giving a bigger discount to flat dwellers to encourage them to participate in this initiative. The Council is of the view that the current qualifying periods and discounts are still appropriate. The Council will shortly be looking at flexible tenure and the 5 year qualifying period sits very comfortably with this and would not wish to see this period reduce.

### **Question 2: Do you agree that information currently provided to prospective Right to Buy purchasers is sufficient? If not, what else should be included?**

The Council is of the opinion that the information and advice available to perspective Right to Buy purchasers is satisfactory and that the current arrangements are appropriate and adequate.

## **Directorate of Transformation**

**Bob Livermore FCIH**  
Assistant Director Housing and Regeneration

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*Date:* February 2012  
*Your ref:*  
*Our ref:* RVL/PW  
*Please ask for:* Bob Livermore  
*Direct dial no:* 01695 585200  
*Extension:*



**Question 3: Are there further steps which could be taken to ensure that tenants who purchase under Right to Buy know about and understand the implications of home ownership, including their obligations on becoming a leaseholder?**

The Council operates a practice where any potential family members need to have lived in the home for at least 12 months immediately prior to the Right to Buy application being made. It is believed this helps to safeguard against family members trying to persuade tenants to buy for profit. The Council would support this being used nationally.

**Question 4: We would welcome evidenced assessments of the impact on rural affordable housing of the proposed changes to Right to Buy discounts.**

The Council have introduced local letting policies to assist local residents who wish to remain in rural settlements and would be concerned if this initiative prevented rural communities from being sustainable. In Table 1 below we highlight the existing position with the upper limit (cap) being set at £26,000.

**Table 1: SALE OF COUNCIL DWELLINGS 2011-2012**

ADDRESS		TYPE		GROSS VALUE (£)	DISCOUNT (%)	DISCOUNT (£)	CASH RECEIVED (£)
Sumner Avenue	Haskayne	3	H	120,000.00	21.6	26,000.00	94,000.00
Manor Drive	Burscough	3	H	124,750.00	20.8	26,000.00	98,750.00
Edgley Drive	Ormskirk	3	H	121,750.00	21.3	26,000.00	95,750.00
Irwell	Birch Green	2	F	57,000.00	45.6	26,000.00	31,000.00
Whitburn	Old Skelm	2	F	49,000.00	53.0	26,000.00	23,000.00
Colinton	Holland Moor	2	F	47,500.00	54.7	26,000.00	21,500.00
Hartland	Birch Green	3	H	54,000.00	48.1	26,000.00	28,000.00
Belfield	Digmoor	3	H	51,500.00	42.0	21,630.00	29,870.00
						<b>TOTAL</b>	<b>421,870.00</b>

In the table below, we demonstrate the same data but use the proposals in the consultation paper for the upper limit (cap) to be set at £50,000.

**Table 2: SALE OF COUNCIL DWELLINGS 2011-2012**

ADDRESS		TYPE		GROSS VALUE (£)	DISCOUNT (%)	DISCOUNT (£)	CASH RECEIVED (£)
Sumner Avenue	Haskayne	3	H	120,000.00	39	46,800	73,200.00
Manor Drive	Burscough	3	H	124,750.00	51	50,000	74,750.00
Edgley Drive	Ormskirk	3	H	121,750.00	53	50,000	71,750.00
Irwell	Birch Green	2	F	57,000.00	68	38,760	18,240.00
Whitburn	Old Skelm	2	F	49,000.00	56	27,440	21,560.00
Colinton	Holland Moor	2	F	47,500.00	56	26,600	20,900.00
Hartland	Birch Green	3	H	54,000.00	51	27,540	26,460.00
Belfield	Digmoor	3	H	51,500.00	42	21,630	29,870.00
						<b>TOTAL</b>	<b>336,730.00</b>

The only rural property in the table is in Haskayne. Whilst discount rates have increased across all properties because rural valuations will normally be higher than urban valuations the upper limit set at £50,000 will protect rural properties to a degree. However, the Council would wish to see a national programme which targets replacement homes in rural communities to ensure that local people are not forced to live elsewhere and possibly making some rural areas unsustainable.

**Question 5: We would welcome your views on these proposals.**

The Council has some concern regarding the methodology used by Government. The average debt as part of the HRA self financing settlement will be per property for West Lancashire Borough Council £14,749. However, as can be seen in Table 2 the average income from Right to Buy receipts is £42,091. If this is apportioned on the 75%-25% split the Council's share is only £10,522 which is less than the debt we are forced to take out. The Council would like Government to review this..

**Question 6: What proportion of Right to Buy applications are subsequently withdrawn in your area?**

From January 2011 to January 2012 there have been 40% of applications withdrawn. 26% have been sold and 34% remain active.

**Question 7: What costs are incurred in managing aborted applications?**

The cost of abortive applications for last financial year is estimated at £27,000.

**Question 8: What sources of funding have you used for improvement works in your area?**

The Council has limited resources available to it to support improvements to its housing stock. The majority of improvements to Council property is funded through the Major Repair Allowance. The Council did have some resources at its disposal due to Transitional Capital Receipts and the last of this funding is being invested in improving sheltered housing schemes and that work will be finalised in 2012.

**Question 9: We would welcome views on the proposed approach to projected receipts.**

The Council has some concerns regarding the projections that have been made. The Council has sold eight homes in the first three quarters of this year and feels that the target of selling 20 homes in a financial year based on current discount rates is optimistic. In attempting to forecast sales at the revised discount rates, it is difficult to project these accurately. However, we do not feel that West Lancashire Council will meet the Government's target for capital receipts (example 1). Therefore the Council will not directly benefit from one for one replacement homes in our area. If these forecasts are indeed correct the Council would wish the Government to have a sympathetic approach to providing funding for new homes in this area, particularly to regenerate Skelmersdale as an area of destination where people wish to live. The Council have ambitious regeneration plans and would want to ensure that there was an adequate mix of accommodation. Also, the Council has some concerns that the income projections for us have been over-estimated and would wish these to be reviewed and amended so that there is link between the sales in the HRA Business Plan and the forecast income by the Treasury.

**Question 10: We would welcome any information councils can provide on the use of Buyback properties. We would also welcome views on this proposal.**

The Council have not participated in the Buyback arrangements. The Council would look at Buyback where this was appropriate in rural locations and for larger homes that

were not within its existing stock e.g. five bed or larger properties. However, the Council would wish to see Buyback count as a cost floor within the Right to Buy arrangements e.g. if we bought a property for £75,000 it could not be sold below this for at least a ten year period or where that valuation was retained as part of the capital receipt.

**Question 11: Do you have any comments on this proposal?**

The Council supports the cost floor principle and would go further and suggest that the cost floor should apply throughout the life of a property. The Council would be concerned in building new properties at current values where house price inflation is in some cases static or indeed negative and find that in ten years' time they could be losing a substantial investment and this could cause difficulties to the Housing Revenue Account Business Plan.

**Question 12: We would welcome views on the calculation of allowable deductions.**

At the time of drafting this letter, we are in discussions with Government Office regarding the formula as we do not believe that this is correct and this paragraph will be amended in the light of those discussions.

**Question 13: Which model for delivery of replacement housing do you consider the most appropriate and why?**

The relatively low property values for most of the housing stock in West Lancashire means that it is unlikely that sufficient capital receipts will be raised locally to trigger the one for one replacement model. Therefore the Council must support the national model to ensure that replacement homes are constructed locally and that local construction industry receives some support for the local economy.

The Council does not feel it appropriate to comment on questions 14-15 which are for Housing Associations, nor question 16 which appears to be targeted at lenders.

I hope the comments of the Council are helpful and we await the Government's clarification on moving forward on reinvigorating the Right to Buy.

Yours sincerely



**R V LIVERMORE  
ASSISTANT DIRECTOR  
HOUSING AND REGENERATION**

<p>1. Using information that you have gathered from service monitoring, surveys, consultation, and other sources such as anecdotal information fed back by members of staff, in your opinion, could your service/policy/strategy/decision (including decisions to cut or change a service or policy) disadvantage, or have a potentially disproportionately negative effect on, any of the following groups of people:  <i>People of different ages – including young and older people</i>  <i>People with a disability;</i>  <i>People of different races/ethnicities/ nationalities;</i>  <i>Men; Women;</i>  <i>People of different religions/beliefs;</i>  <i>People of different sexual orientations;</i>  <i>People who are or have identified as transgender;</i>  <i>People who are married or in a civil partnership;</i>  <i>Women who are pregnant or on maternity leave or men whose partners are pregnant or on maternity leave;</i>  <i>People living in areas of deprivation or who are financially disadvantaged.</i></p>	<p><b>The change in the Right to Buy upper limit cap will have a positive impact and allow more tenants to benefit from home ownership.</b></p> <p><b>However, for those on limited or uncertain income, access to the Right to Buy will be difficult.</b></p>
<p>2. What sources of information have you used to come to this decision?</p>	<p><b>Anecdotal information and local knowledge.</b></p>
<p>3. How have you tried to involve people/groups in developing your service/policy/strategy or in making your decision (including decisions to cut or change a service or policy)?</p>	<p><b>No. This is a national policy which this Council will introduce as a result of an order made under Section 131 of the Housing Act 1985.</b></p>
<p>4. Could your service/policy/strategy or decision (including decisions to cut or change a service or policy) help or hamper our ability to meet our duties under the Equality Act 2010? Duties are to:-  <i>Eliminate discrimination, harassment and victimisation;</i>  <i>Advance equality of opportunity (removing or minimising disadvantage, meeting the needs of people);</i>  <i>Foster good relations between people who share a protected characteristic and those who do not share it.</i></p>	<p><b>The impact will be neutral.</b></p>
<p>5. What actions will you take to address any issues raised in your answers above</p>	<p><b>The only action proposed is to ensure that information is made available to those interested in exercising the Right to Buy so that they can make an informed choice in the knowledge of all their obligations, responsibilities, and benefits involved in home ownership.</b></p>



**CABINET  
17 January 2012**

**Reinvigorating the right to buy and one for one replacement - consultation**

Minute of Landlord Services Committee (Cabinet Working Group) Held: 11 January 2012

**62. REINVIGORATING THE RIGHT TO BUY AND ONE FOR ONE REPLACEMENT - CONSULTATION**

The Working Group considered the consultation document as circulated on pages 1051 to 1100 of the Book of Reports and to refer agreed comments to Cabinet for consideration.

Comments and questions were raised in respect of the following:-

- The Working Group commented that this was quite a complicated document and the timescales involved were very tight for the document to be thoroughly considered
- Concerns were expressed with regard to self financing issues and the costs involved of this, the risks of tenancy fraud and subletting
- Anti social behaviour issues were raised
- The importance of making sure that tenants get the right professional advice in respect of buying their Council houses as tenant discounts attract them to buy the property
- It was agreed that mortgages were more difficult to obtain and that larger deposits were needed
- It was also discussed that tenants should be made aware of the condition of their property and the future of the area that they lived in with regard to plans for the surrounding estates in the future
- The setting up of a Tenant's Task and Finish Group was discussed for them to look at this document and report back, although it was noted that the timescales were very tight for this to be done
- It was noted that a report would be going to Cabinet on the 17 January 2012, followed by a report to Executive Overview and Scrutiny Committee on the 2 February 2012
- The importance of responding to the document to Government as our comments would be valued and the importance of the imminent visit of Ministers to Skelmersdale

**RESOLVED:** That the contents of the document be noted and referred to Tenants so that they could comment if they so wish.