Kim Webber B.Sc. M.Sc.
Chief Executive

52 Derby Street
Ormskirk
West Lancashire
L39 2DF

Wednesday, 23 January 2019

TO: COUNCILLORS **J BULLOCK, L SAVAGE, I ASHCROFT, V CUMMINS, T DEVINE, S EVANS, F MCKENNA, M MILLS, E POPE, MRS D STEPHENSON, D WESTLEY, D WHITTINGTON AND C WYNN**

Dear Councillor,

A meeting of the **EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE** will be held in the **CABINET/COMMITTEE ROOM, 52 DERBY STREET, ORMSKIRK L39 2DF** on **THURSDAY, 31 JANUARY 2019** at **7.00 PM** at which your attendance is requested.

Yours faithfully

Kim Webber
Chief Executive

AGENDA
(Open to the Public)

1. APOLOGIES

2. MEMBERSHIP OF THE COMMITTEE

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

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

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

4. DECLARATIONS OF INTEREST 787 - 788

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

5. DECLARATIONS OF PARTY WHIP

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

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

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

6. PUBLIC SPEAKING 789 - 792

Residents of West Lancashire on giving notice, may address the meeting to make representations on any item on the agenda except where the public and press are to be excluded during consideration of the item. The deadline for submissions is 10.00am on Friday 25 January 2019. A copy of the public speaking protocol and form to be completed is attached.

7. MINUTES 793 - 798

To receive as a correct record the Minutes of the meeting held on

8. CALL IN ITEMS

There were no items under this Heading.

9. RELEVANT MEETINGS OF CABINET - TUESDAY, 15 JANUARY 2019 799 - 806

To scrutinise the minutes of Cabinet held on Tuesday, 15 January 2019.

10. DRAFT REVENUE BUDGET 2019 - 2020 807 - 814

To consider report of the Borough Treasurer.

11. DRAFT MEDIUM TERM CAPITAL PROGRAMME 815 - 824

To consider the report of the Borough Treasurer

12. HOUSING ACCOUNT - REVENUE AND CAPITAL PROGRAMME 825 - 840

To consider the joint report of the Director of Housing and Inclusion and the Borough Treasurer.

13. EXCLUSION OF THE PRESS AND PUBLIC

It is recommended that members of the press and public be excluded from the meeting during consideration of the following items of business in accordance with Section 100A(4) of the Local Government Act 1972 on the grounds that they involve the likely disclosure of exempt information as defined in paragraphs 3 (Financial/Business Affairs) of Part 1 of Schedule 12A to 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.

14. FORMING A DEVELOPMENT COMPANY 841 - 920

To consider the joint report of the Director of Housing and Inclusion and the Borough Treasurer.

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

FIRE EVACUATION PROCEDURE: Please see attached sheet.
MOBILE PHONES: These should be switched off or to 'silent' at all meetings.

For further information, please contact:-
Jacky Denning on 01695 585016
Or email jacky.denning@westlancs.gov.uk

FIRE EVACUATION PROCEDURE FOR:
COUNCIL MEETINGS WHERE OFFICERS ARE PRESENT
(52 DERBY STREET, ORMSKIRK)

PERSON IN CHARGE:	Most Senior Officer Present
ZONE WARDEN:	Member Services Officer / Lawyer
DOOR WARDEN(S)	Usher / Caretaker

IF YOU DISCOVER A FIRE

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

ON HEARING THE FIRE ALARM

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

NOTES:
Officers are required to direct all visitors regarding these procedures i.e. exit routes and place of assembly.
The only persons not required to report to the Assembly Point are the Door Wardens.

CHECKLIST FOR PERSON IN CHARGE

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

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

1. Ensure that the room in which the meeting is being held is cleared of all persons.
2. Evacuate via the nearest safe Fire Exit and proceed to the **ASSEMBLY POINT** in the car park.
3. Delegate a person at the **ASSEMBLY POINT** who will proceed to **HOME CARE LINK** in order to ensure that a back-up call is made to the **FIRE BRIGADE.**
4. Delegate another person to ensure that **DOOR WARDENS** have been posted outside the relevant Fire Exit Doors.

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

NOTE:
The Fire Alarm system will automatically call the Fire Brigade. The purpose of the 999 back-up call is to meet a requirement of the Fire Precautions Act to supplement the automatic call.

CHECKLIST FOR ZONE WARDEN

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

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

INSTRUCTIONS FOR DOOR WARDENS

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

MEMBERS INTERESTS 2012

A Member with a disclosable pecuniary interest in any matter considered at a meeting must disclose the interest to the meeting at which they are present, except where it has been entered on the Register.

A Member with a non pecuniary or pecuniary interest in any business of the Council must disclose the existence and nature of that interest at commencement of consideration or when the interest becomes apparent.

Where sensitive information relating to an interest is not registered in the register, you must indicate that you have an interest, but need not disclose the sensitive information.

Please tick relevant boxes

	General		Notes
1.	I have a disclosable pecuniary interest.	☐	*You cannot speak or vote and must withdraw unless you have also ticked 5 below*
2.	I have a non-pecuniary interest.	☐	*You may speak and vote*
3.	I have a pecuniary interest **because** it affects my financial position or the financial position of a connected person or, a body described in 10.1(1)(i) and (ii) **and** the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest or it relates to the determining of any approval consent, licence, permission or registration in relation to me or a connected person or, a body described in 10.1(1)(i) and (ii) **and** the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest	☐ ☐	*You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below* *You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below*
4.	I have a disclosable pecuniary interest (Dispensation 20/09/16) or a pecuniary interest but 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.	☐	*You may speak and vote*
(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.	☐	You may speak and vote
(iii)	Statutory sick pay where I am in receipt or entitled to receipt of such pay.	☐	*You may speak and vote*
(iv)	An allowance, payment or indemnity given to Members	☐	*You may speak and vote*
(v)	Any ceremonial honour given to Members	☐	*You may speak and vote*
(vi)	Setting Council tax or a precept under the LGFA 1992	☐	*You may speak and vote*
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 20/09/16 – 19/09/20)	☐	*See the terms of the dispensation*
6.	I have a pecuniary 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	☐	*You may speak but must leave the room once you have finished and cannot vote*

'disclosable pecuniary interest' (DPI) means an interest of a description specified below which is your interest, your spouse's or civil partner's or the interest of somebody who you are living with as a husband or wife, or as if you were civil partners and you are aware that that other person has the interest.

Interest	***Prescribed description***
Employment, office, trade, profession or vocation	Any employment, office, trade, profession or vocation carried on for profit or gain.
Sponsorship	Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.

	This includes any payment or financial benefit from a trade union within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992.
Contracts	Any contract which is made between the relevant person (or a body in which the relevant person has a beneficial interest) and the relevant authority— (a) under which goods or services are to be provided or works are to be executed; and (b) which has not been fully discharged.
Land	Any beneficial interest in land which is within the area of the relevant authority.
Licences	Any licence (alone or jointly with others) to occupy land in the area of the relevant authority for a month or longer.
Corporate tenancies	Any tenancy where (to M's knowledge)— (a) the landlord is the relevant authority; and (b) the tenant is a body in which the relevant person has a beneficial interest.
Securities	Any beneficial interest in securities of a body where— (a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and (b) either— (i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or (ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class.

"body in which the relevant person has a beneficial interest" means a firm in which the relevant person is a partner or a body corporate of which the relevant person is a director, or in the securities of which the relevant person has a beneficial interest; "director" includes a member of the committee of management of an industrial and provident society;

"land" excludes an easement, servitude, interest or right in or over land which does not carry with it a right for the relevant person (alone or jointly with another) to occupy the land or to receive income; "M" means a member of a relevant authority;

"member" includes a co-opted member; "relevant authority" means the authority of which M is a member;

"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI; "relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;

"securities" means shares, debentures, debenture stock, loan stock, bonds, units of a collective investment scheme within the meaning of the Financial Services and Markets Act 2000 and other securities of any description, other than money deposited with a building society.

'non pecuniary interest' means interests falling within the following descriptions:

10.1(1)(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 (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) 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 easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.

10.2(2) 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 connected 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 connected 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 10.1(1)(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) of the LGA 2000 overrides any Code provisions to oblige an executive member to attend an overview and scrutiny meeting to answer questions.

PUBLIC SPEAKING – PROTOCOL

(For meetings of Cabinet, Overview & Scrutiny Committees, Audit & Governance Committee and Standards Committee)

1.0 Public Speaking

1.1 Residents of West Lancashire may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.

1.2 The form attached as an Appendix to this Protocol should be used for submitting requests.

2.0 Deadline for submission

2.1 The prescribed form should be received by Member Services by 10.00 am on the Friday of the week preceding the meeting. This can be submitted by e-mail to member.services@westlancs.gov.uk or by sending to:

Member Services
West Lancashire Borough Council
52 Derby Street
Ormskirk
West Lancashire
L39 2DF

2.2 Completed forms will be collated by Member Services and circulated via e-mail to relevant Members and officers and published on the Council website via Modgov. Only the name of the resident and details of the issue to be raised will be published.

2.3 Groups of persons with similar views should elect a spokesperson to speak on their behalf to avoid undue repetition of similar points. Spokespersons should identify in writing on whose behalf they are speaking.

3.0 Scope

3.1 Any matters raised must be relevant to an item on the agenda for the meeting.

3.2 The Borough Solicitor may reject a submission if it:

(i) is defamatory, frivolous or offensive;
(ii) is substantially the same as representations which have already been submitted at a previous meeting; or
(iii) discloses or requires the disclosure of confidential or exempt information.

4.0 Number of items

4.1 A maximum of one form per resident will be accepted for each Agenda Item.

4.2 There will be a maximum of 10 speakers per meeting. Where there are more than 10 forms submitted by residents, the Borough Solicitor will prioritise the list of those allowed to speak. This will be considered having regard to all relevant matters including:

a. The order in which forms were received.
b. If one resident has asked to speak on a number of items, priority will be given to other residents who also wish to speak
c. Whether a request has been submitted in relation to the same issue.

4.3 All submissions will be circulated to Members of the relevant body and officers for information, although no amendments will be made to the list of speakers once it has been compiled (regardless of withdrawal of a request to speak).

5.0 At the Meeting

5.1 Speakers will be shown to their seats. At the commencement of consideration of each agenda item the Leader/Chairman will invite members of the public to make their representations. Residents will have up to 3 minutes to address the meeting. The address must reflect the issue included on the prescribed form submitted in advance.

5.2 Members may discuss what the speaker has said along with all other information, when all public speakers on that item have finished and will then make a decision. Speakers should not circulate any supporting documentation at the meeting and should not enter into a debate with Councillors.

5.4 If residents feel nervous or uncomfortable speaking in public, then they can ask someone else to do it for them. They can also bring an interpreter if they need one. They should be aware there may be others speaking as well.

5.5 Speakers may leave the meeting at any time, taking care not to disturb the meeting.

(Please see attached form.)

REQUEST FOR PUBLIC SPEAKING AT MEETINGS

MEETING & DATE ……

NAME ……

ADDRESS ……

……

Post Code ……

PHONE ……

Email ……

Please indicate if you will be in attendance at the meeting

YES/NO*

*delete as applicable

Note: This page will not be published.

(P.T.O.)

PLEASE PROVIDE DETAILS OF THE MATTER YOU WISH TO RAISE

Agenda Item Number …….

Title ……..

Details …….

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Name …… Dated ……

Completed forms to be submitted by 10.00am on the Friday of the week preceding the meeting to:-

Member Services, West Lancashire Borough Council, 52 Derby Street, Ormskirk, Lancashire, L39 2DF or
Email: member.services@westlancs.gov.uk

If you require any assistance regarding your attendance at a meeting (including access) or if you have any queries regarding your submission please contact Member Services on 01695 585065

Note: This page will be published.

EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

HELD: Thursday, 22 November 2018

Start: 7.00 pm
Finish: 9.02pm

PRESENT:

Councillor:	J Bullock (Chairman) L Savage (Vice Chairman)	
Councillors:	I Ashcroft	S Evans
	T Blane	J Mee
	C Dereli	E Pope
	T Devine	D Whittington
	D Evans	C Wynn

Officers: Jacqui Sinnott-Lacey, Director of Housing and Inclusion
Heidi McDougall, Director of Leisure & Environment
Marc Taylor, Borough Treasurer
Ian Gill, Deputy Director of Development & Regeneration
Tom Dickinson, Assistant Solicitor
Michelle Williams, Operational Manager Street Scene
Sue Griffiths, Principal Member Services Officer

22 **APOLOGIES**

There were no apologies for absence.

23 **MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 2, Members noted the termination of membership of the Committee of Councillors M Mills, V Cummins, D Stephenson and D Westley and the appointment of Councillors D Evans, C Dereli, T Blane and J Mee for this meeting only, thereby giving effect to the wishes of the Political Groups.

24 **URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN**

There were no items of urgent business.

25 **DECLARATIONS OF INTEREST**

Councillor Wynn declared a non-pecuniary interest in report 16 (Review of Grounds Maintenance and Street Cleansing update) as an employee of West Lancashire Borough Council.

26 **DECLARATIONS OF PARTY WHIP**

There were no declarations of a Party Whip.

27 **PUBLIC SPEAKING**

There were no items under this Heading.

28 **MINUTES**

RESOLVED That the minutes of the last meeting of the Committee held on 27 September 2018 be approved as a correct record and signed by the Chairman.

29 **CALL IN ITEMS**

There were no items under this Heading.

30 **RELEVANT MEETINGS OF CABINET**

Consideration was given to the minutes of the meetings of Cabinet held on 17 October (Extraordinary) and 6 November 2018.

In relation to the Extraordinary Cabinet meeting held on 17 October 2018 comments and questions were raised in respect of minute 47 (Forming a Development Company), particularly in relation to:-

- Governance and management arrangements – in particular Member representation on the Board either in a voting or non-voting capacity and any associated risks
- Equity investment to be made by the Council
- Loan funding arrangements (financing)
- Acquisition of Council owned sites by the Company by way of purchase or licence
- The types of properties to be built

The Director of Housing and Inclusion and the Borough Treasurer provided a response to the questions and queries raised by the Committee.

In relation to the Cabinet meeting held on 6 November 2018 comments and questions were raised in respect of minute 56 (Burscough Parish Neighbourhood Plan Submission Version) in particular to the commencement of the next stage of the process. The Deputy Director of Development and Regeneration gave an undertaking to circulate an action timetable to all Members.

RESOLVED A. That the minutes of the Cabinet (Extraordinary) meeting held on 17 October 2018 be noted.

B. That in relation to minute no. 47 of the above meeting, Cabinet be requested to consider:-

i. The appointment of Council Members on the Board of the Development Company

ii. The Provision of further clarification on whether the Council owned sites to be acquired by the Development Company should be by way of purchase or licence.

B. That the minutes of the Cabinet meeting held on 6 November 2018 be noted.

Note: The Committee agreed to exclude the Press and Public during consideration of agenda item 9a (minutes of Extraordinary Cabinet on 17 October 2018) on the grounds that it involved the likely disclosure of exempt information as defined in paragraph 3 (financial/business affairs) of Part 1 of Scheduled 12A, under Section 100A(4) of the Local Government Act 1972 and as, in all the circumstances of the case, the public interest in maintaining the exemption under Schedule 12A outweighed the public interest in disclosing the information.

At this point the Chairman changed the order of business to enable agenda items 16 (Review of Grounds Maintenance and Street Cleansing Update) (Minute 36) and 15 (Commercial Property Investments – Update) (minute 35) to be considered prior to agenda item 9b (minutes of the Cabinet meeting held on 6 November 2018).

The meeting was re-opened to the press and public for consideration of the minutes of the Cabinet meeting held on 6 November 2018.

31 HRA REVENUE AND CAPITAL MID-YEAR REVIEW

Consideration was given to the joint report of the Director of Housing and Inclusion and Borough Treasurer as circulated and contained on pages 643 – 651 of the Book of Reports that summarised the Housing Revenue Account (HRA) and Housing Capital Programme positions for 2018/2019 financial year. The report had previously been considered by Cabinet at its meeting on 6 November 2018 and was scheduled to be considered by Council at its meeting on 12 December 2018.

The Borough Treasurer attended the meeting and provided an overview of the report referring to details as set down in the report and appendices and the Director of Housing and Inclusion responded to a query raised by a Member on anticipated slippage and advised that processes had been put in place by the Investment Team to improve performance on completed schemes this year.

RESOLVED: That the HRA and Housing Capital Programme positions be noted.

32 GENERAL REVENUE ACCOUNT MID YEAR REVIEW

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 653 – 657 of the Book of Reports that summarised the projected revenue position on the General Revenue Account (GRA) at the mid year point of the 2018/2018 financial year.

The report had previously been considered by Cabinet at its meeting on 6 November 2018 and was scheduled to be considered by Council at its meeting on 12 December 2018.

The Borough Treasurer attended the meeting and provided an overview of the report referring to details as set down in the report and appendices.

RESOLVED: That the financial position of the General Revenue Account (GRA) be noted including the position on reserves and balances.

33 REVISED CAPITAL PROGRAMME

Consideration was given to the report of the Borough Treasurer as circulated and contained on pages 659 – 667 of the Book of Reports that provided an update on progress on capital schemes. The report had previously been considered by Cabinet at its meeting on 6 November 2018 and was scheduled to be considered by Council at its meeting on 12 December 2018.

The Borough Treasurer attended the meeting and provided an overview of the report referring to details as set down in the report and appendices.

RESOLVED: That the progress against the Revised Capital Programme be noted.

34 EXCLUSION OF PRESS AND PUBLIC

RESOLVED That under Section 100(A) 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 they involve the likely disclosure of exempt information as defined in paragraphs 1 & 2 (an individual and 3 (financial/business) of Part 1 of Scheduled 12A to 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

35 COMMERCIAL PROPERTY INVESTMENTS - UPDATE

Consideration was given to the report of the Director of Development and Regeneration which provided an update on the most recent commercial property investments made by the Council. It was noted that Cabinet, at its meeting on 6 November 2018, had agreed an uplift in the level of investment delegated to the Strategic Asset Purchasing Committee to £2 million and that the report would be considered by Council on 12 December 2018.

The Deputy Director of Development and Regeneration attended the meeting provided an overview, clarification on the issues raised and responded to questions.

RESOLVED That the report be noted.

36 REVIEW OF GROUNDS MAINTENANCE AND STREET CLEANSING UPDATE

Consideration was given to the report of the Director of Leisure and Environment which provided an update on the implementation of the recommendations of the grounds maintenance and street cleansing review. It was noted that the service standards outlined in appendix 2 to the report were agreed at the Cabinet meeting held on 6 November 2018 and that the restructure would be considered by Council on 12 December 2018.

The Director of Leisure and Environment attended the meeting provided an overview, clarification on the issues raised and responded to questions, particularly in relation to:-

- Number of teams and how many officers within each team
- Volunteers (e.g litter picking) and the Council's obligations
- Staff training (new Asset management system) (new generic job roles)

It was noted that there was no reference to Burscough East in appendix 3 to the report, only to Burscough West. It was suggested that West be removed from the structure and that reference be made to Burscough only.

In relation to volunteer groups undertaking activities under their own volition, the Director of Leisure and Environment advised that the Council would provide appropriate advice upon request and gave an undertaking to look into the current position, particularly in relation to the provision of council equipment for this purpose.

RESOLVED That the report be noted.

37 RESPONSE MAINTENANCE AND VOIDS CONTRACT DELIVERY MODEL

Consideration was given to the report of the Borough Solicitor that advised that following consideration by Cabinet at its meeting on 6 November 2018 the report of the Director of Housing and Inclusion 'Response Maintenance and Voids Contract Delivery Model' had been referred to this Committee for consideration with a request that any agreed comments be referred to the next meeting of Cabinet.

The Director of Housing and Inclusion provided an overview, clarification on the issues raised and responded to questions.

RESOLVED That the report be noted.

……..
Chairman

CABINET **HELD: Tuesday, 15 January 2019**

Start: 7.00 pm
Finish: 7.15 pm

PRESENT:

Councillor: Councillor Ian Moran (Leader, in the Chair)

Councillors:

	Portfolio
Councillor Yvonne Gagen	Deputy Leader of the Council and Portfolio Holder for Leisure & Human Resources
Councillor Claire Cooper	Portfolio Holder for Communities and Older People
Councillor Jenny Forshaw	Portfolio Holder for Housing and Landlord Services
Councillor John Hodson	Portfolio Holder for Planning
Councillor Kevin Wilkie	Portfolio Holder for Street Scene
Councillor Adam Yates	Portfolio Holder for Resources & Transformation

In attendance: Councillors: Councillor A Owens

Officers:
Kim Webber, Chief Executive
John Harrison, Director of Development and Regeneration
Jacqui Sinnott-Lacey, Director of Housing and Inclusion
Heidi McDougall, Director of Leisure & Environment
Terry Broderick, Borough Solicitor
Marc Taylor, Borough Treasurer
Sue Griffiths, Principal Member Services Officer

62 **APOLOGIES**

Apologies for absence were received on behalf of Councillor Wright.

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

There were no items of special urgency.

64 **DECLARATIONS OF INTEREST**

1. Councillors Forshaw and Wilkie (tenants of Council accommodation) declared disclosable pecuniary interests in agenda item 6(e) (Housing Account – Revenue and Capital Programme) and 8(a) (Forming a Development

Company) but considered they were entitled to speak and vote by virtue of an exemption as nothing in the reports relate particularly to their relevant tenancy or lease.

2. Councillor Cooper declared a non-pecuniary interest in agenda items 6(k) 'Community Involvement in Service Delivery' Review Final Report and 6(l) (Funding of Voluntary Bodies and Other Organisations Working Group) in relation to her association with the Council for Voluntary Service – West Lancashire.

3. Councillor Moran declared a non-pecuniary interest in agenda item 6(l) (Funding of Voluntary Bodies and Other Organisations Working Group) due to his appointment to Citizens Advice Lancashire by the Council.

4. Councillor Gagen declared a non-pecuniary interest in agenda item 6(b) (Use of Section 106 monies for shared cycle/footpath between the rail and bus station in Ormskirk) due to her being an employee of Lancashire County Council.

65 PUBLIC SPEAKING

There were no items under this heading.

66 MINUTES

RESOLVED That the minutes of the Cabinet meeting held on 6 November 2018 be received as a correct record and signed by the Leader.

67 MATTERS REQUIRING DECISIONS

Consideration was given to the reports relating to the following matters requiring decisions as circulated and contained on pages 1263 – 1446 of the Book of Reports.

68 CIL FUNDING PROGRAMME 2019/20

Councillor J Hodson introduced the report of the Director of Development and Regeneration which advised of the outcome on the consultation of, and proposed final recommendations for, the CIL funding programme in 2019/20.

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

RESOLVED A. That the consultation feedback report provided at Appendix A to the report be noted.

B. That £91,000 of CIL monies be allocated to the delivery of the following projects in 2019/20:

- Improvements to Hunters Hill Country Park, Parbold (£60,000)
- Improvements to Sluice Lane Public Right Of Way (£31,000)

C. That £103,000 of the neighbourhood portion of CIL raised in Ormskirk be allocated to the delivery of the following projects in 2019/20:

- Ormskirk town centre – improvements to signal co-ordination for gyratory traffic (£50,000)
- Ormskirk town centre – cycle and pedestrian link between the rail station and the bus station (£53,000)

69 **USE OF SECTION 106 MONIES FOR SHARED CYCLE/FOOTPATH BETWEEN THE RAIL AND BUS STATION IN ORMSKIRK**

Councillor J Hodson introduced the report of the Director of Development and Regeneration which sought authorisation to utilise Section 106 funding to deliver a shared use cycle and footpath between Ormskirk rail station and bus station.

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

RESOLVED A. That the use of S106 monies be authorised to deliver the proposed shared use cycle and footpath between Ormskirk rail station and bus station.

B. That delegated authority be given to the Director of Development and Regeneration to take all necessary steps to procure contractors and enter into agreements with landowners and any other parties as required to deliver this scheme.

70 **DRAFT REVENUE BUDGET 2019 - 2020**

Councillor Yates introduced the report of the Borough Treasurer which provided a summary of the current General Revenue Account budget position.

The Borough Treasurer advised on the current position in respect of the draft revenue estimates and the draft medium term capital programme. He proposed revised recommendations to reflect the current position in order to submit firm revenue and capital proposals to Council on 27 February 2019. The Portfolio Holder for Resources and Transformation indicated his support for the revised recommendations.

In reaching the decision below, Cabinet considered the revised recommendations of the Borough Treasurer, the comments of the Portfolio Holder for Resources and

Transformation and the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED A. That the financial position for 2019-20 and later years be noted, and consideration given to how a balanced budget can be achieved.

B. That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm revenue and capital proposals to Council on 27 February 2019 to enable the budget to be set.

C. That a virement of up to £30,000 from the Planning Application Fee Income budget to the Local Plan Consultancy budget as set out in section 8 be approved.

D. That call-in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

71 DRAFT MEDIUM TERM CAPITAL PROGRAMME

This item was withdrawn.

72 HOUSING ACCOUNT - REVENUE AND CAPITAL PROGRAMME

Councillor Forshaw introduced the joint report of the Director of Housing and Inclusion and Borough Treasurer which provided a summary of the Housing Account's financial position.

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

RESOLVED A. That the financial position be noted.

B. That the use of the Director of Housing and Inclusion's delegated authority in relation to rent and service charge changes be noted and endorsed.

C. That the report be used for consultation purposes prior to the Council considering this matter in February 2019.

D. That the Housing and Landlord Services Portfolio Holder be given delegated authority to submit firm proposals to Council on 27 February 2019 to enable the budget to be set.

E. That call-in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

73 QUARTERLY PERFORMANCE INDICATORS (Q2 2018/19)

The Leader introduced the report of the Director of Housing and Inclusion which presented performance monitoring data for the quarter ended 30 September 2018.

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

RESOLVED A. That the Council's performance against the indicator set for the quarter ended 30 September 2018 be noted.

B. That the call-in procedure is not appropriate for this item as the report was considered by the Corporate & Environmental Overview and Scrutiny Committee meeting on 6 December 2018.

74 RIPA ACT REGULAR MONITORING OF USE OF POWERS - ANNUAL SETTING OF THE POLICY

The Leader introduced the report of the Borough Solicitor which reported upon the Council's use of its powers under the Regulation of Investigatory Powers Act 2000 and presented an updated RIPA policy document.

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

RESOLVED That the updated RIPA Policy at Appendix 1 to the report be approved.

75 USE OF SECTION 106 MONIES IN THE PARISH OF HESKETH WITH BECCONSALL

Councillor Gagen introduced the report of the Director of Leisure and Environment which considered a proposal in respect of the use of Section 106 monies for the enhancement of public open space provision in Hesketh Bank.

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

RESOLVED That the use of up to £12,540 of S106 monies be approved, as outlined at paragraph 5.1 of the report, to enable improvements to be made at Shore Road Recreation Ground in Hesketh Bank.

76 **USE OF S106 MONIES IN THE PARISH OF SCARISBRICK**

Councillor Gagen introduced the report of the Director of Leisure and Environment which considered a proposal in respect of the use of Section 106 monies for the enhancement of public open space provision in Scarisbrick.

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

RESOLVED That the use of up to £13,254 of S106 monies be approved, as outlined at paragraph 5.1 of the report, to enable improvements to be made at Scarisbrick Village Hall, Smithy Lane.

77 **USE OF SECTION 106 MONIES IN THE PARISH OF HALSALL**

Councillor Gagen introduced the report of the Director of Leisure and Environment which considered a proposal in respect of the use of Section 106 monies for the enhancement of public open space provision in Halsall.

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

RESOLVED That the use of up to £5,500 of S106 monies be approved, as outlined at paragraph 5.2 of the report, to enable improvements to be made at Shirdley Hill Village Green, Halsall.

78 **'COMMUNITY INVOLVEMENT IN SERVICE DELIVERY' REVIEW FINAL REPORT**

Councillor Cooper introduced the report of the Director of Leisure and Environment which presented the final report and recommendations of the review conducted by the Corporate and Environmental Overview and Scrutiny Committee entitled “Community Involvement in Service Delivery”.

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

RESOLVED That the final report, attached as an Appendix to this report, and the recommendations therein at paragraph 1 to 4, page 3, be approved.

79 **FUNDING OF VOLUNTARY & OTHER ORGANISATIONS CABINET WORKING GROUP**

Councillor Cooper introduced the report of the Director of Housing and Inclusion which advised Cabinet of the recommendations of the Funding of Voluntary & Other Organisations Cabinet Working Group in respect of the monitoring arrangements for the current grant recipients and the applications for one year revenue funding for 2019/20.

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

RESOLVED A. That subject to B. below, the recommendations arising from the scoring of the applications received from voluntary organisations for one year revenue funding from April 2019 by the Funding of Voluntary and Other Organisations Cabinet Working Group at its meeting on 19 December 2018 be endorsed as detailed in the minutes of the meeting attached at Appendix 3 to the report.

B. That Applicants be advised of Cabinet's recommendations and that funding is not guaranteed but will form part of considerations when the Council's budget is finalised on 27 February 2019.

80 **EXCLUSION OF PRESS AND PUBLIC**

RESOLVED That under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 (financial/business affairs) 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.

(Note: No representations had been received in relation to the following item being considered in private.)

81 **MATTER REQUIRING DECISION**

Consideration was given to the report relating to the following items of business as contained on pages 1447 to 1524 of the Book of Reports.

82 **FORMING A DEVELOPMENT COMPANY**

Councillor Forshaw introduced the joint report of the Director of Housing and Inclusion and Borough Treasurer which provided an update on progress

following the resolution of Cabinet and Council meetings on 17 October 2018 and sought approval to proceed with the appointment of the Board of Directors and for the Company to become operational and to approve the Development Company's Business Plan for implementation together with its funding arrangements.

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

RESOLVED A. That the contents of the report and the resolutions of the Executive Overview and Scrutiny Committee meeting on 22 November 2018 be noted and recommendations 2.1 to 2.9 (inclusive) as set out in the joint report of the Director of Housing and Inclusion and Borough Treasurer, 'Forming a Development Company' (at Appendix A to this report) be approved.

B. 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 31 January 2019.

.....
Leader

CABINET: 15 January 2019

EXECUTIVE OVERVIEW AND SCRUTINY: 31 January 2019

Report of:	**Borough Treasurer**
Relevant Portfolio Holder:	**Councillor Adam Yates**
Contact:	**Marc Taylor (Extn. 5092)** **(E-mail: Marc.Taylor@westlancs.gov.uk)**

SUBJECT: DRAFT REVENUE BUDGET 2019-20

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a summary of the current General Revenue Account budget position.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the financial position for 2019-20 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 27 February 2019 to enable the budget to be set.

2.3 That a virement of up to £30,000 from the Planning Application Fee Income budget to the Local Plan Consultancy budget as set out in section 8 be approved.

2.4 That call in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

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 27 February 2019.

4.0 BACKGROUND

4.1 The Council must set a budget before the start of each financial year, and this budget will set out the financial basis for the Council's corporate and service plans. The budget that is set must enable the Council's priorities to be delivered but must also be affordable. In addition it should comply with best practice requirements on budget setting, and must meet statutory and accounting regulations. The Council meeting on the 27 February will provide all Members with the opportunity to debate and agree this budget.

4.2 The Medium Term Financial Forecast that was reported to Council in October projected an annual budget gap of £1.53m for 2019-20 and £1.91m by 2021-22. This budget gap reflects the difference between the spending that is required to maintain services at their agreed level and the resources that are expected to be available. The financial forecast assumes that the budget gap will be addressed through the Sustainable Organisation Review over a prudent 3 year timescale, with funding being used from reserves to support the budget gap during this period. This is a feasible approach for achieving a balanced budget position although it should be recognised that it may prove challenging to deliver the required savings and income from this review while minimising the impact on services and stakeholders.

4.3 The scale of the projected budget gap was estimated based on the information that was available at that time and after making assumptions about the level of government funding that would be provided. Now that the Local Government Finance Settlement has been published, and the work on producing detailed budget estimates for 2019-20 has been progressed, a revised assessment of the budget gap has been calculated.

5.0 LOCAL GOVERNMENT FINANCE SETTLEMENT

5.1 Most of the details announced in the settlement were in line with what was expected and had already been included in the MTFF. The main factors included:

- A reduction in Revenue Support Grant (RSG) of £433,000, which means that we will no longer receive any RSG from next year onwards
- An increase in the council tax level of up to 2.99% before a referendum is required, and the MTFF had already assumed this level of increase

5.2 There were however a number of new developments announced in the settlement as follows:

- Lancashire has been selected as one of the 75% business rate retention pilots, and this should produce a significant financial benefit for the Council in 2019-20 so long as business rates income performance is in line with current trends. A detailed budget for this factor will be produced in January when the NNDR1 government return is completed.
- There will be a £205,000 reduction in our New Homes Bonus grant next year, which is worse than expected. The MTFF had estimated a reduction of £65,000 based primarily on formula changes that had been made in previous settlements. However the MTFF also assumed a net increase of around 380 homes in the Borough in line with the average rise for the last 2 years, but the actual increase recorded was only 244, after taking into account new homes being built and long term empty homes being brought back into use.
- A surprise announcement that the business rates levy account surplus worth £180m nationally will be distributed to local authorities on the basis of need. This would provide us with an additional £50,000 next year

5.3 Putting this altogether means a total grant reduction of £588,000 in 2019-20 against a projected loss of £498,000, which is £90,000 worse than expected. However this position will be offset by the impact of the new business rates retention pilot, which is expected to provide around an additional £0.3m of income compared to the current arrangements.

6.0 BUDGET POSITION FOR 2019-20

6.1 Draft estimates have been prepared for next year that set out a provisional budget for the Council covering all areas of expenditure and income, and these are set out in the Appendix. These estimates are based on rolling forward existing budgets to enable agreed service levels to be maintained. These estimates include a number of increases to cover standard budget factors including the impact of the national pay award, contractual increments, and contract inflation in line with contractual agreements. In addition the estimates incorporate a projected £0.3m saving from the Sustainable Organisation Review in line with the 3 year timescale envisaged for delivering this savings and income programme.

6.2 The Medium Term Financial Forecast was based on an assumed 2.99% increase in the level of the Council tax next year, which is equivalent to a £5.90 rise in the Band D tax level, and this has been built into the draft estimates.

6.3 The draft estimates will be reviewed to ensure that they are robust for the purposes of the budget calculation in accordance with the requirements of the Local Government Act 2003, and the results of this review will be reported to the February Council meeting.

6.4 Through the budget process, Heads of Service have identified a range of new budget issues or pressures for next year that mainly relate to unavoidable cost increases or income reductions. Members will need to carefully consider these proposals and determine which items to include in the final budget to meet corporate and service objectives. In line with the approach adopted in the Medium Term Financial Forecast a provision of £125,000 has been allowed for this factor in 2019-20, but its final value will depend on Member decisions.

6.5 In looking at finalising the budget for next year consideration will need to be given to a number of different factors including:

- How the budget gap should be addressed
- The challenging financial position facing local authorities over the medium term where any budget increases will need to be met by savings or income elsewhere in the budget
- The acceptance of budget issues and pressures identified by Heads of Service
- Changes to fees and charges and the level of the Council Tax
- The Council's Reserves policy and the use of reserves

6.6 The Group leaders and their financial spokespersons are currently examining in detail various budget options, and the Council meeting in February will 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 The Council currently has a healthy financial position where there is an adequate level of reserves and a projected favourable budget variance in the current year. However looking forward there remains a significant budget gap for 2019-20, with further savings required in subsequent years. Consequently the medium term financial picture remains very challenging.

8.0 OTHER ISSUES

8.1 As part of the proposals for three new Garden Villages and a Logistics Park in Lathom South and Bickerstaffe in the recent Local Plan Review Preferred Options, the Council has been discussing with National Grid how such proposals might be affected by and affect National Grid's high pressure gas pipeline which runs through this area. As the pipeline is classed as a major hazardous installation, the Health & Safety Executive (HSE) advise that certain types of development should be limited within set "buffer" zones either side of the pipeline, and these buffer zones therefore can be something of a constraint on new development.

8.2 As such, in order to fully explore all issues and options with the proposals for the Garden Villages and Logistics Park, the Council has asked National Grid to consider what options there would be for relocating or re-laying their pipeline so that the HSE buffers might be reduced or removed entirely (thereby removing the constraint placed upon new development) and to estimate what the cost of implementing those options would be. There is a fee of in the region of £30,000, payable to National Grid, to cover the cost of these design works.

8.3 The consultancy budget assigned to the Local Plan Review for evidence base studies in 2018/19 has already been allocated to the wide range of studies necessary for the Local Plan Review, and so this report seeks authority to use a virement for the necessary funds from the additional income generated this financial year from planning application fees to cover the cost of this essential design work on the National Grid pipeline for the Local Plan Review.

9.0 SUSTAINABILITY IMPLICATIONS

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

10.0 RISK ASSESSMENT

10.1 The formal consideration and reporting of the budget estimates is part of the 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.

10.2 There are number of financial factors that will influence next year's budget that are unavailable at the time of producing this report including the deficit or surplus on this year's Council Tax collection, and business rate income projections. Estimates for these areas will be produced in January in line with statutory requirements, and will be included in the final budget setting report to Council in February.

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
Draft GRA Estimates ***(TO FOLLOW)***
Minute of Cabinet (Executive Overview and Scrutiny Committee only) –

Appendix

MINUTE OF CABINET HELD ON 15 JANUARY 2019

70 **DRAFT REVENUE BUDGET 2019 - 2020**

Councillor Yates introduced the report of the Borough Treasurer which provided a summary of the current General Revenue Account budget position.

The Borough Treasurer advised on the current position in respect of the draft revenue estimates and the draft medium term capital programme. He proposed revised recommendations to reflect the current position in order to submit firm revenue and capital proposals to Council on 27 February 2019. The Portfolio Holder for Resources and Transformation indicated his support for the revised recommendations.

In reaching the decision below, Cabinet considered the revised recommendations of the Borough Treasurer, the comments of the Portfolio Holder for Resources and Transformation and the details as set out in the report before it and accepted the reasons contained therein.

RESOLVED A. That the financial position for 2019-20 and later years be noted, and consideration given to how a balanced budget can be achieved.

B. That the Portfolio Holder for Resources and Transformation be given delegated authority to submit firm revenue and capital proposals to Council on 27 February 2019 to enable the budget to be set.

C. That a virement of up to £30,000 from the Planning Application Fee Income budget to the Local Plan Consultancy budget as set out in section 8 be approved.

D. That call-in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE: 31 January 2019

Report of: Borough Treasurer

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

SUBJECT: DRAFT MEDIUM TERM CAPITAL PROGRAMME

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To set out details on the GRA medium term capital programme position for the next 3 years.

2.0 RECOMMENDATION

2.1 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 27 February 2019.

3.0 BACKGROUND

3.1 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 three years will need to be agreed by Council at its meeting in February 2019. This report concentrates on the general capital programme and does not consider the HRA capital programme which is determined through a separate process.

4.0 CAPITAL RECEIPT FUNDING

4.1 The main source of Council funding available to support the general capital programme are receipts from the sale of assets, and at the start of this financial year there were £2.747m of receipts being held for this purpose. The number and value of assets sold each year can vary significantly depending on a range of factors. In particular Council House sales under Right to Buy (RTB) legislation

can be volatile depending on the state of the economy and changes in government rules.

4.2 Table 1 shows details of sales by number and value in recent years. Part of the proceeds from the sale of Council Houses must be repaid to the Government, and the usable sale proceeds shown below reflect the amount available for new capital spending after taking these payments into account.

Table 1 – Asset Sale Proceeds

Year	Number of Sales		Usable Sale Proceeds £000	
	Council Houses	Other Assets	Council Houses	Other Assets
2010/11	18	2	226	97
2011/12	10	0	123	0
2012/13	25	3	240	102
2013/14	48	4	307	29
2014/15	35	4	300	273
2015/16	57	5	338	142
2016/17	81	6	329	174
2017/18	73	1	332	9

4.3 Based on recent trends and projecting forward on a prudent basis it is anticipated that there will be receipts of £0.86m generated from an estimated 50 RTB Council House sales per year over the next 4 years, and it is estimated that a further £1.30m of receipts could be generated from land sales and the Walmsley Drive development over the next few years.

4.4 In addition to the funding shown above the Council is also able to retain a further share of the proceeds from RTB sales under government regulations in relation to an “Allowable Debt” factor. Part of this funding is set aside for the repayment of Housing debt and the remaining element is then available for new capital spending. It is estimated that this should enable new spending of £1.69m over the next 4 years in addition to the figures shown above.

4.5 Taking all of these factors into account, it is anticipated that there will be capital receipts of £3.85m generated over the 4 year period 2018-19 to 2021-22 that will be available to fund new capital expenditure. These projections are potentially subject to significant variation as, for example, a single large asset sale could produce a large receipt and the level of future house sales is difficult to predict. However, in looking at medium term financial plans it is best practice to use a prudent approach when estimating future available resources. The assumptions underlying these projections will be reviewed on a regular basis to ensure they take account of new developments.

5.0 SPENDING REQUIREMENTS

5.1 The Council’s current 3 year programme covers the period 2018/2019 to 2020/2021. Consequently, in addition to current year budgets there are also indicative spending approvals in place for the following two years. It should be recognised, however, that as we operate a medium term capital programme,

approvals that have been given for future years are indicative allocations only that are potentially subject to change.

5.2 The current value of spending approvals to be funded from capital receipts is £4.755m which is analysed in Appendix 1. In addition to the existing scheme approvals it is our normal practice in developing the rolling medium term programme to include provisional allocations for the next year of the programme (in this case 2021/2022). Consequently, Appendix 1 also contains provisional allocations of £0.424m for ongoing capital schemes which typically need and receive funding each year. No funding has been allocated for the Leisure Trust scheme from 2020/21 onwards as the current leisure contract comes to an end in March 2020.

5.3 At Council in October it was agreed that any future staff restructuring costs arising from the Sustainable Organisation Review or other processes be financed from available capital receipts. It is not possible to forecast the level of restructuring costs that may be required over the next few years but it is considered prudent to allow a provision of up to £2m for this factor going forward.

6.0 OVERVIEW

6.1 Table 2 overleaf summarises the current position in terms of estimated capital receipt funding and spending requirements. The bottom line position is that there is a potential budget gap of £0.582m over the programme period. This funding position is before any consideration is given to potential new capital schemes that have been identified by Heads of Service. Appendix 2 provides a summary of these budget options, which in total comes to £1.38m.

Table 2 – General Capital Receipts Funding Available	£000
Usable capital receipts held in April 2018	2,747
Estimate of receipts that will be generated between April 2018 and the end of the 2021/2022 financial year	3,850
Existing spending approvals covering period 2018/2019 – 2020/2021	-4,755
Provisional spending approvals for 2021/2022	-424
Allowance for potential staff restructuring costs	-2,000
Total Funding Available for new schemes	-582

6.2 Given this position there will be a need to review and realign the programme, as well as scrutinising the new budget options, as has been the case in most recent budget rounds. However this can be done over a medium term time scale as there are sufficient receipts already held by the Council to fund the programme for a considerable period of time.

7.0 WAY FORWARD

7.1 There are a number of options that can be considered to realign and update the programme. 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.

7.2 There are a number of factors that can be considered or given regard through this process including:

- The Council has been very successful in attracting external capital investment over many years, and further opportunities should be considered

.

- The priority that is attached to the potential new capital schemes set out in Appendix 2

- The need for investment in IT to provide more effective and efficient services

- Reviewing existing spending approvals to assess whether they are still relevant and appropriate

- Uncertainty over the potential level of staff restructuring costs that will require funding, which will not start to become clearer until the results of the Sustainable Organisation Review are reported to Council in July 2019

- Prudential borrowing could be assessed as a mean of providing additional capital resources. This type of borrowing can be used to finance investment in long term fixed assets where it is prudent, affordable and sustainable. The costs associated with this borrowing would then need to be factored into the revenue budget, and this could be difficult to achieve given the GRA's challenging medium term financial position.

- The scope to develop new capital schemes funded through Section 106 Agreements or Community Infrastructure Levies which are subject to separate processes

- The potential financing requirements of the proposed new Development Company, the Skelmersdale Town Centre Redevelopment, and the Leisure Strategy, which have all been the subject of separate reports to Members

7.3 Officers will work with each Political Group during 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.

8.0 SUSTAINABILITY IMPLICATIONS

8.1 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.

9.0 RISK ASSESSMENT

9.1 The level of capital receipts generated by asset sales is a significant 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.

9.2 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.

9.3 It is not possible to quantify the potential cost requirement for staff restructuring costs at this time. This position will only become clearer when the outcome of the Sustainable Organisation Review is reported to Council in July 2019.

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.

Appendices
Appendix 1 - Capital Receipt Funding Approvals
Appendix 2 – Potential new capital schemes

APPENDIX 1 - CAPITAL RECEIPT FUNDING FOR INDIVIDUAL SCHEMES

SERVICE AND SCHEME	Current Allocations				Provisional
	2018/19	2019/20	2020/21	Total	2021/22
	£'000	£'000	£'000	£'000	£'000
Finance & HR Services					
Parish Capital Schemes	45	45	30	**120**	30
Financial Systems	60			**60**	
Environmental / Town and Village Centre Improvement Fund	308			**308**	
Leisure & Wellbeing					
Playground Improvements	48	30	30	**108**	30
Leisure Trust	228	228		**456**	
CCTV	50	25		**75**	
Park Pool		150		**150**	
Beacon Park	5			**5**	
Allotment Improvements	6			**6**	
Parks and Open Spaces	20			**20**	
Upgrade to Northgate M3PP IT system	40			**40**	
Street Scene					
Purchase of Vehicles	10	80		**90**	
Robert Hodge Centre Improvement Works	105			**105**	
Puchase of Wheelie Bins	640			**640**	
Development & Regeneration					
Free Tree Scheme	3			**3**	
Preservation of Buildings at Risk	2			**2**	
Conservation Area Grants	18			**18**	
Skelmersdale Town Centre	10			**10**	
Chapel Gallery	6			**6**	
Purchase of EDRM IT system	125			**125**	
Affordable Housing		247		**247**	
Development & Regen - Tech Services					
Appley Bridge Quarry	20			**20**	
Moor Street Phase 1	103	80	3	**186**	
Mill Lane Landfill Site	62			**62**	
Housing & Inclusion - Corporate Property					
Corporate Property Investment Programme	288	229	164	**681**	164
Housing & Inclusion - Private Sector Housing					
Housing Renewal Grants	50	100	100	**250**	50
Disabled Facilities Grants		100	100	**200**	
Housing & Inclusion - IT investment					
I C T Infrastructure	50	50	50	**150**	50
ICT Development Programme	212	100	100	**412**	100
Replacement CRM system	120			**120**	
Website Contract Management System	5			**5**	
Web redesign to promote customer accounts	15			**15**	
Investment to enable digital services	5	55		**60**	
Total Programme	**2,659**	**1,519**	**577**	**4,755**	**424**

APPENDIX 2 - POTENTIAL NEW CAPITAL SCHEMES	2019-20 £000	2020-21 £000	2021-22 £000
Development and Regeneration			
1 Planning / Land Charges ICT Upgrades	0	20	20
2 Alder Lane / Bramble Way Landfill Site - update and replace equipment	0	75	0
3 Wheatsheaf Walks Improvement	30	0	0
4 Skelmersdale Highway / Gateway Improvements	0	50	0
5 Replacement of Trash Screen in Culvert	10	0	0
Housing and Inclusion			
1 Egress secure email and file transfer	21	0	0
2 Windows 10 upgrades	100	0	0
3 Fire Safety Works to Council corporate buildings	267	0	0
Legal and Democracy			
1 Replacement time recording system (Etarmis)	17	0	0
Leisure and Environment			
1 Long term provision of CCTV cameras	80	80	80
2 Purchase of Pressure Washer and Water Bowser	5	0	0
3 Purchase of Wood Chipper	3	0	0
4 Demountable Skip Body Refurbishment	25	0	0
5 Replacement Vehicle Wash	21	0	0
6 Updated Weighbridge Software	10	0	0
7 Burscough Racquets and Fitness Centre - Invest to Save Proposal	321	0	0
8 Expand In-Cab system in remaining Refuse & Recycling Vehicles	20	0	0
9 Waste Collection Projects	55	0	0
10 Leisure Facilities Essential works	26	44	0
Total	**1,011**	**269**	**100**

TOTAL FUNDING REQUIREMENT OVER 3 YEARS	**1,380**

CABINET: 15 January 2019

EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE: 31 January 2019

Report of: Director of Housing and Inclusion and Borough Treasurer

Relevant Portfolio Holder: Cllr J. Forshaw

Contact for further information: Peter Quick (Extn. 5203)
(peter.quick@westlancs.gov.uk)

SUBJECT: HOUSING ACCOUNT – REVENUE AND CAPITAL PROGRAMME

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To provide a summary of the Housing Account's financial position.

2.0 RECOMMENDATIONS TO CABINET

2.1 That the financial position be noted and consideration given to the budget matters set out in this report.

2.2 That the use of the Director of Housing and Inclusion's delegated authority in relation to rent and service charge changes be noted and endorsed.

2.3 That this report be used for consultation purposes prior to the Council considering this matter in February 2019.

2.4 That the Housing and Landlord Services Portfolio Holder be given delegated authority to submit firm proposals to Council on 27 February 2019 to enable the budget to be set.

2.5 That call in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

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 Housing and Landlord Services Portfolio Holder in advance of the Council meeting to be held on 27 February 2019.

4.0 BACKGROUND

4.1 The Council must set a budget for its Housing Revenue Account (HRA) before the start of each financial year, and this budget will set out the financial basis for the delivery of services. The budget that is set must enable Council and tenant priorities to be delivered but must also be affordable. In addition it should comply with best practice requirements on budget setting and meet statutory and accounting regulations.

4.2 The financial year 2019/20 represents the final year of the government's four year rent setting policy to reduce social housing rents by 1% per annum to 2020. This policy has progressively added pressure to the HRA over this period, however, the Policy Options agreed by Council in July 2016 and October 2016 have delivered sufficient savings and efficiencies to secure the HRA's financial position over the medium term.

4.3 In the five year period from 2020/21 to 2024/25, rent policy will revert to the previous approach of an increase of up to CPI plus 1% per year. This will aid business planning in the medium term by providing more certainty, ensuring that the real value of rent levels is maintained and could provide funds for further investment in the housing stock.

5.0 RENTAL INCOME

5.1 As a consequence of the government policy highlighted in paragraph 4.2 and in line with our standard practice, the Director of Housing and Inclusion will use her delegated authority to reduce rent levels by 1% from April 2019 for all properties.

5.2 Rental income is the main funding source for the Housing Account. The 2019/20 rent reduction means that the overall level of rental income will reduce next year, although there are a number of other factors that will influence this position including:

- The number of properties within the Housing Stock which will be influenced by Right to Buy Council house sales (which is outside the Council's control), the number of homes built or purchased, and the number of homes demolished as part of revival and development projects

- Current void levels are assumed to continue at slightly lower than 2%

- The full roll out of Universal Credit continues to be an area requiring close monitoring but the effect so far has been a relatively modest increase in arrears which in turn means a modest increase in the contribution to the bad debt provision. This can be accommodated within a budget based on 1% of rent arrears.

6.0 OTHER CHARGES

6.1 A general principle is applied to service charges that they should be calculated to ensure that they are sufficient to recover the cost of service provision. In keeping with this principle it is proposed to increase the general level of service charges next year by 3.4% (based on the September CPI rate of 2.4% plus 1.0% in line with our standard practices). There are specific service charges for specific services and these are applied to all properties that receive that service. In general, the service charges apply to communal properties such as sheltered stock and flats as well as residents who receive the Council's furnishing service.

6.2 There will be a number of exceptions to this general approach including:

- The heating charge for each property in 2019/20 will be calculated based on estimated useage and estimated cost. This means that different charges will apply to different residents. The heating account overall remains in surplus so all residents will have a reduction in their heating charge of 5%, except for 35 residents who will receive a lower reduction or will have their heating charge unchanged.

- As in 2018/19, garage rents will be increased by CPI (2.4%)

- CAT2 sheltered scheme service charges for communal maintenance work have been reviewed through 2018/19 and this found that most schemes would require an increase in excess of CPI + 1%. In order to provide consistency for these tenants their charges will be capped at 3.4% in 2019/20. There is one site where an increase of 1.4% is required, and in addition there is one site where a reduction of 9.9% will be implemented.

7.0 DRAFT ESTIMATES AND CAPITAL INVESTMENT PROGRAMME

7.1 The base assumptions used in the HRA Business Plan and for the HRA Estimates are detailed in Appendix A. The HRA Business Plan sets out projections of expenditure and income over a 30 year period to enable forward planning and long term investment decisions to be made. The HRA Estimates for 2019/20 then provide more detailed information that sets out the financial basis for how HRA service objectives will be achieved in the next year.

7.2 The draft estimates for 2019/20 are shown in Appendix B and provide a provisional HRA budget covering all areas of revenue expenditure and income. These estimates take account of the budget assumptions in Appendix

A and significant contractual uplifts, but they do not allow for any service improvements. They also allow for reductions in rents and changes in service charges as highlighted above, as well as the following factors:

- The response maintenance and voids contract delivery model report that went to Cabinet on 8 November 2018 sought delegated authority for the Director of Housing and Inclusion to put in place an interim contract arrangement for 2019/20, pending the new outsourced delivery model. The report also committed to addressing financial implications of negotiating the interim contract. £167,000 has been added to the budget in anticipation of the renegotiation, of this £118,000 is the amount that would have been added to the existing budget for contractual uplift.

- The current pre-painting budget will be used more flexibly as a revenue planned maintenance budget to pick up the revenue works identified in the stock condition survey and other revenue planned works.

- £29,000 has been transferred from the revenue budget for HRA digital expenditure, to capital. This recognises that some of the HRA digital plans have a capital element as well as revenue elements. It is proposed to combine this transferred budget with the existing budget of £21,000 approved for Digital Inclusion in 2019/20, to create an ongoing central HRA Digital Initiatives budget.

- It is assumed that £1.1m of the projected favourable budget variance in the current financial year will be used to support the budget position in 2019-20

7.3 In addition to the roll over budget in continuing services, it is also important to consider new budget issues and areas for development. Appendix C comprises a list of budget issues that Officers have identified and that should be considered as part of the budget process. Members will need to carefully consider those options, and any others that may emerge through the budget process and determine which proposals to include in the final budget to meet service objectives.

7.4 There have been separate reports to Cabinet and Council about the setting-up of a development company, which have indicated that 48 homes for affordable rent are planned. This will add to the HRA housing stock when bought by the Council from the development company.

7.5 The purchase of these properties by the HRA will be funded from right to buy 141 receipts and HRA borrowing. As there are quarterly deadlines for when 141 receipts must be used, if for any reason the formation of the development company is seriously delayed then the HRA will need to build the affordable homes through alternative means, utilising the same budget. This will ensure that 141 receipts don't have to be repaid to Government with interest, as well as adding to the Council housing stock.

7.6 Furthermore, in order to ensure that 141 receipts are fully utilised each quarter, it is proposed that Council will be asked to approve that the Director

of Housing and Inclusion be given delegated authority, in consultation with the portfolio holder for Housing and Landlord Services, to purchase homes with match funding provided from HRA borrowing. Approval for this approach will be sought at the February 2019 Council meeting.

7.7 The Capital Investment Programme for the next 5 years is shown in Appendix D along with initial profiling, and is intended to ensure that our housing stock meets the decent homes standard. The 5 year budget reflects the value in today's terms from the comprehensive asset survey work that has been carried out to maintain that standard and improve the condition of the stock itself for the long term. The survey indicates that for the next five years £34.7m of capital works will need to be invested, as well as some revenue works undertaken. Re-profiling from the 2018/19 mid-year budget agreed at the December Council meeting has been added to this figure to provide a total five year Housing Investment Plan of £35.4m. Within this total, roofing accounts for 31% of the expected Housing Investment Plan for the next five years.

7.8 In order to manage resourcing and delivery of the required works, the Housing Investment Plan has been profiled equally throughout the five years to remove peaks and troughs in the expected renewal dates for different components. The 2019/20 budget reflects what can realistically be delivered and this fits with anticipated component renewal dates. Years two to five are likely to require some re-profiling forwards and backwards due to:

- The outcome of asset reviews to be carried out during 2019/20 to assess the financial viability of individual stock
- Three or four year delivery contracts due to be tendered during 2019/20 for a 2020/21 start
- Local knowledge from Council staff and findings once particular works actually commence
- Contractual uplift obligations and changes in stock levels

7.9 In addition to the Housing Investment Plan there are other standard Council housing capital budgets included in Appendix D for disabled adaptations, sheltered upgrades, contingency/voids and professional fees. The 2019/20 budget for Fire Risk Assessment works approved in February 2018 has been covered by the budget in the new capital investment plan.

8.0 TOWARDS A BALANCED BUDGET POSITION AND LONG TERM PROSPECTS

8.1 The draft estimates contained in the appendices identify that there is a small surplus of £137,000 before taking into account the new budget issues included in Appendix C. There is also funding of up to £1.510m in the Budget

and Efficiency Savings Reserve that could be used to fund these budget issues.

8.2 Officers will work with Members from the political groups and will consult with tenants to consider this position and how the budget should be balanced and what budget issues should be approved. In looking at finalising the budget for next year consideration will also need to be given to a number of different factors including:

- Tenants comments and feedback on the budget position
- The acceptance of the new budget issues set out in Appendix C
- The profiling of capital expenditure and borrowing across future financial years
- HRA reserves and balances

9.0 SUSTAINABILITY IMPLICATIONS

9.1 The Council with its Tenants wants to ensure that the future business plan allows properties to be brought up to a reasonable standard and that appropriate investment can be made at the appropriate time. Business plan modelling enables a well-informed investment plan to be developed in keeping with the requirements of an effective asset management strategy.

10.0 RISK ASSESSMENT

10.1 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. The draft HRA estimates contained in Appendix B will be reviewed early in the New Year and updated to take into account any new developments and more recent information.

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 if necessary when the Council agrees the budget at its meeting in February.

Appendices

Appendix A – HRA Business Plan Key Assumptions
Appendix B – Draft HRA Estimates
Appendix C – Budget Issues
Appendix D – Draft Capital Investment Plan
Appendix E – Minute of Cabinet 15 January 2019 (Executive Overview and Scrutiny Committee only)

APPENDIX A

KEY BUSINESS PLAN ASSUMPTIONS FOR THE NEXT FIVE YEARS - 2019/20 TO 2023/24

	2019/20	2020/21	2021/22	2022/23	2023/24
General Factors					
CPI Inflation	2.4%	2%	2%	2%	2%
RPI Inflation	3.3%	3%	3%	3%	3%
Stock Numbers	-1.0%	-1.0%	-0.9%	-0.9%	-0.9%
Income					
Dwelling rents	-1%	3%	3%	3%	3%
Service charges	3.4%	3%	3%	3%	3%
Garage rents	2.4%	2%	2%	2%	2%
Heating charges	-4.8%	0%	3%	3%	3%
Interest income	0.75%	0.75%	0.75%	0.75%	0.75%
Other income	2.4%	2%	2%	2%	2%
Expenditure					
Employee related	2.6%	2%	2%	2%	2%
Repairs, maintenance & energy	0%	0%	0%	3%	3%
Bad debt provision	1%	1%	1%	1%	1%
Other expenditure	0%	0%	0%	2%	2%

Notes

(1) As void rates do not change over the period of the business plan and their impact is built into the starting budgets they do not need to be included above

(2) The average interest rate on existing borrowing of 3.47% will not change over the business plan period and so is not shown above

(3) The new investment programme is based on survey information analysed in 2018/19 following a full stock condition survey

(4) For the 2019/20 budget the above assumptions have been applied - most notably 0% uplift on repairs and other expenditure budgets. This brings the approach more in line with that for the GRA. However where there is a contractual obligation for an inflationary uplift and it cannot be accommodated within the existing budget, then this will be built into the base budget

(5) No principle repayment of debt will be made in 2019/20, this position will be reassessed in 2020/21

(6) The budget has been built so as to fully fund the updated capital programme from revenue contributions only, with borrowing only used to fund the budget issue of providing additional affordable homes.

(7) Temporary factors that are included in the 2018/19 budget for one year only are set at nil from 2019/20 onwards

APPENDIX B

DRAFT HOUSING REVENUE ACCOUNT BUDGET ESTIMATES

Budget 2019/20	Employees £	Running Expenses £	External income £	Total Cash £	Support Services & Capital Charges £	Net budget £
General Expenses						
Premises Related Expenses	0	162,880	0	**162,880**	0	**162,880**
Bad Debts Provision	0	240,000	0	**240,000**	0	**240,000**
Capital Programme Contribution	0	0	0	**0**	8,766,000	**8,766,000**
Debt Charges	0	0	0	**0**	3,056,990	**3,056,990**
Sub-Total	**0**	**402,880**	**0**	**402,880**	**11,822,990**	**12,225,870**
Supervision, Management, Repairs & Maintenance						
Central Administration	814,320	639,390	-89,300	**1,364,410**	1,794,920	**3,159,330**
Customer Experience (HRA)	405,410	156,230	0	**561,640**	38,110	**599,750**
Housing Operations						
Housing Operations Management	153,350	3,500	-91,070	**65,780**	125,730	**191,510**
Income & Financial Inclusion	595,440	28,210	-9,800	**613,850**	145,240	**759,090**
Allocations	223,610	73,930	-90	**297,450**	7,460	**304,910**
Tenancy Services	31,060	136,360	-185,470	**-18,050**	0	**-18,050**
Estate Management	245,150	345,710	-30	**590,830**	18,150	**608,980**
Elderley & Disabled Support	489,230	398,830	-1,152,450	**-264,390**	269,680	**5,290**
Sub-Total	**1,737,840**	**986,540**	**-1,438,910**	**1,285,470**	**566,260**	**1,851,730**
Property Services						
Property Services Management	612,590	114,600	-210	**726,980**	-206,470	**520,510**
Caretakers & Gardeners	267,510	141,010	-43,420	**365,100**	13,140	**378,240**
Maintenance of Grassed Areas	0	723,220	-23,100	**700,120**	0	**700,120**
District Heating Service	0	260,050	-260,050	**0**	0	**0**
Responsive & Void Repairs	406,590	3,517,560	-56,060	**3,868,090**	2,350	**3,870,440**
Planned Maintenance	464,630	764,200	-3,540	**1,225,290**	-364,320	**860,970**
Sub-Total	**1,751,320**	**5,520,640**	**-386,380**	**6,885,580**	**-555,300**	**6,330,280**
General Income						
Customer & Client Receipts	0	0	-23,149,480	**-23,149,480**	0	**-23,149,480**
Interest	0	0	0	**0**	-53,980	**-53,980**
Sub-Total	**0**	**0**	**-23,149,480**	**-23,149,480**	**-53,980**	**-23,203,460**
Transfers to/from Reserves	0	0	0	**0**	-1,100,000	**-1,100,000**
Grand Total	**4,708,890**	**7,705,680**	**-25,064,070**	**-12,649,500**	**12,513,000**	**-136,500**

*Up to £1,510k is available in the budget and efficiency savings reserve in addition to this budgeted surplus of £137,000 to fund budget issues identified in appendix C. An appropriate amount needs to be kept back to fund the HRA element of the SORP.

Notes:

1. The estimates above reflect the latest position in budget setting. Support service recharges are currently assumed to be a 2% increase though actual figures are likely to vary up or down once they have been calculated

2. The HRA forecast outturn for 2018/19 at mid-year was £1,146,000. The budget above utilises £1,100,000 of this to fund the 2019/20 HRA budget. The mid-year forecast is still considered realistic.

3. Staff budgets reflect the organisational establishment structure which includes changes that have occurred during 2018/19. Overall, employee budgets reflect 2% uplift on salary costs and employee recharge costs.

4. Other amendments to the existing budget, for example significant contractual increases, will be updated as the process continues

5. Within Housing Operations: Furnished Homes; Tenants Expenses and General Community Facilities have been combined as Tenancy Services

6. Within Housing Operations: Estate Maintenance has been moved into Estate Management

7. Within Furnished Homes, the budget for expenditure on tenant furniture and the budget for expected total income from the furniture service are both being increased by around £35,000 to better reflect demand, net effect budget neutral.

Budget 2018/19	Employees £	Running Expenses £	External income £	Total Cash £	Support Services & Capital Charges £	Net budget £
General Expenses						
Premises Related Expenses	0	162,880	0	**162,880**	0	**162,880**
Bad Debts Provision	0	370,000	0	**370,000**	0	**370,000**
Capital Programme Contribution	0	0	0	**0**	11,335,000	**11,335,000**
Debt Charges	0	0	0	**0**	3,056,990	**3,056,990**
Sub-Total	**0**	**532,880**	**0**	**532,880**	**14,391,990**	**14,924,870**
Supervision, Management, Repairs & Maintenance						
Central Administration	789,270	536,500	-87,900	**1,237,870**	1,759,810	**2,997,680**
Customer Experience (HRA)	396,880	185,230	0	**582,110**	6,870	**588,980**
Housing Operations						
Housing Operations Management	149,720	3,500	-91,070	**62,150**	115,840	**177,990**
Income & Financial Inclusion	557,850	32,330	-9,800	**580,380**	142,400	**722,780**
Allocations	218,840	83,934	-90	**302,684**	14,550	**317,234**
Furnished Homes	32,200	75,096	-139,000	**-31,704**	0	**-31,704**
Tenants Expenses	0	26,500		**26,500**		**26,500**
Estate Management	225,660	322,800	-30	**548,430**	17,800	**566,230**
General Community Facilities		370	-6,180	**-5,810**		**-5,810**
Estate Maintenance Services	2,440	22,910		**25,350**		**25,350**
Elderley & Disabled Support	499,440	396,810	-1,115,370	**-219,120**	264,390	**45,270**
Sub-Total	**1,686,150**	**964,250**	**-1,361,540**	**1,288,860**	**554,980**	**1,843,840**
Property Services						
Property Services Management	617,730	114,600	-210	**732,120**	-228,670	**503,450**
Caretakers & Gardeners	260,910	141,010	-42,260	**359,660**	12,880	**372,540**
Maintenance of Grassed Areas	0	723,220	-41,300	**681,920**	0	**681,920**
District Heating Service	0	253,000	-253,000	**0**	0	**0**
Responsive & Void Repairs	400,920	3,350,960	-53,760	**3,698,120**	2,310	**3,700,430**
Planned Maintenance	469,260	1,058,200	-3,440	**1,524,020**	-350,590	**1,173,430**
Sub-Total	**1,748,820**	**5,640,990**	**-393,970**	**6,995,840**	**-564,070**	**6,431,770**
General Income						
Customer & Client Receipts	0	0	-23,552,560	**-23,552,560**	0	**-23,552,560**
Interest	0	0	0	**0**	-53,980	**-53,980**
Sub-Total	**0**	**0**	**-23,552,560**	**-23,552,560**	**-53,980**	**-23,606,540**
Transfers to/from Reserves	0	0	0	**0**	-3,180,600	**-3,180,600**
Grand Total	**4,621,120**	**7,859,850**	**-25,395,970**	**-12,915,000**	**12,915,000**	**0**

APPENDIX C – BUDGET ISSUES

	Budget Issues	2019/20 £000	2020/21 £000	2021/22 £000
	Capital Expenditure			
1	Asset Management Assessment model	185		
2	HRA Digital Initiatives Capital pot - ongoing	-	21	21
	Sub Total	**185**	**21**	**21**
	Revenue Expenditure			
1	Asset Management Assessment model - ongoing	-	15	15
2	Routine Electrical Testing 5 year cycle - ongoing	100	100	100
3	Gas Safety Compliance Application	72	72	72
4	Rent Sense - ongoing	43	43	43
5	Service Charge Management Software- ongoing	-	4	4
6	Resources for procurement compliance	60	5	5
7	Paperless direct debit extension - ongoing	17	19	19
8	Recruit two Housing Apprentices	23	0	0
9	GDPR Compliance Project	10		
	Sub Total	**325**	**258**	**258**
	Total	**510**	**279**	**279**

Appendix D – DRAFT CAPITAL PROGRAMME UNTIL 2023/24

Scheme	5 Years £000's	19/20 £000's	20/21 £000's	21/22 £000's	22/23 £000's	23/24 £000's
Roofing	10,845	2,169	2,169	2,169	2,169	2,169
External Works	5,021	1,004	1,004	1,004	1,004	1,005
Heating	4,113	823	823	823	823	821
Electrics	3,652	730	730	730	730	732
Kitchens	3,164	633	633	633	633	632
Windows & Doors	2,741	548	548	548	548	549
Bathrooms	2,504	501	501	501	501	500
Walls	1,398	280	280	280	280	278
Fire Safety Works	1,353	271	271	271	271	269
Communal Services	587	117	117	117	117	119
Housing Capital Investment Plan	**35,378**	**7,076**	**7,076**	**7,076**	**7,076**	**7,074**
Disabled Adaptations		500	500	500	500	500
Sheltered Upgrades		140	140	140	140	140
Contingency		300	300	300	300	300
Professional Fees		700	700	700	700	700
Other Housing Schemes		**1,640**	**1,640**	**1,640**	**1,640**	**1,640**
Digital Initiatives		50	29	29	29	29
Total Expenditure		**8,766**	**8,745**	**8,745**	**8,745**	**8,743**

Notes

(1) The five year Capital Investment Plan, (in grey), of £35.378m has been developed from the recent stock condition survey work analysed in 2018/19. Total required work has been profiled equally over all five years to enable appropriate staffing levels and contractor resourcing to be achieved

(2) Year 2 to 5 budgets are expressed in 2019/20 terms, contractual uplift and changes in stock levels will be considered each year as part of budget setting

(3) It is anticipated that years 2 to 5 will require profiling forwards and backwards to optimize use of available funds and resources, based on asset reviews carried out during 2019/20 as well as local knowledge

(4) 2018/19 budgets slipped at mid-year for roofing (£600k) and electrical works (£180k) have been profiled equally through the five years. The bathrooms budget (£100k) brought forward at mid-year has been removed equally throughout the five years

MINUTE OF CABINET HELD ON 15 JANUARY 2019

72 HOUSING ACCOUNT - REVENUE AND CAPITAL PROGRAMME

Councillor Forshaw introduced the joint report of the Director of Housing and Inclusion and Borough Treasurer which provided a summary of the Housing Account's financial position.

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

RESOLVED A. That the financial position be noted.

B. That the use of the Director of Housing and Inclusion's delegated authority in relation to rent and service charge changes be noted and endorsed.

C. That the report be used for consultation purposes prior to the Council considering this matter in February 2019.

D. That the Housing and Landlord Services Portfolio Holder be given delegated authority to submit firm proposals to Council on 27 February 2019 to enable the budget to be set.

E. That call-in is not appropriate for this item as it is to be submitted to the next meeting of the Executive Overview and Scrutiny Committee on 31 January 2019.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A
of the Local Government Act 1972.

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