



Jacqui Sinnott-Lacey
Chief Operating Officer

52 Derby Street
Ormskirk
West Lancashire
L39 2DF

Tuesday, 14 February 2023

TO: THE MAYOR AND COUNCILLORS

Dear Councillor,

You are summoned to a meeting of the **COUNCIL** to be held in the **COUNCIL CHAMBER, 52 DERBY STREET, ORMSKIRK L39 2DF** on **WEDNESDAY, 22 FEBRUARY 2023** at **7.30 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be "JS", written over a light blue circular stamp.

Jacqui Sinnott-Lacey
Chief Operating Officer

AGENDA
(Open to the Public)

PAGE(S)

1. **PRAYERS**

2. **APOLOGIES**

3. **DECLARATIONS OF INTEREST**

If a member requires advice on Declarations of Interest, he/she is advised to contact the Legal and Democratic Services Manager 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.)

633 - 636

4. **MINUTES**
To receive as a correct record, the minutes of the previous meeting held on Wednesday, 14 December 2022. 637 - 644
5. **ANNOUNCEMENTS BY THE MAYOR AND/OR THE CHIEF OPERATING OFFICER**
6. **TO ANSWER ANY QUESTIONS UNDER THE PROVISIONS OF COUNCIL PROCEDURE RULE 10.2**
7. **MINUTES OF COMMITTEES**
To receive the minutes of the following meetings, to confirm, if appropriate, such of the minutes as require confirmation and to pass such resolutions as the Council may deem necessary:
- a) Licensing & Appeals Committee - Tuesday, 6 December 2022 645 - 648
- b) Budget / Council Plan Committee - Thursday, 15 December 2022 649 - 650
- c) Leisure Procurement Committee - Wednesday, 11 January 2023 651 - 654
- d) Planning Committee - Thursday, 19 January 2023 655 - 660
- e) Tawd Valley Developments Shareholders Committee - Wednesday, 25 January 2023 661 - 664
- f) Audit & Governance Committee - Tuesday, 31 January 2023 (To follow)
- g) Licensing & Gambling Committee - Tuesday, 7 February 2023 665 - 666
8. **PAY POLICY STATEMENT 2023/24**
To consider the report of the Chief Operating Officer. 667 - 690
9. **MEMBERS' ALLOWANCES SCHEME 2023/24 AND APPOINTMENT OF THE INDEPENDENT REMUNERATION PANEL (IRP)**
To consider the report of the Chief Operating Officer. 691 - 698
10. **SUSPENSION OF COUNCIL PROCEDURE RULE 13.4**
To enable the Portfolio Holder / Shadow Portfolio Holder / Spokesperson for OWL to present their budget statement it will be necessary to suspend Council Procedure Rule 13.4 for Agenda Items 11 and 14. (This Rule limits the length of a speech to 5 minutes.)
- * IN ACCORDANCE WITH THE LOCAL AUTHORITIES (STANDING ORDERS) (ENGLAND) (AMENDMENT) REGULATIONS 2014, A RECORDED VOTE WILL BE TAKEN ON THESE ITEMS**
11. ***GRA REVENUE & CAPITAL PROGRAMME BUDGET SETTING**
To consider the report of the Head of Finance, Procurement & Commercial Services. 699 - 738

- | | | |
|-----|---|-------------|
| 12. | *DETERMINATION OF COUNCIL TAX
To consider the report of the Head of Finance, Procurement & Commercial Services. | (To follow) |
| 13. | COUNCIL TAX REFORMS - SECOND HOMES AND EMPTY HOMES
To consider the report of the Corporate Director of Transformation, Housing & Resources. | 739 - 754 |
| 14. | HOUSING ACCOUNT - REVENUE AND CAPITAL BUDGET SETTING
To consider the report of the Head of Finance, Procurement & Commercial Services. | 755 - 770 |
| 15. | CAPITAL FINANCE AND TREASURY MANAGEMENT STRATEGY
To consider the report of the Head of Finance, Procurement & Commercial Services. | 771 - 796 |
| 16. | PUBLIC SPACE PROTECTION ORDER (DOG CONTROL PROVISIONS) RESULTS OF THE CONSULTATION
To consider the report of the Corporate Director of Place & Community. | 797 - 824 |
| 17. | EXCLUSION OF PRESS AND PUBLIC
It is recommended that members of the press and public be excluded from the meeting during consideration of the following item(s) of business in accordance with Section 100A(4) of the Local Government Act 1972 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 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. | |

PART 2 - NOT OPEN TO THE PUBLIC

- | | | |
|-----|---|-----------|
| 18. | TAWD VALLEY DEVELOPMENTS LTD - BUSINESS PLAN UPDATE
To consider the report of the Chief Operating Officer. | 825 - 906 |
| 19. | ACQUISITION AND DEVELOPMENT OF LAND IN SKELMERSDALE
To consider the report of the Corporate Director of Transformation, Housing & Resources. | 907 - 918 |
| 20. | OPTIONS FOR OPERATING AND MAINTAINING EXISTING LEISURE FACILITIES IN ORMSKIRK, SKELMERSDALE AND BURSCOUGH.
To consider the report of the Corporate Director of Place & Community.
(Relevant Portfolio Holder: Councillor C Coughlan) | 919 - 948 |

PART 3 (OPEN TO THE PUBLIC)

- | | | |
|-----|---|--|
| 21. | MOTIONS
To consider the following Motions included on the agenda at the request of the Members indicated: | |
|-----|---|--|

a) Exemption on Voter Identity Requirements - Motion Included on the Agenda by Councillor Adam Yates

Council notes:

a) that the requirement for photographic voter identification prior to receiving a ballot paper for local and parliamentary elections, set out at Schedule 1, paragraph 18, sub-para 1(H) of the Elections Act 2022, as an amendment to Schedule 1 of the Representation of the People's Act 1983, comes into effect in May 2023;

b) that the range of documents deemed to be acceptable as a means of proof of identity under Schedule 1 of the Elections Act 2022 is limited, and may be considered to be discriminatory towards younger people;

c) that the procedure for and means of obtaining a Voter Authority Certificate, in cases where a voter does not possess accepted photographic evidence of identity of the type set out in the Elections Act 2022, were only formally made law in the Voter Identification Regulations 2022 (2022/1382) on December 22nd 2022, and that the online process for this only began in January 2023;

d) that the Department for Levelling Up & Communities acknowledged, two weeks into the availability of this online process, that only 10,000 applications for a Voter Authority Certificate had been made, with this being just 0.5% of the total number of people estimated to need such a certificate if they wish to vote under the new requirements from May 2023;

e) that by consequence of the legislation and arrangements set out at paras a) to d) above, there is a significant risk of excluding people from the electoral process who would otherwise have participated in it, in a way which may cause both disaffection with democracy overall and, on election days, hostility towards staff tasked with managing the election process;

Council further notes:

f) that such a local authority is entitled to submit a proposal to the Secretary of State for the according of such powers under the procedure set out at Section 5A of the Sustainable Communities Act 2007 (as amended in 2010), in cases where a local authority considers that new powers accorded to it would "contribute to promoting the sustainability of local communities" (Section 2 of the Act);

g) that the Sustainable Communities Act 2007:

i) specifically includes "social well-being" within its interpretation of the sustainability of local communities (Section 1, para 2), and that "social well-being includes participation in civic and political activity" (Section 1, para 3);

ii) that para 1(h) of the Schedule pertaining to Section 2 of the Act specifically refers to "the increase in social inclusion, including an increase in involvement in local democracy" as one of "the matters to which a local authority must have regard";

h) that in consequence of para g i) & ii) of this motion powers sought by a local authority that might enhance such activity may reasonably be considered as i) in accordance with the purpose of the overall Act, and therefore such that powers which might mitigate negative impacts of the provisions of the Elections Act 2022; ii) and associated secondary

legislation, should be regarded as a legitimate matter for a proposal under the Sustainable Communities Act 2007.

Council Resolves:

i) That Council, in accordance with and by consequences of paras a) to h) above, instructs the Chief Operating Officer to write to the Secretary of State for the Department of Levelling Up & Communities, setting out a proposal for a new power to be accorded to the local authority, under the process set out at Section 5A of that Act, which allows the Chief Operating Officer (in her role as Returning Officer) to make exempt from the provisions of the Elections Act 2022 and associated secondary legislation, all persons wishing to vote within West Lancashire who would otherwise be unable to do so if those provisions were applied.

j) That his power of exemption be sought for the May 2022 local elections and for any subsequent local or parliamentary election, until such time as either the regulations governing accepted voter identification documentation and Voter Authority Certificates are adjusted or removed, such that there is no risk of social well-being being (as interpreted in the sustainable community act 2007) being adversely affected by limitations to civic participation, or the number and percentage of people in receipt of Voter Authority Certificates is high enough to merit the cessation of the power of exemption;

k) That such a proposal be submitted to the Secretary of State by Friday February 24th 2023, with a requirement that the Secretary of State for the Department of Levelling Up & Communities reply with a definitive response to the proposal within 10 working days of the date of the submission of the proposal, in light of the short timescale for action caused by the lateness of legislation and associated online application processes in respect of the May 2022 elections;

l) That, in the event of the Secretary of State assenting to the proposal and granting powers of exemption to the Chief Operating Officer (as Returning Officer) that the setting of criteria for exemption from the requirements set out under the Elections Act 2002 and associated regulations be delegated to the Chief Operating Officer in consultation with the leader;

m) That, in the event of the Secretary of State not assenting to the proposal and granting powers of exemption, power be delegated to the Chief Operating Officer to submit the proposal for consideration by the Selector (the Local Government Association), in accordance with para 5 of the Sustainable Communities Regulations 2012 (2012/1523), such that the Selector might then resubmit the proposal to the Secretary of State and that the duty of the Secretary of State to “consult and try to reach agreement with the selector before making a decision as to whether or not to implement the submitted proposal, in whole or in part” (para 5(b) of the same regulations, be triggered;

n) That a report on progress on the matter be brought by to the next Full Council by the Chief Operating Officer.

b) £2 bus fares for West Lancashire residents - Motion Included on the Agenda by Councillor Gareth Dowling

This Council notes:

That a national scheme to bring bus fares down to a flat rate of £2, or £1 for a child, and day pass down to £5, or £2.50 for a child, was brought into operation on 1 January 2023 for a pilot period of three months.

The Liverpool City Region and Greater Manchester Combined Authority adopted these subsidy schemes prior to the national pilot, and intend to continue beyond the three months.

In Greater Manchester, figures show a 10% increase in the number of bus journeys.

Residents in West Lancashire would not qualify for these reduced fares beyond 31 March 2023, despite many of these services beginning or ending within LCR or GMCA boundaries, eg 375/385, 300/310.

Many West Lancashire residents rely on local bus services to reach employment, training, skills, education, shopping, family, friends and social opportunities across both LCR and GMCA.

Lancashire County Council are the Highways and Transport Authority covering the West Lancashire area, and manage the Bus Service Improvement Plan (BSIP).

This Council believes:

That the continuation of this reduced fare would actively support West Lancashire residents through the cost of living crisis, increase social mobility, open further opportunities for employment and skills, and support this council's Climate Change Strategy and Action Plan.

This Council resolves:

That the Chief Operating Officer write to the Chief Executive at Lancashire County Council calling for the consideration of using their Bus Service Improvement Plan (BSIP) monies to facilitate or subsidise the reduced fares as they currently are, beyond the 31 March 2023, on any affected route.

That the Chief Operating Officer instruct West Lancashire Borough Council officers to work closely with Lancashire County Council officers, neighbouring city regions of Liverpool and Greater Manchester and bus operators to secure agreement.

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 585384

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 inform any interested parties of the escape routes.
3. Make yourself familiar with the location of the assembly point and inform any interested parties of that location.
4. Make yourself familiar with the location of the fire alarm and detection control panel.
5. Ensure that the 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**.

Agenda Item 3

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

Notes

	General		Notes
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 below</i>
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	<i>You may speak and vote</i>
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	<input type="checkbox"/> <input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i> <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>
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. (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. (iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay. (iv) An allowance, payment or indemnity given to Members (v) Any ceremonial honour given to Members (vi) Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/> <input type="checkbox"/>	<i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i> <i>You may speak and vote</i>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 15/09/20 – 14/09/24)	<input type="checkbox"/>	<i>See the terms of the dispensation</i>
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	<input type="checkbox"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>

'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

Employment, office, trade, profession or vocation

Sponsorship

Prescribed description

Any employment, office, trade, profession or vocation carried on for profit or gain.

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.

**COUNCIL
23 FEBRUARY 2022**

DECLARATIONS OF INTEREST

The following declarations were received:

1. All Members present declared a pecuniary interest in item 9 'Members' Allowances Scheme 2022/23 and in relation to item 12 'Determination of Council Tax 2022/23', but were entitled to speak and vote by virtue of an exemption.
 2.
 - a) Councillors Mrs Blake, Dereli, Gordon, Howard, Mrs Marshall, Mee, Moran, Owen, Pope, Ms Sutton, Whittington and Witter declared a pecuniary interest in relation to relevant lines in the budget in respect of item 11 'Revenue & Capital Programme Budget Setting 2022/23' in relation to Parish Council matters in view of their membership of a Parish Council and indicated they would not participate in any detailed discussions which affected the finances of those bodies specifically.*
 - b) Councillors Aldridge, O'Toole, Pope and D Westley declared a pecuniary interest in relation to relevant lines in the budget in respect of item 11 'Revenue & Capital Programme Budget Setting 2022/23', as Members of Lancashire County Council (LCC) as did Councillors Coughlan, Cummins and Gagen as employees of LCC, and indicated that they would not participate in any detailed discussions which affected LCC.*
 - c) Councillor Coughlan declared a disclosable pecuniary interest in relation to relevant lines in the budget in respect of item 11 'Revenue & Capital Programme Budget Setting 2022/23' in respect of his appointment to West Lancashire Community Leisure.*
- * By virtue of a dispensation granted by the Standards Committee all Councillors who have disclosable pecuniary or pecuniary interests in relation to relevant lines in the budget may participate and vote in the budget debates but not engage in detailed discussions about matters which affect those interests.
3. Councillors Mrs Blake, Dereli, Gordon, Howard, Mrs Marshall, Mee, Moran, Owen, Pope, Ms Sutton, Whittington and Witter declared a non-pecuniary interest in relation to item 12 'Determination of Council Tax 2022/23' in view of their membership of a Parish Council.
 4. Councillors Aldridge, O'Toole, Pope and D Westley declared a non pecuniary interest in relation to item 12 'Determination of Council Tax 2022/23', as Members of Lancashire County Council, as did Councillors Coughlan, Cummins and Gagen as an employee of Lancashire County Council.
 5. Councillors Delaney, Devine, Owen, Nixon, West and J Wilkie (Tenant of a Council flat/house) Coughlan and Gregson (Tenants of a Council garage) declared disclosable pecuniary interests in relation to item 13 'Housing Account – Revenue and Capital Budget Setting' for the reasons indicated but were entitled

to speak and vote by virtue of an exemption (nothing in these reports relates particularly to their respective interests arising from the tenancy or lease).

6. Councillors Aldridge, Gregson, Mee, Nixon, Sutton and K Wilkie declared a non-pecuniary interest in relation to item 13 'Housing Account – Revenue and Capital Programme' as they have a connected person who is a tenant of rented Council accommodation. Insofar as that interest becomes a pecuniary interest (as it would affect the financial position of their relative and a member of the public with knowledge of the relevant facts would reasonably regard this as so significant that it is likely to prejudice their judgement of the public interest) they declared that interest but considered that they were entitled to speak and vote by virtue of an exemption as nothing in these reports relates particularly to the relevant tenancy or lease.
7. Councillors Pope and David Westley declared a non pecuniary interest in item 8 'Pay Policy Statement 2022/23' as a member of the Lancashire County Council Pension Fund Committee.
8. Councillor O'Toole declared a non pecuniary interest in relation to item 12 'Determination of Council Tax 2022/23' as a Member of Lancashire Combined Fire & Rescue Authority and Councillor K Wilkie as an employee.
9. Councillor Dowling declared a non pecuniary interest in relation to agenda item 12 'Determination of Council Tax 2022/23' as a member appointed to the Police and Crime Panel, as did Councillor Baybutt as her son is a police officer in Lancashire Constabulary.

Agenda Item 4

COUNCIL

HELD: Wednesday, 14 December 2022

Start: 7.30 pm

Finish: 8.15 pm

PRESENT:

Councillors:

Mrs M Westley (Mayor)	
K Mitchell (Deputy Mayor)	
T Aldridge	M Anderson
R Bailey	Mrs M Blake
A Blundell	G Clandon
P Burnside	C Coughlan
V Cummins	D Daniels
I Davis	G Dowling
I Eccles	A Fennell
J Fillis	J Finch
A Fowler	N Furey
Y Gagen	J Gordon
S Gregson	L Gresty
D Hirrell	P Hogan
J Howard	G Johnson
K Jukes	Mrs J Marshall
J Mee	R Molloy
J Monaghan	M Nixon
P O`Neill	D O`Toole
S Patel	P Turpin
D Owen	G Owen
A Owens	E Pope
I Rigby	N Pryce-Roberts
A Sutton	J Thompson
Upjohn	D West
D Westley	D Whittington
J Wilkie	K Wilkie
A Yates	

Officers:

Jacqui Sinnott-Lacey, Chief Operating Officer
Heidi McDougall, Corporate Director of Place & Community
Chris Twomey, Corporate Director of Housing, Transformation & Resources
James Pierce, Head of Finance, Procurement and Commercial Services
Paul Charlson, Head of Planning & Regulatory Services
Simon Kirby, Head of Wellbeing and Place Services
Kathryn Sephton, Head of Environmental Services
Kay Lovelady, Legal & Democratic Services Manager
Jacky Denning, Democratic Services Manager
Peter Gregory, Estates & Valuations Manager
Thomas Lynan, Electoral Services Manager
Chantal Barton, Digital Communications Officer

In attendance:

Venerable David Garnett, from St Cuthbert's, Halsall

49 PRAYERS

The Mayor's Chaplain for the evening, Venerable David Garnett, from St Cuthbert's, Halsall, led Members and officers in prayer.

50 APOLOGIES

An apology for absence was received on behalf of Councillor Joan Witter.

51 DECLARATIONS OF INTEREST

The following declarations were received:

1. Councillors Mrs Blake, Blundell, Gordon, Howard, Mrs Marshall, Mee, Gaynar Owen, Patel, Pope, Sutton and Whittington declared a non-pecuniary interest in relation to item 9 '2022/23 GRA Capital Q2 Monitoring', item 13 'Public Space Protection Order Renewal 2023-2026' and item 17 'Beacon Golf Course and Park' in view of their membership of a Parish Council.
2. Councillors Aldridge, Bailey, O'Toole, Pope and D Westley declared a non pecuniary interest in relation to item 9 '2022/23 GRA Capital Q2 Monitoring', as Members of Lancashire County Council, as did Councillors Coughlan, Cummins and Gagen as an employee of Lancashire County Council.
3. Councillors Gaynar Owen, Nixon, West and J Wilkie (Tenant of a Council flat/house) Coughlan and Gregson (Tenants of a Council garage) declared disclosable pecuniary interests in relation to item 10 'HRA – Revenue and Capital Mid Year (Q2) Review', item 12 'The Building Safety Act 2022' and item 18 'Update on Housing Repairs Service' for the reasons indicated but were entitled to speak and vote by virtue of an exemption (nothing in these reports relates particularly to their respective interests arising from the tenancy or lease).
4. Councillors Aldridge, Gregson, Mee, Nixon, Sutton and K Wilkie declared non-pecuniary interests in relation to item 10 'HRA – Revenue and Capital Mid Year (Q2) Review', item 12 'The Building Safety Act 2022' and Item 18 'Update on Housing Repairs Service' as they have a connected person who is a tenant of rented Council accommodation. Insofar as that interest becomes a pecuniary interest (as it would affect the financial position of their relative and a member of the public with knowledge of the relevant facts would reasonably regard this as so significant that it is likely to prejudice their judgement of the public interest) they declared that interest but considered that they were entitled to speak and vote by virtue of an exemption as nothing in these reports relates particularly to the relevant tenancy or lease.

52 MINUTES

RESOLVED: That the minutes of the Council meeting held on 12 October 2022, be received as a correct record and signed by the Mayor.

53 ANNOUNCEMENTS BY THE MAYOR AND/OR THE CHIEF OPERATING OFFICER

The Mayor announced:

- A. That the Mayor's Charity Dinner/Ball would be held in Lancashire Manor on 17 March 2022.
- B. That former Chairman of the Council, Tony Toal, had sadly passed away and provided details of the funeral arrangements.
- C. That Heidi McDougall, Corporate Director of Place & Community, was leaving the authority to take up a position in Derbyshire Dales District Council as Strategic Director, Service Delivery in January 2023.

Heidi was thanked for her service to the Council and presented with the Council Shield and flowers.

54 TO ANSWER ANY QUESTIONS UNDER THE PROVISIONS OF COUNCIL PROCEDURE RULE 10.2

There were no items under this heading.

55 MINUTES OF COMMITTEES

Consideration was given to the minutes of the undermentioned meetings of the Committees shown.

RESOLVED That the minutes of the undermentioned meetings and any recommendations contained in them, be approved:

- A. Audit & Governance Committee – Wednesday 27 July & Tuesday 25 October 2022
- B. Licensing & Appeals Committee – Tuesday 4 October 2022
- C. Licensing & Gambling Committee – Tuesday 4 October 2022
- D. Polling Districts & Polling Places Review Committee – Thursday 6 October 2022
- E. Planning Committee – Thursday 13 October & 24 November 2022
- F. Tawd Valley Developments Shareholders Committee – Thursday 27 October 2022
- G. Budget/Council Plan Committee – Tuesday 1 November 2022

H. Leisure Procurement Committee – Wednesday 2 November 2022**56 2022/23 QUARTER 2 GRA REVENUE MONITORING**

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services, as contained on pages 397 to 406 of the Book of Reports, which provided a summary of the General Revenue Account (GRA) position for the 2022/23 financial year at quarter 2 and sought approval of the budget amendments set out in the report.

RESOLVED: A. That the 2022/23 GRA position be noted.

B. That the budget amendments reported be approved.

57 2022/23 QUARTER 2 GRA CAPITAL MONITORING

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services, as contained on pages 407 to 422 and 625 to 630 of the Book of Reports, which provided the Revised General Revenue Account (GRA) Capital Programme for 2022/23 and an update on the progress of capital schemes at quarter 2.

Members were advised that an Addendum and a revised Appendix A had been circulated separately in the supplementary agenda.

RESOLVED: A. That the revised Capital Programme for 2022/23 of £12.113m, be noted.

B. That the re-profiling, virements and budget adjustments contained within the revised Appendix A, be approved.

C. That the 2022/23 budget additions of £1.766m to the 2022/23 budget and £60k 2023/24 budget, to existing schemes within the approved programme, contained in the revised Appendix A, be approved.

D. That the progress against the Revised Capital Programme at Quarter 2, be noted.

58 22/23 QUARTER 2 HRA REVENUE AND CAPITAL MONITORING

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services, as contained on pages 423 to 444 of the Book of Reports, which proposed the budget adjustments identified in section 7 and paragraph 10.1 of the report.

RESOLVED: A. That the 2022/23 HRA and Housing capital programme positions be noted.

- B. That the proposed budget adjustments identified in section 7 and paragraph 10.1 of the report be approved.
- C. That the significant budget pressures be noted.

59 **22/23 TM MID-YEAR PRUDENTIAL INDICATORS**

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services, as contained on pages 445 to 460 of the Book of Reports, which detailed the Treasury Management operations for the first half of 2022/23 and reported on the Prudential Indicators, where available.

- RESOLVED:
- A. That the Treasury Management activity and Prudential Indicator performance for the first quarter of 2022/23, be noted.
 - B. That the changes to the Prudential Indicators, highlighted in section 10 of the report, be approved.

60 **BUILDING SAFETY ACT 2022**

Consideration was given to the report of the Corporate Director of Place & Community, as contained on pages 461 to 470 of the Book of Reports, which advised on the introduction and implications of the Building Safety Act 2022, and to sought approval for appropriate delegations.

- RESOLVED:
- A. That the Corporate Director of Place and Community be given delegated authority to administrate and enforce the relevant provisions of the Building Safety Act 2022.
 - B. That the Corporate Director of Place and Community be given delegated authority to appoint officers where appropriate under the Building Safety Act 2022.

61 **PUBLIC SPACE PROTECTION ORDER RENEWAL 2023- 2026**

Consideration was given to the report of the Corporate Director of Place & Community, as contained on pages 471 to 502 of the Book of Reports, which sought approval to undertake a consultation exercise in relation to renewing and amending the Council's existing Public Space Protection Order 2023 – 2026 which details numerous Dog Control provisions for locations across the Borough.

Members were advised that where it reads "Queen Elizabeth II Diamond Jubilee Park", in the report and Appendix, it should read "Queen Elizabeth II Platinum Jubilee Park".

- RESOLVED:
- A. That the proposed amendments to the Public Space Protection Order be approved for public consultation.
 - B. That the results of the consultation be reported back to Council

in February 2023 and consideration be given to the approval of a final Order.

62 TIMETABLE OF MEETINGS 2023/24

Consideration was given to the report of the Corporate Director of Transformation, Housing & Resources, as contained on pages 503 to 506 of the Book of Reports, which sought approval of the timetable of meetings for the Municipal Year 2023/24.

RESOLVED: That the timetable of meetings for the 2023/24 Municipal Year, attached as an appendix to the report, be approved.

63 EXECUTIVE DECISIONS - SPECIAL URGENCY

Consideration was given to the report of the Corporate Director Transformation, Housing & Resources, as contained on pages 507 to 508 of the Book of Reports, which advised that for the period 1 December 2021 to 30 November 2022, there were no decisions taken under Access to Information Procedure Rule 16 (Special Urgency).

RESOLVED: That it be noted that Access to Information Rule 16 (Special Urgency) was not exercised during the period 1 December 2021 to 30 November 2022.

64 EXCLUSION OF PRESS AND PUBLIC

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

65 BEACON GOLF COURSE AND PARK

Consideration was given to the report of the Corporate Director of Place & Community, as contained on pages 509 to 606 of the Book of Reports, which considered a report from external consultants in relation to the future of Beacon Golf Course and set out options and cost implications in respect of the future operation of the golf course and associated buildings.

Members were advised that a revised Appendix 5 had been circulated with the agenda pack, following the meeting of Cabinet.

RESOLVED: A. That the Consultant's Report, set out in Appendix 1, and the Options set out in Section (7) of the Report, be noted.

- B. That Option F set out in paragraph 7.1.6.– Close the Golf Course and retain the catering and toilet facilities be approved. The Golf Club to be closed no later than 1st April 2023.
- C. That the Corporate Director of Place and Community be given delegated authority to undertake an options appraisal in accordance with Section 7.2 of the report to consider the future of the other facilities on site. Future work associated with this work beyond April 2023 to be funded from the UK Shared Prosperity Fund.
- D. That it be noted that the findings of the Options Appraisal shall be reported to a future meeting of the Leisure Procurement Committee, Cabinet and full Council.
- E. That SERCO catering staff be transferred to short term employment status within the Council, to be continued until such time as the future of the café is determined.

66 **UPDATE ON HOUSING REPAIRS SERVICE**

Consideration was given to the report of the Corporate Director of Transformation, Housing & Commercial Services, as contained on pages 607 to 618 of the Book of Reports, which provided an update on the repairs contract and seek Council approval of proposed amendments.

- RESOLVED:
- A. That the information in the report be noted.
 - B. That the variations to the terms of the contract, set out in paragraph 4.2 of the report, be approved.
 - C. That the variations to the contract outlined above and the implications to the contractor, set out in paragraph 4.3 of the report, be noted.
 - D. That the expected budget pressure in 2022/23 as a result of the recommendations above be noted and that this shall be contained within the overall 2022/23 HRA.
 - E. That delegated authority be given to the Corporate Director of Transformation, Housing and Resources, in consultation with the portfolio holder for Housing, to take all necessary actions to deliver these changes and to make a decision on all annual business cases submitted by the contractor.

67 **PROPOSED SALE OF LAND**

Consideration was given to the report of the Corporate Director of Transformation,

Housing & Resources, as contained on pages 619 to 624 of the Book of Reports, which sought approval to dispose of land shown edged on the plan attached to the report.

- RESOLVED: A. That authority is granted to the Director of Transformation, Housing and Resources to take all necessary steps to prepare the site for sale as shown on the plan at Appendix A to the report.
- B. That the sale of the land to Mechan Controls 14-16 Seddon Place, Skelmersdale be approved for the agreed value, subject to 32% clawback payable to Homes England.

.....
THE MAYOR

LICENSING & APPEALS COMMITTEE

HELD: Tuesday, 6 December 2022

Start: 7.00 pm

Finish: 10.45 pm

PRESENT:

Councillor: G Johnson (Chairman)
J Mee (Vice Chairman)

Councillors: S Patel
I Eccles
J Gordon
J Monaghan
P O'Neill

T Aldridge
N Furey
L Gresty
M Nixon

Officers: Paul Charlson, Head of Planning & Regulatory Services
Samantha Jordan, Senior Licensing Officer
Michaela Murray, Senior Licensing Officer
Kay Lovelady, Legal & Democratic Services Manager
Kirsty Breakell, Democratic Services Officer
Andrew Smith, Legal Assistant
Claire Kelly, Principal Solicitor and Deputy Monitoring Officer

1 APOLOGIES

There were no apologies for absence received.

2 MEMBERSHIP OF THE COMMITTEE

There were no changes to the Membership of the Committee.

3 URGENT BUSINESS

There were no urgent items of business.

4 DECLARATION OF PARTY WHIP

There were no declarations of Party Whip.

5 DECLARATION OF INTEREST

Councillor Suresh declared a non-pecuniary interest in relation to Agenda Item 9 – Application for Private Hire Driver Licence – WK/000276073, as the Applicant was known to him and therefore left the Chamber during consideration of this item.

6 MINUTES OF SUB - COMMITTEES OR WORKING GROUPS

There were no minutes to receive.

7 **MINUTES**

RESOLVED: That the minutes of the meeting held on 4 October 2022, be agreed as a correct record and signed by the Chairman.

8 **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 it involves the likely disclosure of exempt information as defined in paragraph 2 (Identity of an individual) and Paragraph 7 (Criminal Matters) part 1 of Schedule 12A outweighs the public interest in disclosing the information.

9 **PRIVATE HIRE DRIVER-DETERMINATION OF EXISTING LICENCE - WK/000276073**

Members were asked to determine an existing licence for a Private Hire Driver Licence, reference number WK/000276073, having regard to offences recorded against the Driver.

RESOLVED: That Private Hire Driver Licence, reference number WK/000276073 be given a FORMAL WRITTEN WARNING

(Note: The Officers from Place & Community Services left the meeting whilst Members considered their decision)

10 **PRIVATE HIRE DRIVER-DETERMINATION OF EXISTING LICENCE - WK/000274061**

Members were asked to determine an existing licence for a Private Hire Driver Licence, reference number WK/000274061, having regard to offences recorded against the Driver. The Private Hire Driver was represented by their Solicitor.

RESOLVED: That Private Hire Driver Licence, reference number WK/000274061 be REVOKED WITH IMMEDIATE EFFECT.

(Note: The Officers from Place & Community Services left the meeting whilst Members considered their decision)

11 **PRIVATE HIRE DRIVER -DETERMINATION OF EXISTING LICENCE - WK/000275730**

Members were asked to determine an existing licence for a Private Hire Driver Licence, reference number WK/000275730, having regard to offences recorded against the Driver.

RESOLVED: That Private Hire Driver Licence, reference number WK/000275730 be given a FORMAL WRITTEN WARNING

(Note: The Officers from Place & Community Services left the meeting whilst Members considered their decision)

12 **APPLICATION FOR PRIVATE HIRE DRIVER LICENCE - WK/000274785**

Members were asked to consider an application for a Private Hire Diver Licence, reference number WK/000274785, having regard to offences recorded against the Driver. The Applicant was represented by their Solicitor.

RESOLVED: That the Application for a Private Hire Driver Licence, reference number WK/000274785 be GRANTED.

(Note: The Officers from Place & Community Services left the meeting whilst Members considered their decision)

13 **APPLICATION FOR PRIVATE HIRE DRIVER LICENCE - WK/000273770**

Members were asked to consider an application for a Private Hire Diver Licence, reference number WK/000273770, having regard to offences recorded against the Driver.

RESOLVED: That the Application for a Private Hire Driver Licence, reference number WK/000273770 be REFUSED.

(Note: The Officers from Place & Community Services left the meeting whilst Members considered their decision)

.....
Chairman

PRESENT:

Councillors: A Yates (Chairman)
R Molloy (Vice-Chairman) I Davis
J Finch D Westley
D Whittington

Officers: James Pierce, Head of Finance, Procurement and Commercial Services
Simon Peet, Corporate Finance Manager (Deputy S151)
Claire Kelly, Principal Solicitor and Deputy Monitoring Officer
Jacky Denning, Democratic Services Manager

20 **APOLOGIES**

There were no apologies for absence.

21 **MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillor Y Gagen and the appointment of Councillor J Finch for this meeting only, thereby giving effect to the wishes of the Political Groups.

22 **URGENT BUSINESS**

There were no urgent items of business.

23 **DECLARATIONS OF INTEREST**

There were no declarations of interests.

24 **MINUTES OF PREVIOUS MEETING**

RESOLVED: That the minutes of the meeting held on Tuesday 1 November 2022, be received as a correct record and signed by the Chairman.

25 **MEDIUM TERM FINANCIAL FORECAST (MTFF) 2023/24 TO 2025/26**

Consideration was given to the report of the Head of Finance, Procurement & Commercial Services, as contained on pages 83 to 102 of the Book of Reports, which presented the updated Medium-Term Financial Forecast (MTFF) for 2023/24 to 2025/26 and the latest forecast budget gap for the three years of £1.505m, comprising £0m in 2023/24; £0.751m in 2024/25; and £1.504m in 2025/26, and set out the reserves position as at 31 March 2022 and forecast to 2025/26, including the annual budget setting process for 2023/24.

The Committee was advised that:

- Pension fund in a favourable situation

- NNDR Base
- Funding settlement not received yet
- the officer's budget growth bids were still being looked at and that proposals would be considered in January 2023.

Comments and questions were raised in respect of the following:

- Discussions in relation to savings/revenue generation
- Insurance reserve figures
- Centralising operational budgets
- Shared services examples
- Fees & charges
- Review of carparking 2023/24 financial year
- Collaborative working
- That the focus is to retain current services
- Council Tax increase
- Social responsibility

The Chairman advised that the matter raised at the last meeting in respect of the ability to spread Council Tax payments over a 12-month period was available to residents.

- RESOLVED:
- A. That the latest Medium-Term Financial Forecast (MTFF) for 2023/24 to 2025/26 be noted.
 - B. That the latest reserves position as at 31 March 2022 and forecast to 2025/26, be noted.
 - C. That the annual budget setting process for 2023/24 be noted.
 - D. That it be noted that insurance figures would be circulated to Members of the Committee when they became available.
 - E. That an item be included on a future agenda in relation to Shared Service options that have been or are being considered.
 - F. That a list of fees and charges be considered at the next meeting of the Committee for consideration.

26 **WORK PROGRAMME**

Consideration was given to the Committee's 2023 Work Programme as set out on page 81 of the Book of Reports.

RESOLVED: That the Committee Work Programme 2023 be agreed.

.....
Chairman

LEISURE PROCUREMENT COMMITTEE

HELD: Wednesday, 11 January 2023

Start: 7.00 p.m.

Finish: 8.20 p.m.

PRESENT:

Councillor: D Westley (Chairman)
C Coughlan (Vice-Chairman)

Councillors: R Bailey
Y Gagen A Owens

Officers: Simon Kirby – Interim Head of Wellbeing and Place
Rebecca Connick – Leisure Partnership Manager
Tom Dickinson – Principal Solicitor
Jennifer Lunn – Senior Legal Executive/Assistant Solicitor
Catherine Kirwan – Procurement Manager
Jill Ryan – Principal Democratic Services Officer

In attendance: Peter Curtis – Hadron Consulting
Seb Rowe – Alliance Leisure

11 APOLOGIES

There were no apologies for absence received.

12 MEMBERSHIP OF THE COMMITTEE

There were no changes to the membership of the Committee.

13 URGENT BUSINESS

There were no items of urgent business received.

14 DECLARATIONS OF INTEREST

There were no Declarations of Interest received.

15 MINUTES

RESOLVED: That the minutes of the last meeting held on the 2 November 2022 be received as a correct record.

16 DATE OF NEXT MEETING

RESOLVED: That the date of the next meeting as scheduled was the 15 February 2023 at 7.00pm.

17 EXCLUSION OF PRESS AND PUBLIC

RESOLVED: That under Section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of

the following items of business on the grounds that it involves the likely disclosure of exempt information as defined in paragraph 3 of Part 1 of Schedule 12A of that Act and as, in all the circumstances of the case, the public interest in maintaining the exemption under Schedule 12A outweighs the public interest in disclosing the information.

18 UPDATE ON BEACON PARK

The Interim Head of Wellbeing and Place gave an update on progress in respect of Beacon Park.

Comments and questions were received in respect of the following:

- With purdah now coming into effect with the forthcoming Parliamentary By-Election would this effect this project.
- With regard to the sole golf operation and a date for consultation on this.
- Whether contact had been made with Wigan Council in relation to the Beacon itself as it was felt that this should be included when going out to consultation. Members were informed that the Economic Development and Regeneration Manager was already working on this and that a report would come back to a future meeting of this Committee.

RESOLVED: That the update be noted.

19 UPDATE ON NEW FACILITIES PROJECT

The Interim Head of Wellbeing and Leisure introduced Peter Curtis from Hadron Consulting and Seb Rowe from Alliance Leisure who gave a joint presentation on the new facilities project.

The presentation outlined the progress made on both schemes and opportunity was given to members of the Committee to ask questions.

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

- Family Hub Model
- It was stressed that consultation was really important for shared usage of the proposed new builds.
- Work around involving schools in the design of the building and other key partners was important.
- It was envisaged at the outset that the existing building and half of the existing car park would go back to green space and the potential for flooding issues was raised.
- A wildflower area should be included in the planning application when submitted.
- Size of the proposed new pools and number of fitness stations.
- Energy requirements and heat source.

- The use of air sourced heating pumps and complications arising from their use and the energy costs associated with them.
- Use of solar power.
- It was noted that a financial implications report would come back as a stand-alone item on energy costs
- A question was asked in respect of the balcony proposed for the Skelmersdale build as this was no longer showing on the plan.
- Immersive spin zone, very popular and important to have in the new builds.
- The investment from Central Government.
- Burscough Site – important this work progressed and a café option to be looked at moving forward.

RESOLVED: A. That the update be noted

- B. That Peter Curtis and Seb Rowe be thanked for a very informative update.

20

OPTIONS FOR OPERATING AND MAINTAINING EXISTING LEISURE FACILITIES IN ORMSKIRK, SKELMERSDALE AND BURSCOUGH.

The Interim Head of Wellbeing and Leisure introduced his report the purpose of which was to provide Cabinet and Council with an update on the revised leisure centre operator approach following the Council meeting held 15 December 2021. The report also highlighted key information concerning the proposed alternative leisure centre operator strategies following an Officer led optional appraisal. It also contained a cost forecast for each of the alternative leisure centre operator strategies.

Members of the Committee were asked to consider the findings in the report and that any agreed comments be forwarded to Cabinet in advance of the Cabinet meeting on the 24th January 2023.

Comments and questions were raised in respect of the following:

- Generally, in favour of Option A.
- Short term contracts could be problematic.
- Struggle to get staffing on a casual basis i.e. pool attendants, life-guards
- Repair costs, current buildings have deteriorated
- Opening the centres up to groups who previously wouldn't have had the opportunities and the community connection. Crucial to engage with new clubs and bringing them on board.
- At present no swimming club operating at Nye Bevan.
- Importance of sports development.
- Implementation of a café in the Burscough Sports Centre and placed at the front for the community to see and engage with it.
- Use of the trust legacy funding for the Burscough Sports Centre. This needed to be used to buy something and not used for repairs on the Burscough Sports Centre.

In conclusion Members were keen for Officers to explore implications to set up a Local Authority Trading Company for Leisure to maximise benefits to the Council and community including savings against National Non Domestic Rates – this operating model would need to be reviewed by Leisure Management Committee initially prior to any formal report to Cabinet/Council.

RESOLVED: A. That the following agreed comment be reported back to Cabinet

"That Option A be the preferred option."

- B.** That the Interim Wellbeing and Leisure Manager and the Leisure Partnership Manager be thanked for all their hard work on this.

.....
Chairman

PLANNING COMMITTEE

HELD: Thursday, 19 January 2023

Start: 7.00 p.m.

Finish: 8.00 p.m.

PRESENT:

Councillor: Councillor Finch (Acting Chairman)

Councillors:	M Anderson	K Mitchell
	A Fennell	G Owen
	A Fowler	E Pope
	P Hogan	J Thompson
	J Howard	D Westley
	J Gordon	Mrs M Westley

In attendance: Councillor K Jukes (Wrightington Ward)

Officers: Steve Faulkner – Planning Services Manager
Kate Jones – Planning Services Team Leader
Nicola Cook – Principal Planning Officer
Judith Williams – Assistant Solicitor
Jill Ryan – Principal Democratic Services Officer

48 APOLOGIES

There were no apologies received.

49 MEMBERSHIP OF THE COMMITTEE

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillors D O'Toole, A Blundell, G Johnson and Mrs J Witter and the appointments of Councillors D Westley, J Gordon, K Mitchell, and Mrs M Westley for this meeting only, thereby giving effect to the wishes of the Political Groups.

50 URGENT BUSINESS, IF ANY INTRODUCED BY THE CHAIRMAN

There were no urgent items of business received.

51 DECLARATIONS OF INTEREST

1. Councillor A Fennell declared a non-pecuniary interest in respect of planning applications 2022/0669/FUL and 2022/0670/FUL both relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick due to her being a member of the gyn facilities there.
2. In line with the Officer Code of Conduct, the Planning Services Manager (Steve Faulkner) and the Planning Services Team Leader (Kate Jones) declared non-pecuniary interests in relation to application numbers

2022/0669/FUL and 2022/0670/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick. The Planning Services Manager is a member of the gym, and the Planning Team Leader is a close acquaintance of the owner.

52 **DECLARATIONS OF PARTY WHIP**

There were no Declarations of Party Whip.

53 **MINUTES**

RESOLVED: That the minutes of the meeting held on the 24 November 2022 be approved as a correct record and signed by the Chairman.

54 **PLANNING APPLICATIONS**

Consideration was given to the report of the Corporate Director of Place and Community as contained on pages 235 to 325 of the Book of Reports and on pages 327 to 331 of the Late Information Report.

(Notes:

1. Councillor Fennell had declared a non-pecuniary interest in respect of planning applications 2022/0669/FUL and 2022/0670/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick and therefore did not take part in the decision-making process.
2. The Planning Services Manager and the Planning Team Leader had declared non-pecuniary interests in respect of planning applications 2022/0669/FUL and 2022/0670/FUL both relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick and therefore did not take part in the decision-making process.
3. Councillor Katie Jukes spoke in connection with planning application 2021/0684/FUL relating to the South West Lancs Pistol Club, Farley Lane, Roby Mill, Up Holland.)

55 **2022/0827/FUL - EDEN TEA ROOM AND GALLERIES, COURSE LANE, NEWBURGH, WIGAN, LANCASHIRE**

The Corporate Director of Place and Community submitted a report on planning application number 2022/0827/FUL relating to Eden Tea Room and Galleries, Course Lane, Newburgh.

RESOLVED: That planning application 2022/0827/FUL relating to Eden Tea Room and Galleries, Course Lane, Newburgh be approved subject to the conditions and reasons as set out on pages 248 to 252 of the Book of Reports and with the amendments to Condition 2 and Condition 3 as set out below:

Amended Condition 2

Within one month of the date of this permission, details of an appropriate automatic noise control device fitted to all amplified sound equipment shall be submitted to the Local Planning Authority. The approved device shall be fitted to all power outlets to the premises (i.e., to the main distribution unit). The approved scheme shall be implemented in its entirety within one month of the date of its approval and the equipment shall be maintained and remain operational at all times.

Reason:

To safeguard the amenity of adjacent properties and the area generally and so comply with the provisions of Policy GN3 in the adopted West Lancashire Local plan 2012-2027 Development Plan Document.

Amended Condition 3

Within one month of the date of this permission, an Operational Noise Management Plan shall be submitted in writing to the Local Planning Authority for approval. The plan shall include but not be limited to the measures required to control and minimize noise associated with the operation of the premises to ensure that the noise output from the premises is controlled so as not to cause disturbance and shall also contain appropriate contact details in the event of any complaints. Within one month of the date of that approval, the approved Operational Noise Management Plan shall be implemented at all times thereafter.

Reason:

To safeguard the amenity of adjacent properties and the area generally and so comply with the provisions of Policy GN3 in the adopted West Lancashire Local plan 2012-2027 Development Plan Document.

56 **2022/0769/FUL - BUNGALOW FARM, HEATONS BRIDGE ROAD, SCARISBRICK**

The Corporate Director of Place and Community submitted a report on planning application number 2022/0769/FUL relating to Bungalow Farm, Heatons Bridge Road, Scarisbrick and with additional information as set out on pages 327 to 329 of the Late Information Report.

RESOLVED: That planning application 2022/0769/FUL relating to Bungalow Farm, Heatons Bridge Road, Scarisbrick be deferred once again for one cycle at the request of the applicant for further information on highways/access arrangements.

57 2022/0895/FUL - HOSCAR COTTAGE, HOSCAR MOSS ROAD, LATHOM

The Corporate Director of Place and Community submitted a report on planning application number 2022/0895/FUL relating to Hoscar Cottage, Hoscar Moss Road, Lathom.

RESOLVED: That planning application 2022/0895/FUL relating to Hoscar Moss Cottage, Hoscar Moss Road, Lathom be approved subject to the conditions and reasons as set out on pages 284 to 285 of the Book of Reports.

58 2021/0684/FUL - SOUTH WEST LANCS PISTOL CLUB, FARLEY LANE, ROBY MILL, UP HOLLAND, SKELMERSDALE

The Corporate Director of Place and Community submitted a report on planning application number 2021/0684/FUL relating to South West Lancs Pistol Club, Farley Lane, Roby Mill, Up Holland, Skelmersdale and additional information as set out on pages 329 to 331 of the Late Information Report.

RESOLVED: That planning application 2021/0684/FUL relating to South West Lancs Pistol Club, Farley Lane, Roby Mill, Up Holland be deferred to allow for a site visit to take place to enable consideration of issues raised in the Late Information Report.

59 2022/0669/FUL - HURLSTON HALL GOLF CLUB, HURLSTON LANE, SCARISBRICK, ORMSKIRK

The Corporate Director of Place and Community submitted a report on planning application number 2022/0669/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick.

This application had been withdrawn by the Applicant and was therefore not considered.

RESOLVED: That planning application 2022/0669/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick had been withdrawn by the Applicant and was not considered.

60 2022/0670/FUL - HURLSTON HALL GOLF CLUB, HURLSTON LANE, SCARISBRICK, ORMSKIRK

The Corporate Director of Place and Community submitted a report on planning application number 2022/0670/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick.

RESOLVED: That planning application 2022/0670/FUL relating to Hurlston Hall Golf Club, Hurlston Lane, Scarisbrick be approved subject to the condition and reason as set out on page 315 of the Book of

Reports and subject to the omission of lighting from the application.

61 2022/0894/FUL - 63 WESTERDALE DRIVE, BANKS, LANCASHIRE

The Corporate Director of Place and Community submitted a report on planning application number 2022/0894/FUL relating to 63 Westerdale Drive, Banks.

RESOLVED: That planning application 2022/0894/FUL relating to 63 Westerdale Drive, Banks be approved subject to the conditions and reasons as set out on pages 248 to 252 of the Book of Reports and with an amended Condition and Reason as set out below.

Amended Condition

Within two months of the date of this permission the fence, concrete posts and concrete base panels hereby permitted shall be dark stained in a brown colour and retained as such thereafter.

Reason:

In the interests of visual amenity and to ensure compliance with the provisions of Policy GN3 in the adopted West Lancashire Local Plan 2012-2027 Development Plan Document.

.....
Chairman

PRESENT:

Councillor: D Westley (Chairman)

Councillors: R Molloy D Whittington
A Yates

In attendance: Councillor J Howard (North Meols Ward)
Councillor A Owens (Derby Ward)
Mark Kitts, Chief Executive TVDL
Danielle Ashworth, TVDL

Officers: Chris Twomey, Corporate Director Transformation, Housing and
Resources
James Pierce. Head of Finance, Procurement and Commercial
Services
Kay Lovelady, Legal and Democratic Services Manager
Marc Taylor. Investments Project Advisor
Jill Ryan, Principal Democratic Services Officer

31 **APOLOGIES**

Apologies for absence were received on behalf of Councillor I Davis.

32 **MEMBERSHIP OF THE COMMITTEE**

In accordance with Council Procedure Rule 4, the Committee noted the termination of Councillor N Pryce Roberts and the appointment of Councillor R Molloy for this meeting only, thereby giving effect to the wishes of the Political Groups.

33 **URGENT BUSINESS**

There were no urgent items of business received.

34 **DECLARATIONS OF INTEREST**

Councillor D Westley declared a non-pecuniary interest in respect of agenda item 8, Presentation of TVDL Pipeline Development Opportunities and agenda item 9, Schemes for consideration of Future Viability, Fleetwood Farm and Mary Vale as Lancashire County Council were part land owners and Councillor Westley was a Member of Lancashire County Council.

35 MINUTES OF THE PREVIOUS MEETING

RESOLVED: That the minutes of the meeting held on the 27 October 2022 be received as a correct record.

36 WORK PROGRAMME / DATES OF FUTURE MEETINGS

Consideration was given to the Committee's Work Programme as set out on page 377 of the Book of Reports.

RESOLVED: That a meeting of the Tawd Valley Shareholders Committee be held on Wednesday 15 February 2023 at 7.00 p.m.

37 EXCLUSION OF PRESS AND PUBLIC

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

38 PRESENTATION OF TVDL PIPELINE DEVELOPMENT OPPORTUNITIES

The Committee received a presentation from Mark Kitts, Chief Executive of Tawd Valley Developments Limited.

The purpose of the presentation was to demonstrate to the Committee a viable pipeline of future development opportunities and seek early feedback in respect of the proposed schemes to assist the Council and the TVDL Board in assessing which schemes to explore further.

The Committee was advised the governance arrangements between the Council & TVDL already allow TVDL Board to approve expenditure up to a specific limit which allows further exploration of pipeline schemes to be undertaken.

The Committee was also advised that further reports will be presented to the Committee on an individual scheme basis for comment following which approval will be sought at full Council where appropriate.

The presentation was contained on pages 379 to 402 of the Book of Reports.

Comments and questions were raised in respect of the eight proposed sites and consideration was given to the following:

- The proposed development timetables and possibility to proceed via phased

development where appropriate;

- The number, type and size of proposed commercial units referenced on slides 6 & 7;
- Financial appraisals for each scheme;
- Potential for contamination issues on the sites;
- The site referenced in slide 14 & 15 - the Committee wished leisure issues to be investigated as part of the options appraisal process as the site may provide opportunities for a mix of leisure & housing.

RESOLVED: (A) That the Managing Director, Mark Kitts from Tawd Valley Developments Limited be thanked for his informative presentation.

(B) That subject to the issues raised in the meeting, the Committee had no in principle objection to the identified sites being developed subject to further detailed reports being brought back to the Committee following which agreed comments would be referred to Council for consideration as to whether approval be given to proceed with each development.

39 SCHEMES FOR CONSIDERATION OF FUTURE VIABILITY; FLEETWOOD FARM/ MARY VALE

The Committee decided that this item would not be discussed and was deferred to the next meeting of the TVDL Committee.

RESOLVED: That agenda item 9, relating to Schemes for Consideration of future viability; Fleetwood Farm and Mary Vale be deferred.

40 DRAFT COUNCIL REPORT - TAWD VALLEY DEVELOPMENTS - DRAFT BUSINESS PLAN

The Committee decided that this item would not be discussed and was deferred to the next meeting of the TVDL Committee.

RESOLVED: That agenda item 10, the draft Council Report – Tawd Valley Developments Business Plan be deferred.

41 UPDATE OF PROGRESS ON LOCAL PARTNERSHIP RECOMMENDATIONS

(Note: The Legal & Democratic Services Manager (Monitoring Officer) confirmed that Item 11 had been put in Part 2 in error and could now be considered in Part 1 as unlike previous reports on this topic there was no commercially sensitive information

contained within the report or appendix and as such it was no longer in the public interest that it be considered in private. Clarification was provided that although the report and appendix in the Agenda could now be considered in the public forum the Report from Local Partnerships that accompanied previous reports was still considered to be private and confidential and the contents of which should not be disclosed publicly).

Consideration was given to the report of the Corporate Director of Transformation, Housing and Resources as contained on pages 413 to 421 of the Book of Reports.

The purpose of the report was to provide an update on the progress that had been made on implementing the recommendations from the Local Partnership review of TVDL.

RESOLVED: That the update on progress be noted.

.....
Chairman

LICENSING & GAMBLING COMMITTEE

HELD: Tuesday, 7 February 2023

Start: 6.30 pm

Finish: 6.35 pm

PRESENT:

Councillor: N Furey (Chairman)

Councillors: T Aldridge
J Gordon
R Molloy
G Owen
I Eccles
G Johnson
J Monaghan

Officers: Paul Charlson, Head of Planning & Regulatory Services
Kay Lovelady, Legal & Democratic Services Manager
Andrew Smith, Legal Assistant
Lyndsey Key, Environmental Health Manager
Chloe McNally, Democratic Services Officer

1 APOLOGIES

There were no apologies received.

2 MEMBERSHIP OF THE COMMITTEE

There were no changes to the Membership of the Committee.

3 URGENT BUSINESS

There were no urgent items of business.

4 DECLARATION OF PARTY WHIP

There were no Declarations of Party Whip.

5 DECLARATION OF INTEREST

There were no Declarations of Interest.

6 MINUTES

RESOLVED: That the minutes of the meeting held on 4 October 2022 be held as a correct record and signed by the Chairman.

7 MINUTES OF SUB-COMMITTEES

There were no minutes to receive.

8 **APPROVAL OF REVISED SEX ESTABLISHMENT LICENSING POLICY**

Consideration was given to the report of the Corporate Director of Place and Community as contained on pages 65-124 of the Book of Reports, which sought approval of the revised Statement of Sex Establishment Licensing Policy.

RESOLVED: That the Statement of Sex Establishment Licensing Policy attached at Appendix 1 to the report is approved for publication on 8 February 2023 and to take effect from 8 March 2023.

.....
Chairman



COUNCIL: 22 February 2023

Report of: Corporate Director of Transformation, Housing, and Resources

Contact for further information: Ms. S Lewis (Extn. 5027)
(e-mail: sharon.lewis@westlancs.gov.uk)

SUBJECT: PAY POLICY STATEMENT 2023/24

Wards affected: Borough wide.

1.0 PURPOSE OF THE REPORT

- 1.1 To agree a Pay Policy Statement for 2023/24 detailing the Authority's policy on Workforce remuneration, as required by the Localism Act 2011 (the 'Localism Act').

2.0 RECOMMENDATIONS TO COUNCIL

- 2.1 That the Pay Policy Statement for 2023/24 attached at Appendix (i) be approved, published on the Council's website and included in the Constitution.
- 2.2 That the approval of any administrative updates following a pay award implementation or changes to pension contributions banding requirements during any particular year is delegated to the Corporate Director of Transformation, Housing and Resources in consultation with the portfolio holder for Human Resources.

3.0 BACKGROUND

- 3.1 The Localism Act 2011 refers to 'Pay Accountability' and sets out the requirements for Councils and Fire and Rescue authorities to prepare and publish annual pay policy statements. The pay policy statement must be approved by full Council, in advance of the financial year to which it relates.

- 3.2 The Council must publish the statement on the Council's website and may choose to expand the publication in other ways as part of its approach towards transparency. The pay policy statement must set out the Council's policies relating to:
- Chief Officer remuneration (at recruitment, salary, bonus/performance related pay, charges/fees/allowances, benefits in kind, enhancement to pension at termination),
 - Remuneration of its lowest paid employees (including elements as above), the definition used for this group and the reason for adopting that definition,
 - The relationship between Chief Officer Remuneration and that of other staff.
- 3.3 The Council may amend its pay policy statement during the year but must comply with the statement in force in making decisions on relevant remuneration.
- 3.4 The definition of Chief Officers is not limited to those on Chief Executive and Chief Officer Terms and Conditions (JNC Conditions). It means Heads of Paid Service, statutory and non-statutory Chief Officers and those who report directly to them.
- 3.5 The Localism Act 2011 sets out the minimum requirements and authorities are encouraged to consider whether they wish to extend the scope of their pay policy statement to include highly paid staff not within the definition of 'Chief Officers'. At West Lancashire the scope of the 'Chief Officer' definition means that it is not necessary to extend the definition.
- 3.6 The information set out within the Pay Policy Statement compliments the data on pay and reward that the Council is required to publish separately, under the Code of Recommended Practice for Local Authorities on Data Transparency and by the Accounts and Audit (England) Regulations and Local Government Transparency Code 2014. This is referred to on the Council's website.

4.0 GUIDANCE ON OPENNESS AND ACCOUNTABILITY IN LOCAL PAY

- 4.1 Under Section 40 of the Localism Act 2011 the Council must, when preparing and approving pay policy statements, have regard to any guidance issued or approved by the Secretary of State for Communities and Local Government. In February 2012, the Secretary of State issued guidance on openness and accountability in local pay setting out specific expectations including:
- Full council having the opportunity to vote on senior remuneration packages with a value over £100,000 prior to an offer being made in a new appointment.
 - Policies explaining the planned relationship between chief officers' remuneration and that of other staff and the ratio between the highest paid and the median salary that the authority aims to achieve or maintain.
 - Authorities considering Lord Hutton's recommendations on the value of a system of 'earn back' pay, with an element of their basic pay 'at risk', to be earned back each year through meeting pre-agreed objectives.

- Any decision that an authority takes in relation to the award of severance to an individual Chief Officer, complying with their published policy for that year.
- Authorities having an explicit policy in their pay statement on whether they permit an individual to be in receipt of a pension in addition to receiving a salary.
- Policies toward Chief Officers, who have returned to an authority and had received a severance or redundancy payment, returned under a contract for services or are in receipt of a LGPS / firefighter pension.

4.2 Additional supplementary guidance was issued in February 2013 which is summarised below:

- Pay Policy Statements are public documents to be used to hold Councillors to account on pay matters.
- The Pay Policy Statement should be published as soon as reasonably practicable after approval by full Council, it should include the Council's approach to the publication of and access to information on Chief Officer Remuneration.
- Building on existing guidance regarding the need for full Council approval for Senior Officer Appointments on salaries over £100,000, where Councils do not have posts within their structure of over £100,000, local salary thresholds should be set for full Council approval to senior officer appointments.
- There should be published policies on severance for Chief Officers and details of any redundancy payment discretions.
- Full Council should vote on large severance packages beyond a threshold of £100,000, the details should be set out to include all components of the severance, including salary paid in lieu, redundancy compensation, pension entitlement, holiday pay, bonuses, fees, and allowances.

5.0 CURRENT APPROACH – PAY POLICY STATEMENT

5.1 Members have been mindful for many years of ensuring that the remuneration available to the Chief Officers and senior managers within the Council is appropriate including in terms of ensuring the necessary skills are available to the Council.

5.2 The annual Pay Policy Statement provides information about the remuneration package offered by the Council to the Chief Officers within the structure. The salary ratio of highest paid and the average salary across the workforce and the Chief Officers is detailed in the policy statement.

5.3 Lord Hutton in his review of public sector pay, Fair Pay in the Public Sector, December 2010, recommended amongst several other things that the ratio between the lowest and highest paid officers within a public sector organisation should be no more than 1:20. With this recommendation in mind the Council is well within the boundaries of reasonable and appropriate pay differentials.

5.4 In producing the Pay Policy Statement, due consideration has been given to the guidance available and it is considered that the Pay Policy Statement presents a

fair and appropriate approach to senior officer remuneration across the Council, which also represents good value for money.

5.5 It is Council policy to pay an additional supplement to those Council employees not currently receiving 'a Living Wage Foundation living wage'. This wage level is currently £10.90 per hour (September 2022 figures) and however, this approach has been accounted for in the Pay Policy Statement 2023/24, as the lowest hourly rate payable by WLBC is £10.90, based on the current minimum salary point within the current pay grade, plus a supplement which is payable to officers paid on Spinal column points 1 and 2.

5.6 The current lower range spinal column points within the Council's pay structure are as noted below:

Spinal Column Point 1 - £10.79 Differential = £0.11 per hour supplement

Spinal Column Point 2 - £10.89 Differential = £0.01 per hour supplement

It should be noted that with effect from 1 April 2023, spinal column 1 will be deleted from the National Pay Spine. This was agreed as part of the April 2022 NJC pay award settlement.

5.7 Employees who are members of the Local Government Pension Scheme (LGPS) pay annual contributions into the Scheme based on a banding structure. The LGPS was amended with effect from 1 April 2014 and the current contribution bandings are incorporated into the Pay Policy 2022/23. These are details at the April 2022 rates and will be updated once new rates are applied as an administrative update of the policy.

5.8 The Pay Policy Statement contains the grade structure for the Council, following the National Joint Council 2018/19 two year pay award. The national salary scale is due for the next national award in April 2023 for NJC officers and July 2023 for JNC officers. However, these updated figures are not available at this current time. The pay policy will be updated to reflect the April 2023 pay awards when these outcomes are known in year. However, it is unlikely that the award, once agreed, will affect the grade structure, but will affect the actual annual salaries offered. Consequently, when the pay award negotiations have been settled the annual salaries figures and respective ratios will be amended and the Policy will be updated to reflect those revised annual salaries, as an administrative update to the policy.

6.0 SUSTAINABILITY IMPLICATIONS

6.1 The report acknowledges the need to be transparent and open about Chief Officer Pay arrangements. The Council has sought to make sure its pay arrangements ensure a suitably qualified and experienced set of Chief Officers are in place to deliver the Council's business, through appropriate remuneration at this senior level, whilst at the same time achieving value for money and being cognisant of the Council's objectives and budgetary circumstances.

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

7.1 The proposed Pay Policy Statement itself will not have any direct effect on the budgetary position of the Council as it encapsulates the current arrangements in relation to Pay and Conditions of its employees.

8.0 RISK ASSESSMENT

8.1 The annual publication of a pay statement is a statutory / regulatory requirement.

9.0 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications arising from this report.

Background Documents

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

Equality Impact Assessment

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

Appendices

Appendix (i) - Pay Policy Statement 2023/24
Appendix (ii) - Equality Impact Assessment

PAY POLICY STATEMENT 2023/24 (Revised February 2023)**1. Introduction and Purpose**

Under section 112 of the Local Government Act 1972, the Council has the “power to appoint officers on such reasonable terms and conditions as the authority thinks fit”. This Pay Policy Statement (the ‘statement’) sets out the Council’s approach to pay policy in accordance with the requirements of Section 38 of the Localism Act 2011.

The purpose of the statement is to provide transparency with regard to the Council’s approach to setting the pay of its employees by identifying.

- the methods by which salaries of all employees are determined.
- the details of the remuneration of its most senior staff i.e., ‘chief officers’, as defined by the relevant legislation.
- the relationship between the remuneration of its Chief Officers and other employees

This pay policy statement is effective from 1 April 2023 and will be subject to review on an annual basis, or earlier if required, the policy for the next financial year being approved by 31st March each year.

The current pay line is detailed at Appendix A.

2. Other legislation relevant to pay and remuneration

In determining the pay and remuneration of all its employees, the Council will comply with all relevant employment legislation. This includes legislation such as, but not exclusively, the Equality Act 2010, Part Time Employment (Prevention of Less Favorable Treatment) Regulations 2000 and where relevant, the Transfer of Undertakings (Protection of Earnings) Regulations. The Council ensures there is no pay discrimination within its pay structures and that all pay differentials can be objectively justified through the use of job evaluation mechanisms, which directly establish the relative levels of posts in grades according to the requirements, demands and responsibilities of the role.

3. Pay Structure

The Council uses the nationally negotiated pay spine(s) (i.e., a defined list of salary points) as the basis for its local pay structure, which determines the salaries of the large majority of its workforce together with the use of locally determined rates where these do not apply.

The Council’s pay scales range from Scale 1 to WLa. Scales 1 to PO4 are in line with the National Pay Spine and senior managers on Grades SM1 to WLa are on a locally determined pay spine. Full details are shown in the Appendices A. Variable additional payments may also be made as appropriate in line with the terms and conditions of employment, which completes the total remuneration package.

The Council pays an additional supplement to those Council employees not currently receiving the Living Wage Foundation ‘living wage’ (currently an hourly rate of £10.90). This equates to the current spinal column point 1 and 2 on the Council’s

pay scale and consequently an additional supplement is required on the hourly rates paid on these spinal column points.

The Council adheres to the national pay bargaining arrangements in respect of the establishment and revision of the national pay spine, for example through any agreed annual pay increases negotiated with joint trade unions. All other pay related allowances are the subject of either nationally or locally negotiated rates, having been determined from time to time in accordance with collective bargaining machinery.

At the time of writing, it should be noted that the NJC pay scale is due to have an annual pay review. The pay award is due 1 April 2023.

Once the outcome is known and the pay award is agreed, the spinal column points noted above will be amended and any amendments will be made to the Pay Policy Statement after this date.

Consequently, whilst there is at present, a differential of up to 11 pence at the lowest point on the scale, this actual difference between the scp's 1 and 2 and the Foundation Living Wage hourly rate of £10.90, will change once the pay award is applied to the pay spine.

The differential amounts are noted below:

Spinal Column Point 1 - £10.79 Differential = £0.11 per hour

Spinal Column Point 2 - £10.89 Differential = £0.01 per hour

It should also be noted that with effect from 1 April 2023, spinal column point 1 will be removed from the NJC spay spine and also from the Council's grade structure. This following an agreement made as part of the April 2022 pay award settlement.

In determining its grading structure and setting remuneration levels for any posts which fall outside the scope of the national pay spine, the Council takes account of the need to ensure value for money in respect of the use of public expenditure, balanced against the need to recruit and retain employees who can meet the requirements of providing high quality services to the community, delivered effectively and efficiently and at times at which those services are required.

New appointments will normally be made at the minimum of the relevant pay scale for the grade, although this can be varied where necessary to secure the best candidate. Where the appointment salary is above the minimum point of the pay scale and is not affected by other council policies, for example promotion, redeployment, or flexible retirement, this is approved in accordance with the Scheme of Delegation, contained in the Council's constitution, available on the Council's website.

From time to time, it may be necessary to take account of the external pay levels in the labour market to attract and retain employees with experience, skills, and capacity. This may lead to the payment of a market supplement or retention payment. Where necessary, the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and

outside, as appropriate.

Any temporary supplement to the salary scale for the grade for this purpose is approved in accordance with the locally agreed Market Premia and Retention Payments detailed in the local conditions of service. A decision in relation to any payment of this nature is delegated to the Chief Operating Officer except for officers on JNC Chief Officer terms and conditions which must be determined by the Council.

The Council also employs a number of Apprenticeships throughout the various services. These are paid in line with National Minimum Wage rates for age. These rates do not form part of the overall grading structure for the Council and are presently as detailed below (6 April 2023 figures):

Hourly rate	Apprenticeship Age Rate
£5.28	Age under 18 years
£7.49	Age 18 – 20
£10.18	Age 21 -23
£10.42	Age over 23 years

These national apprenticeship rates are not included in the pay ratios as they are not part of the Council's pay scale structure.

4. Definitions

The Localism Act refers to the position of Chief Officer, which is defined as:

- Head of Paid Service designated under Section 4(1) of the Local Government & Housing Act (LGHA) 1989
- Monitoring Officer designated under section 5(1) of the LGHA 1989
- Statutory Chief Officer mentioned in section 2(6) of the LGHA 1989
- Non statutory Chief Officers mentioned in section 2(7) of the LGHA 1989
- A Deputy Chief Officer mentioned in Section 2(8) of the LGHA 1989

Within the Council structure this includes the following posts:

Chief Operating Officer, Corporate Director of Place & Community, Corporate Director of Transformation, Housing & Resources, Head of Planning & Regulatory Services, Head of Wellbeing & Place, Head of Environmental Services, Head of Housing Services, Head of Finance, Procurement & Commercial Services and Head of Corporate & Customer Services and Legal & Democratic Services Manager which also assumes the role of Monitoring Officer for the Council.

There are a further series of posts which fall within the definition of Chief Officer by virtue of being “Deputy Chief Officers” i.e., via reporting lines, which have not been specifically listed here but are within the salaries range from PO1 to WLe.

“Lowest Paid Employees” – see Para 14.

5. Terms and Conditions of Employment

There are three posts on JNC Chief Officer terms and conditions of employment are the Chief Operating Officer, Corporate Director of Place & Community and Corporate Director of Transformation, Housing & Resources. All other posts within the Council are employed in accordance with National Joint Council (NJC) terms and conditions for Local Government Services.

Both two groups of officers are subject to any local variations adopted by the Council and detailed in its policy and procedures.

Where the Council is unable to recruit chief officers, or there is a need for interim support to provide cover for a substantive chief officer post, the Council will, where necessary, consider engaging individuals under a contract for service. These will be sourced through a relevant procurement process ensuring the Council is able to demonstrate the maximum value for money benefits from competition in securing the relevant service. In assessing such it should be noted that in respect of such engagements the Council is not required to make either pension or national insurance contributions for such individuals.

The Council does not currently have any chief officers engaged under such arrangements.

6. Recruitment

The Council's policy and procedures with regard to the recruitment of Chief Officers on JNC Terms and Conditions is set out within the Officer Employment Procedure Rules as set out in Part 13.2 of the Council's Constitution.

When recruiting to all posts the Council will take full and proper account of all provisions of relevant employment law and its own Equality in Employment, Recruitment and Selection and Redundancy and Redeployment Policies as approved by Council.

The relevant policies are:

Recruitment

- Recruitment Advertising protocols
- Recruitment and Selection (see Chief Officer Appointment details by Committee referred to in paragraph 16 below)
- Secondment Policy
- Staff Recruitment Incentive Scheme - guidance

Redundancy and redeployment

Organisational Change Scheme

The determination of the remuneration to be offered to any newly appointed Chief Officer will be in accordance with the pay structure and relevant policies in place at the time of recruitment.

With effect from 1 April 2021, the Council introduced a mandatory 2-year gap from when a former employee exits the Council on the ground of voluntary redundancy to when they may be re-engaged in the employment of the Council or engaged as an agency placement or on a contract for service. This is applied across all grades for both NJC and JNC staff and do not take account of whether or not a pension is payable.

There is an exemption to this for emergency situations when former employees may need to be brought back into the employment of the Council on short, fixed term contracts in view of their specialist skills. However, this would be subject to the direct approval of the Chief Operating Officer, in consultation with the Portfolio holder for Human Resources.

Other relevant HR Policies and Procedures

This Pay Policy Statement should be read in conjunction with the following policies on paid terms and conditions as appropriate:

Conditions of service

Joint Negotiating Committee (JNC) for Chief Officers of Local Authorities
 National Joint Council (NJC) for Local Government Services
 Harmonisation and single status: local conditions of service document

Family-friendly documents

Childcare Vouchers - parent information
 Paternal and Maternity Policy

Retirement

Ill-Health Retirement Policy
 Flexible Retirement Policy

Training and Development

Training & Development Strategy
 Staff Development Appraisal Scheme
 Post-Entry Training Policy

All the above Policies are available on the Council's intranet or from the Human Resources & Organisational Development Team.

7. Additions to Salary of Chief Officers

The Council does not apply any bonuses or performance related pay to its Chief Officers. Any changes in duties would be covered in the Harmonisation and Single Status Document.

8. Chief Operating Officer - Remuneration

The current Senior Management structure was approved by the scheme of delegation to the Chief Operating Officer in January 2022. The revised structure became effective from 1 April 2022. The post of Chief Operating Officer remains designated the Head of the Paid Service and Returning Officer.

The post is paid at grade WLa on the attached Appendix A. This is a spot salary and carries no additional annual increments.

Returning Officer fees are based upon a fee calculated periodically by the Cabinet Office, with the fee being based on a sum of money multiplied per every 10,000 of electorate. The Council pays the fees for the local election while the fees for other elections, such as Parliamentary and County Council, are paid for externally.

9. Corporate Directors - Remuneration

There are two posts of Corporate Director reporting to the Chief Operating Officer:

Corporate Director of Place & Community - WLb

Corporate Director of Transformation, Housing & Resources–WLb

The Grade for these posts is at WLb as indicated above and detailed on the attached Appendix A. There is a spot salary for this grade, which carries no additional annual increments.

10. Other Heads of Service – Remuneration

There are six further posts of Head of Service. The first 4 are noted below:

Head of Planning & Regulatory Services,
Head of Wellbeing & Place,
Head of Environmental Services,
Head of Corporate & Customer Services.

The Grade for these posts is WLe, which is a 3-increment grade. Progression through the grade occurs through the payment of an additional annual increment on 1 April each year, up to the maximum spinal column point in each grade range.

The fifth and sixth head of services are:

Head of Finance, Procurement and Commercial Services (Section 151),
Head of Housing Services.

The Grade for these posts is WLd, which is a 3-increment grade. Progression through the grade occurs through the payment of an additional annual increment on 1 April each year, up to the maximum spinal column point in each grade range.

11. Other 'Chief Officer' posts as defined within the Localism Act

There are a further series of posts which fall within the definition of Chief Officer by virtue of being “Deputy Chief Officers” i.e., via reporting lines, which have not been specifically listed here but they are in the salary grade range from PO1 to WLe.

Of note the following post, which is the designated Monitoring Officer, and is a member of the Corporate Management Team, for the Council:

Legal & Democratic Services Manager

This role is graded SM3, which is a 3-increment grade. Progression through the grade occurs through the payment of an additional annual increment on 1 April each year, up to the maximum spinal column point in each grade range.

12. Payments on Termination

The Council’s approach to statutory and discretionary payments on termination of employment of chief officers and other groups of staff, prior to reaching normal retirement age, is set out within its Organisational Change Scheme, in accordance with Regulations 5 and 6 of the Local Government (Early Termination of Employment) (Discretionary Compensation) Regulations 2006 and the Local Government Pension Scheme (LGPS) (Transitional Provisions, Savings and Amendment) Regulations 2014.

Any payments falling outside these provisions or the relevant periods of notice within the contract of employment or £100,000 or more shall be subject to a formal decision made by full Council.

With effect from 1 April 2016 regulations included in the Small Business, Enterprise and Employment Act 2015 were planned to be introduced for the recovery of termination payments paid to high earning public sector employees. Under these rules, public sector employees will be required to repay a tapering proportion of a ‘qualifying exit payment’, if they return to the public sector within a period of 12 months and earn an annual salary of £80,000 or more. Currently these regulations have not been brought in, but when they are the Council will apply them as appropriate.

However, with the presence of the mandatory 2 Year Gap for re-engagement into a contract for employment or service with the Council for any officer who exits the Council’s employment via Voluntary Redundancy, should mean the potential for needing to consider this will be limited.

13. Publication

This statement will be published on the Council’s website and intranet. In addition, for Senior Officer Posts where the full-time equivalent salary is at least £50,000, the Council’s Annual Statement of Accounts will include a note setting out the total amount of

- salary, fees, or allowances paid to or receivable by the person in the current and previous year.
- any bonuses so paid or receivable by the person in the current and previous year.
- any sums payable by way of expenses allowance that are chargeable to UK income tax.

-
- any compensation for loss of employment and any other payments connected with termination.
 - Any benefits received that do not fall within the above.

The information set out within this pay policy statement compliments the data on pay and reward that the Council is required to publish separately under the Accounts and Audit (England) Regulations 2011 and Local Government Transparency Code 2014. This data includes all Senior Officers on a Salary more than £50,000 p.a.

14. Lowest Paid Employees

The lowest paid persons employed under a contract of employment with the Council are employed on full time 36 hours equivalent salaries in accordance with the minimum spinal column point currently in use within the Council's grading structure. This excludes Apprenticeships, which are paid in line with National minimum wage rates for age and do not form part of the Council's pay scale structure.

The National Joint Council (NJC) pay spine applied by the Council to its grading structure, ranges from Spinal Column Point (Scp) 1, £20,258 and Scp 43 £49,590 p.a. as of 30 November 2022.

Please note that the April 2023 national pay award is still outstanding, so the annual salaries have not been uplifted since April 2022, at the time of writing.

The lowest paid grade applied to any Council post is grade Scale 1 which is paid at Scp 1 on a grade Scp 1 to scp 3, on the NJC pay spine, with annual incremental progression. These spinal column points are currently supplemented by the voluntary living wage supplement, raising the annual salary for spc's 1 and 2 to £20,461 pa. for a full time (FTE) employee, with effect from 1 December 2022. It should be noted that this uplift is not included in ratios or averages in para 15, due to the base data for these calculations being 30 November 2022.

The relationship between the rate of pay for the lowest paid and Chief Operating Officer and Chief Officers is determined by the processes used for determining pay and grading structures as set out earlier in this policy statement.

As part of its overall and ongoing monitoring of alignment with external pay markets, both within and outside the sector, the Council will use available benchmark information to ensure that our pay rates are fair, affordable, and competitive in the marketplace.

15. Ratio of Salary Differences

Ratio calculation need to be based on salary point and actual remuneration. The ratio calculations are based on salaries on 30 November 2022.

The full pay spine for 2022 is detailed at Appendix A and is pending the 1 April 2023/24 national pay awards.

The lowest paid employee of the Council is someone employed on Scp 1 on the NJC pay spine within Scale 1. The average annual salary for this grade, not including the voluntary living wage supplement would be £20790.

The Chief Operating Officer and Chief Officer range of salaries (as defined in this policy) spans a minimum of local Scp 53 to 71. This provides an annual mean average Chief Officer salary of £73,194. Consequently, the Chief Officer to lowest paid salary mean average is a ratio of 1:3.52 (or 1:3.85 when expressed as a ratio of total remuneration). This calculation is based on the salaries for Chief Operating Officer and Corporate Directors and Heads of Service only.

Using the wider definition of Chief Officer including those that could be considered Deputy Chief Officers by virtue of reporting lines would provide a grade range from Scp 29 to 71. This provides a mean average Chief Officer salary of £44,682 creating a ratio of 1:2.15 (or 1:2.33 when expressed as a ratio of total remuneration).

The highest salary paid in the Council is £100,480 p.a. This compares to a median average salary of £26,845p.a. which is a ratio of 1:3.74 (or 1:3.84 when expressed as a ratio of total remuneration). This is well within the recommendations put forward in the Hutton report, Fair Pay in the Public Sector, September 2010, which suggested no more than a ratio of 1:20.

16. Accountability and Decision Making

In accordance with the Constitution of the Council, the following Committees are responsible for decision making in relation to the recruitment, pay, terms and conditions and severance arrangements in relation to employees of the Council:

Recruitment and Dismissal of Head of Paid Service, Chief Officers, and Deputy Chief Officers - Where the Council proposes to appoint and it is not proposed that the appointment be made exclusively from among their existing officers, it will do so as outlined below:

Appointment of Head of Paid Service - The full Council must approve the appointment of the Head of Paid Service before an offer of appointment is made to him/her following the recommendation of such an appointment by the Chief Officers Committee. That Committee will include at least one member of the Cabinet.

Appointment of Chief Officers employed on JNC Terms and Conditions - The Chief Officers Committee will appoint these officers. That Committee will include at least one member of the Cabinet.

Other appointments - Appointment of officers below this level is the responsibility of the Head of Paid Service or his/her nominee and may not be made by Councillors.

Disciplinary Action - Head of Paid Service - The full Council must approve the dismissal of the Head of the Paid Service before notice of dismissal is given to him/her, following the recommendation of such dismissal by the Investigating Committee. That Committee will include at least one member of the Cabinet.

Disciplinary Action - Dismissal of Chief Officers employed on JNC Terms and Conditions - The Investigating Committee will be responsible for the dismissal of Chief Officers employed on JNC Terms and Conditions and the Section 151 Officer and Monitoring Officer. That Committee will include at least one member of the Cabinet.

Disciplinary Action - Further Provisions – Suspension - The Head of Paid Service, Monitoring Officer, and Chief Finance Officer (Section 151 Officer) may be suspended whilst an investigation takes place into alleged misconduct. That suspension will be on full pay and last no longer than two months.

Other Dismissals and Disciplinary Action – The dismissal of and taking disciplinary action against Officers on NJC Terms and Conditions (other than above) must be discharged on behalf of the Council by the Head of the Paid Service or his/her nominee.

Councillors will not be involved in the dismissal of any officer below Corporate Director level except where such involvement is necessary for any investigation or inquiry into alleged misconduct, through the Council's disciplinary, capability and related procedures, as adopted from time to time may allow a right of appeal to Members.

17. Engagement of Former Chief Officers in receipt of Pensions

The Council does not have a policy which prevents former Council employees from applying for and being successfully appointed to any Council job including other Chief Officer jobs, because they are in receipt of a Public Sector or Local Government pension. Normal Recruitment and Selection processes would apply in line with the Council's Equality in Employment Policy.

However, the Council does have a mandatory 2 Year gap which must be maintained for any officer, not just Chief Officer, who exits the Council via voluntary redundancy, before they can be re-engaged. This prevents someone being re-engaged by the Council to a temporary fixed term or permanent employment, used as an Agency placement or engaged on a contract for service, for a period of 2 years from the date that they left on voluntary redundancy. This is applicable whether the former employee is in receipt of a pension. There is an exemption for specialist skills required in emergency situations, by direct approval of the Chief Operating Officer, in consultation with the portfolio holder for Human Resources, as noted above.

However, in accordance with the Small Business, Enterprise and Employment Act 2015, regulations relating to the repayment of exit payments, any public sector employees who received an annual salary of £80,000 or above, will be required to repay a tapering proportion of a 'qualifying exit payment', if they return to the public sector and are offered a post within the Council at this Salary level or above within a period of 12 months from the receipt of the original exit payment (subject to this being approved for implementation by the Government). Once this is legislation, this will be applied by the Council

18. Holiday Pay Supplement

The Council pays an additional percentage on all overtime payments, to compensate staff for any additional holiday pay they may be entitled to. This will be an amount equivalent to 7.69% (20/260) of the overtime payment. This percentage considers the number of statutory holidays (20) and typically no more than 260 working days in the year. This additional percentage for the following claimable pay elements:

- Non contractual overtime
- Shift Allowances and Shift Pay
- Call Out and Standby
- Extra Duty and Additional Hours

- Honoraria

19. Policy Review

The Pay Policy Statement will be reviewed annually or earlier if required and agreed by Council before 31 March in each year. Administrative updates, such as pay awards, will be approved via the Corporate Director for Transformation, Housing and Resources in consultation with the Portfolio holder for Human Resources.

20. Employer Pension Contribution

The Council will contribute to the Local Government Pension Scheme in 2023/24 for all its employees who are members based on a rate of 19% of their pensionable pay. Additional contributions will also be made to address the current overall deficit on the Pension Fund. The rate of contribution is set by Actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

21. Employee Pension Contribution

Employees who are members of the Local Government Pension Scheme pay in April 2022 the following annual contributions:

Pensionable Pay	Employee Contributions
Up to £15,000	5.5%
£15,001 to £23,600	5.8%
£23,601 to £38,300	6.5%
£38,301 to £48,500	6.8%
£48,501 to £67,900	8.5%
£67,901 to £96,200	9.9%
£96,201 to £113,400	10.5%
£113,401 to £170,100	11.4%
£170,101 or more	12.5%

Notes

- (1) The salary ratio details shown in this statement are based on the actual earnings in effect on 30 November 2022.
- (2) Total remuneration has been calculated including salary, car expense allowance, over time, extra duties allowance, shift allowance, living wage supplement, standby duty, telephone allowance, election fees and employer's pension contributions. In view of the implementation of the restructure part way through the year, remuneration ratios do not contain full year calculations.

Appendix A

WLBC Grade Bands	Grade Title	SCP	Salary from 1 April 2022	WLBC hourly rate from 1 April 2022
1	Scale 1	1	*£20,258	£10.79
		2	*£20,441	£10.89
		3	£20,812	£11.09
2	Scale 2	3	£20,812	£11.09
		4	£21,189	£11.29
3	Scale 3	5	£21,575	£11.49
		6	£21,968	£11.70
4	Scale 4	7	£22,369	£11.92
		8	£22,777	£12.13
		9	£23,194	£12.36
		11	£24,054	£12.81
5	Scale 5	12	£24,496	£13.05
		14	£25,409	£13.54
		15	£25,878	£13.79
		17	£26,845	£14.30
6	Scale 6	19	£27,852	£14.84
		20	£28,371	£15.11
		21	£28,900	£15.40
		22	£29,439	£15.68
7	SO1	23	£30,151	£16.06
		24	£31,099	£16.57
		25	£32,020	£17.06
8	SO2	26	£32,909	£17.53
		27	£33,820	£18.02
		28	£34,723	£18.50
9	PO1	29	£35,411	£18.86
		30	£36,298	£19.34
		31	£37,261	£19.85
		32	£38,296	£20.40
10	PO2	33	£39,493	£21.04
		34	£40,478	£21.56
		35	£41,496	£22.11

Constitution 13:1: Pay Policy Statement

		36	£42,503	£22.64
11	PO3	37	£43,516	£23.18
		38	£44,539	£23.73
		39	£45,495	£24.24
12	PO4	40	£46,549	£24.80
		41	£47,573	£25.34
		42	£48,587	£25.88
		43	£49,590	£26.42
13	SM1	44	£49,993	£26.63
		45	£50,823	£27.07
		46	£51,654	£27.52
14	SM2	47	£52,678	£28.06
		48	£54,158	£28.85
		49	£55,643	£29.64
15	SM3	50	£55,805	£29.73
		51	£57,909	£30.85
		52	£60,014	£31.97
16	WLe	53	£60,570	£32.27
		54	£60,901	£32.44
		55	£61,458	£32.74
17	WLd	56	£65,726	£35.01
		57	£66,281	£35.31
		58	£66,835	£35.60
18	WLc	61	£79,371	£42.28
19	WLb	62	£87,117	£46.41
20	WLa	71	£100,480	£53.53

***Voluntary Living Wage Supplement brings this annual salary level to £20,461
Salaries shown above have the April 2023 Pay Award pending.**

Equality Impact Assessment Form



Directorate: Transformation, Housing and Resources	Service: Corporate and Customer Services
Completed by: S Lewis	Date: January 2023
Subject Title: Pay Policy Statement 2023/24	
1. DESCRIPTION	
Is a policy or strategy being produced or revised:	<i>*delete as appropriate</i>
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed?	No
Is a budget being set or funding allocated:	No
Is a programme or project being planned?	No
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty (Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations)?	Yes
Details of the matter under consideration:	<p>The Localism Act refers to 'Pay Accountability' and sets out the requirements for Councils and fire and rescue authorities to determine and publish annual pay policy statements. The full Council must approve the pay policy statement in advance of the financial year to which it relates. It must set out the Council's policies relating to:</p> <ul style="list-style-type: none"> •Chief Officer remuneration (at recruitment, salary, bonus/performance related pay, charges/fees/allowances, benefits in kind, enhancement to pension, at termination), •Remuneration of its lowest paid employees (elements as above), the definition used for this group and the reason for adopting that definition, •The relationship between Chief Officer remuneration and that of other staff. <p>The Council needs to agree a Pay Policy Statement and is recommended to adopt the Pay Policy Statement 2023/24 as detailed in the report.</p>

If you answered **Yes** to any of the above, **go straight to Section 3**
 If you answered **No** to all the above, **please complete Section 2**

2. RELEVANCE

Does the work be carried out impact on service users, staff, or Councillors (stakeholders):	Yes <i>*delete as appropriate</i>
If yes , provide details of how these impacts on service users, staff, or Councillors (stakeholders): <i>If you answered Yes go to Section 3</i>	This report has an impact on the workforce.
If you answered No to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	

3. EVIDENCE COLLECTION

Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	The Policy has an impact on the entire Council workforce and as such has an impact on all protected characteristics, as the Council's workforce comprises of all the protected characteristics. A knowledge of the existing workforce profile and equality policies within the Council that are applied to the workforce, including the Recruitment and Selection Policy, Equality in Employment Policy and all other related employment policies, including a recent Equal Pay Audit have been used to assess the impact of the Pay Policy Statement on the workforce.
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any group affected more than others)?	See Above.
Which of the protected characteristics are most relevant to the work being carried out? Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity	<i>*delete as appropriate</i> Yes Yes Yes Yes Yes Yes Yes Yes Yes

4. DATA ANALYSIS

In relation to the work being carried out, and the service/function in question, who is actually or	The Policy has an impact on the entire Council workforce and as such has an impact on all protected characteristics.
---	--

currently using the service and why?	
What will the impact of the work being carried out be on usage/the stakeholders?	The Pay Policy Statement is a statement of the Council's current policies in relation to the pay of senior managers and the various ratios between higher and lower paid staff. This is a statement of current practice and does not present any practice changes or policy revision. Consequently, there are no altered impacts envisaged on any stakeholder or protected group of stakeholders.
What are people's views about the services? Are some customers more satisfied than others, and if so, what are the reasons? Can these be affected by the proposals?	The Council is part of a national collective bargaining process for all levels of remuneration throughout the Council. The Council itself, however, have determined the grade structure. This main management structure was last amended in April 2022. Any changes achieved at that time were subject to Trade Union and individual officer consultation and were agreed. Although minor change occurs on a service level basis periodically throughout the year. Any actual salary amounts changes since that time have been subject to the national negotiating machinery, which also provides for Trade Union contributions to pay award settlements. This is not an area that can be affected locally, other than in the determination of individual grades. Actual grades are arrived at via a joint Trade Union and management agreed Job Evaluation process. The next National Pay award to be implemented is due in April 2023, but it is not anticipated to affect the grade structure but will affect the actual salary assigned to each spinal column point.
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	Census Data Profile information available on the Council's website Workforce Profile Equality Policies within the Council Equal Pay Audit Gender Pay Gap analysis
If any further data/consultation is needed and is to be gathered, please specify:	N/A

5. IMPACT OF DECISIONS

In what way will the changes impact on people with protected characteristics (either positively or negatively or in terms of disproportionate impact)?

The decision is to agree the existing status is reflected in the Pay Policy Statement. It identifies different ratios between groups of staff based on pay levels. As there is no proposed change to actual practice, but rather, a reflection of the impact of the pay award on these ratios, it is envisaged that there will be no impact, negative or positive, upon any group with protected characteristics.

6. CONSIDERING THE IMPACT

If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).

See above in 5.

What actions do you plan to take to address any other issues above?

No further actions on equality impact need to be taken.

7. MONITORING AND REVIEWING

When will this assessment be reviewed and who will review it?

The Pay Policy Statement is reviewed annually prior to 31 March each year. At that stage, the EIA will also be reviewed to ensure there has been no change to the assessed impact on any protected characteristic group.



COUNCIL: 22 February 2023

Report of: Chief Operating Officer

Relevant Portfolio Holder: Councillor Y Gagen

Contact for further information: Mrs J Denning (Ext. 5384)
(Email: jacky.denning@westlancs.gov.uk)

SUBJECT: MEMBERS' ALLOWANCES SCHEME 2023/24 AND APPOINTMENT OF THE INDEPENDENT REMUNERATION PANEL (IRP)

Wards affected: Borough wide

1.0 PURPOSE OF REPORT

1.1 To agree the Members' Allowances Scheme for 2023/24 and to note and endorse the Membership of the Independent Remuneration Panel (IRP).

2.0 RECOMMENDATIONS

2.1 That it be noted that the IRP has not been asked for a report this year but met as referred to in paragraph 4.1 of the report.

2.2 That a Members Allowance Scheme be made, effective from 1 April 2023, in accordance with the current scheme, incorporating:

- (a) A Basic Allowance of £4,842 (no increase)
- (b) Provision for Special Responsibility Allowances, as detailed on the Schedule attached as Appendix 1 (no change)
- (c) Childcare and Dependent Carer's Allowance to be set at the same level as the Living Wage (£10.42 from 1 April 2023).

2.3 That the Legal & Democratic Services Manager update the Members' Allowances Scheme for the period commencing 1 April 2023, such scheme to be incorporated into the Constitution and subsequently published.

2.4 That the Membership of the IRP for 2023/24 and the respective terms of office be noted and endorsed as follows:

Mrs G Stanley (Chairman)	1 May 2024
Mr I Thompson	1 May 2025
Mr J Boardman	1 May 2026

3.0 BACKGROUND

- 3.1 The Council must establish and operate an IRP to consider and make recommendations on various issues relating to the matter of allowances to members of the authority. The Council is required to take into consideration any recommendation made by its IRP when making any new scheme of allowances, revising, or amending any existing scheme.
- 3.2 The Council currently has a scheme for the payment of a Basic Allowance to each Member plus a Special Responsibility Allowance (SRA) for each of those Members holding a position of special responsibility. The Scheme also provides for the payment of travel and subsistence allowances and, in certain specific circumstances, Childcare and Dependent Carer's Allowance.
- 3.3 In February 2020, the Council resolved to accept the IRP's recommendation that the Basic Allowance should remain at £4,842 and that the figure be fixed for four years (ie. until April 2024), when a further recommendation will be sought from the Independent Remuneration Panel. The Council have the right, in any year, to request the Panel to consider an increase and the Panel would expect specific reasons to be put forward in support of such a request. The only increase would be in relation to the Childcare and Dependent Carer's Allowance, which was recommended to be set at the Living Wage (£10.42 from 1 April 2023).

4.0 THE COUNCIL'S SCHEME FOR 2023/24

- 4.1 The IRP met on 1 December 2022 to consider the current position in relation to Members' Allowances and the Council's Scheme for 2023/24 and agreed that as the Panel had not received any requests to consider an increase, a formal report from the IRP was not required and that the level of allowances should remain at the same rate as the 2022/23 rates. A copy of the Members Allowances Scheme 2022/23 is contained in Section 19 of the Constitution:
<https://democracy.westlancs.gov.uk/ieListMeetings.aspx?CId=305&info=1&MD=Constitution>
- 4.2 The Panel was advised that from May 2024 the Council had made the decision to move to a committee system of governance and would be required to meet following the May 2023 elections to consider a revised scheme for 2024/25, to take into account that change. The IRP agreed that relevant Councillors would be invited to attend meetings to be consulted on the revised scheme, particularly in relation to Special Responsibility Allowances. The IRP also asked to review allowances from 2024/25 in respect of Civic Dignitaries (The Mayor & Deputy Mayor), including the definition for the purpose of claiming Carers allowance for dependant relatives, classed as children aged 14 years and under.
- 4.2 Members of the IRP also meet to consider Parish matters as the Parish Remuneration Panel (PRP) and in this respect they did not receive any requests to make amendments to the previous report, the Panel considered there was no requirement to issue a new report.
- 4.3 The Scheme commences on 1 April in each year in accordance with the legislation, rather than the municipal year. Following the Council's decision, a new

scheme for 2023/24 will be prepared, effective from 1 April 2023. A copy of the new scheme will be incorporated in the Council's Constitution and as a consequence published on the Council's website and circulated to all members.

5.0 THE INDEPENDENT REMUNERATION PANEL MEMBERSHIP

- 5.1 The IRP Membership is Mrs G Stanley, Mr J Boardman and Mr I Thompson. Terms of office are 3 years, with one position on the Panel being subject to re-selection each year. The Term of Office of Mr J Boardman expires on 1 May 2023. The Council is required to adopt an appointments process that it considers is best able to provide an Independent Panel that is well qualified to discharge its functions and which is representative of the community. The Council's arrangements for appointing the Panel involved the placing of advertisements in the local press and then interviewing the candidates.
- 5.2 If the Council wished to appoint a replacement member, a full recruitment process would need to be undertaken in accordance with the appropriate Regulations, which would then be reported to Council for approval at a future meeting. Mr Boardman has indicated that he is prepared to serve for a further period of three years. Given the infrequency with which the IRP is required to meet, it takes some time to gain relevant experience and therefore it is sensible to maintain continuity of membership where possible. Mr Boardman has been a member since January 2012 and it is therefore recommended that he be appointed for a further 3 years.
- 5.3 The Panel has also been appointed to serve as the Parish Remuneration Panel and in this respect considers and reports to the Parish Councils on issues relating to Members' allowances paid by those bodies.

6.0 SUSTAINABILITY IMPLICATIONS

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

7.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 7.1 The budget figures for 2023-24 contained elsewhere on the agenda for this meeting include provision to meet the costs of Allowances contained within the Scheme, together with employer's National Insurance (N.I.) contributions where appropriate.
- 7.2 Regulations provide for Allowances to be paid to IRP members and for 2023/24 each Panel member will be entitled to receive an allowance of £250, with the Chairman receiving an additional £50. These are included as part of the Council's scheme and provision is included in the current budget.

8.0 RISK ASSESSMENT

- 8.1 The report ensures that the Council is complying with the requirements of the Local Authorities (Members' Allowances) (England) Regulations 2003, as amended, to establish annually a Scheme of Members Allowances and in making that scheme, to have regard to the recommendations of an Independent Remuneration Panel.

9.0 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no health and wellbeing implications arising from this report.

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 and stakeholders, however there is a direct impact on elected members. Therefore an Equality Impact Assessment is attached as an Appendix to this report.

Appendices:

1. Special Responsibility Allowances
2. Equality Impact Assessment

SPECIAL RESPONSIBILITY ALLOWANCES

The following posts are specified as having special responsibilities in respect of which Special Responsibility Allowances are payable under Paragraph 4, in the amounts shown for each post.

Area of Special Responsibility	Basis of Allowance (as percentage of Basic Allowance)	Amount of Allowance (£)
Leader	250%	12,105
Deputy Leader	150%	7,263
Cabinet Member (up to 8)	100%	4,842
Opposition Group Leader (if Group comprises 5 or more Members)	70%	3,389
Opposition Group Deputy Leader (if Group comprises 5 or more Members)	35%	1,694
Chairman - Overview & Scrutiny Committees	50%	2,421
Chairman - Licensing & Appeals Committee	50%	2,421
Chairman – Licensing & Gambling Committee	50%	2,421
Chairman – Planning Committee	100%	4,842
Chairman – Audit and Governance Committee	50%	2,421

Equality Impact Assessment Form



Directorate: Transformation & Resources	Service: Legal & Democratic Services
Completed by: Jacky Denning	Date: 27 January 2022
Subject Title: Members Allowances Scheme 2022/23	
1. DESCRIPTION	
Is a policy or strategy being produced or revised:	No
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	Yes
Is a programme or project being planned:	No
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty (Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations):	No
Details of the matter under consideration:	Members Allowances Scheme 2022/23
<p><i>If you answered Yes to any of the above go straight to Section 3</i> <i>If you answered No to all the above please complete Section 2</i></p>	
2. RELEVANCE	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	Yes
If Yes , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered Yes go to Section 3</i>	
If you answered No to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	
3. EVIDENCE COLLECTION	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	Councillors
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?	Councillors

Which of the protected characteristics are most relevant to the work being carried out? Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity	<i>None</i>
4. DATA ANALYSIS	
In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?	N/A – Not a service
What will the impact of the work being carried out be on usage/the stakeholders?	The report relates directly to the level of allowances for Councillors.
What are people’s views about the services? Are some customers more satisfied than others, and if so what are the reasons? Can these be affected by the proposals?	Councillors approve the Scheme following consideration by the IRP and its recommendations.
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	The IRP has considered the scheme
If any further data/consultation is needed and is to be gathered, please specify:	None
5. IMPACT OF DECISIONS	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	There is no impact in relation to the particular protected characteristics.
6. CONSIDERING THE IMPACT	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).	No negative impact.
What actions do you plan to take to address any other issues above?	No actions
7. MONITORING AND REVIEWING	
When will this assessment be reviewed and who will review it?	The Scheme is reviewed annually by the IRP and Council.

AGENDA ITEM:

**Special Executive Overview &
Scrutiny: 14 February 2023**

**Council:
22 February 2023**



Report of: Head of Finance, Procurement and Commercial Services

Relevant Portfolio Holder: Councillor Adam Yates

Contact: James Pierce
(E-mail: james.pierce@westlancs.gov.uk)

SUBJECT: GRA Revenue and Capital Budget Report and MTFs Update 2023/24 to 2025/26

Wards affected: Borough Wide

1.0 PURPOSE OF THE REPORT

- 1.1 To enable the Council to set a balanced Revenue Budget for the forthcoming financial year 2023/24.
- 1.2 To present to members the updated Medium-Term Financial Forecast (MTFF) for the following financial years 2024/25 to 2025/26, noting the latest forecast budget gap of £2.708m, comprising:
 - £1.470m in 2024/25
 - £1.238m in 2025/26
- 1.3 To inform members of the reserves position as at 31 March 2022 and the forecast position to 2025/26.
- 1.4 To present to members the Capital Strategy 2023/24 to 2025/26.
- 1.5 To enable the Council set the Capital Programme for the three years 2023/24 to 2025/26.

2.0 RECOMMENDATIONS

Special Executive Overview & Scrutiny

Are asked to recommend the following items to Council for approval:

- 2.1 That the General Revenue Account (GRA) budget for 2023/24 be approved based on the proposals to be presented at the Council meeting.
- 2.2 That the latest GRA Medium-Term Financial Forecast (MTFF) budget gap for 2024/25 to 2025/26 be noted.
- 2.3 That the latest GRA reserves position as at 31 March 2022 and forecast to 2025/26 be noted and the GRA reserves policy be approved.
- 2.4 That the Capital Strategy along with the Capital Programme of **£13.556m** for the three years 2023/24 to 2025/26 be approved, that includes
 - New bids of £651k;
 - Additional approvals for UK Shared Prosperity Fund £1.726m.
- 2.5 Approve the Capital Strategy for 2023/24 to 2025/26, that includes the change of use of HRA right to buy capital receipts, to be used in delivering the capital business plan of the HRA from 2024/25.
- 2.6 That delegated authority be given to the Chief Operating Officer and the Corporate Director to take all necessary action to implement the changes resulting from the budget proposals.

Council

- 2.7 That the General Revenue Account (GRA) budget for 2023/24 be approved based on the proposals to be presented at the Council meeting.
 - 2.8 That the latest GRA Medium-Term Financial Forecast (MTFF) budget gap for 2024/25 to 2025/26 be noted.
 - 2.9 That the latest GRA reserves position as at 31 March 2022 and forecast to 2025/26 be noted and the GRA reserves policy be approved.
 - 2.10 That the Capital Strategy along with the Capital Programme of **£13.556m** for the three years 2023/24 to 2025/26 be approved, that includes
 - New bids of £651k;
 - Additional approvals for UK Shared Prosperity Fund £1.726m.
 - 2.11 Approve the Capital Strategy for 2023/24 to 2025/26, that includes the change of use of HRA right to buy capital receipts, to be used in delivering the capital business plan of the HRA from 2024/25.
 - 2.12 That delegated authority be given to the Chief Operating Officer and the Corporate Director to take all necessary action to implement the changes resulting from the budget proposals.
-

3.0 BACKGROUND

2021/22 Outturn

- 3.1 The 2021/22 GRA Mid-Year report to Council in January 2022 projected a £427k underspend outturn position, whilst the 2021/22 GRA Outturn Report to Council in July 2022 reported a balanced revenue outturn position.
- 3.2 Although there is an adverse variance of £427k between the mid-year and outturn position, this is a strong outcome for the Council, due to only £49k of a budgeted £1.239m contribution from reserves being required, as detailed below:

<u>2021/22</u>	Revised Budget £000s	Mid-Year Variance £000s	Outturn Variance £000s
Corporate and Customer Services	3,167	0	(427)
Environmental Services	7,279	(50)	(46)
Finance, Procurement and Commercial Services	59	0	(619)
Housing and Regulatory	1,864	(100)	(140)
Growth and Development	1,264	0	(39)
Wellbeing and Leisure	3,092	(385)	(481)
Central Service: Corporate Budgets	432	0	(127)
Central Service: Corporate Staff Vacancy Factor	(445)	0	445
NET SERVICE BUDGET	16,712	(535)	(1,434)
Non Service: Treasury Management	(163)	108	250
Non Service: Capital Charges	(1,413)	0	-5
Non Service: Reserves	(1,239)	0	1,189
NET BUDGET	13,897	(427)	0
Council Tax	(7,886)	0	0
Business Rates: Retained Income	(3,559)	0	0
Business Rates: S31 Grants	(3,568)	0	0
Prior Year Collection Fund (Surplus)/Deficit	2,658	0	0
New Homes Bonus	(802)	0	0
Other Government Grants	(740)	0	0
FUNDING	(13,897)	0	0

- 3.3 Details of the key variances include:
- Savings on the leisure contract, achieved by the close management of the contract which involved the release of surplus monies set aside for repairs in addition to savings flowing from management of the contract activity on a routine and regular basis;
 - Agency management fee income in regard to work of Disabled Facilities grants being better than budget;
 - Staff vacancies within Corporate and Customer Services and Housing and Regulatory Services;
 - Accounting for pension fund contributions having a favourable effect on outturn;
 - Treasury investment returns, due to delays implementing the SORP recommendation of investing in short and long-term investments, available cash balances and low interest rates continue to have a detrimental effect on investment income receivable.

2022/23 Quarter 2 Forecast Outturn

- 3.4 The budget report presented to Council on 23 February 2022 set out the Council's budget requirement for the 2022/23 financial year and provided details on the Council's reserves position. This process is in accordance with statutory requirements and proper accounting practices.
- 3.5 Council agreed a Net Budget of £14.953m for 2022/23.
- 3.6 The table below reflects changes to the original budget approved by Council in February 2022. The changes reflect in-year budget and technical realignments to better reflect statutory reporting requirements, and changes in team structures. The approved net budget of £14.953m has not changed.
- 3.7 The table below provides quarter 2 forecast outturn estimates against the revised budget. The mid-year net forecast position is a shortfall of £500k, this compares with £240k forecast shortfall at quarter 1.

<u>2022/23</u>	Revised Budget £000s	Q1 Var. £000s	Q2 Var. £000s	Comments
Corporate and Customer Services	5,760	0	(200)	Vacancies
Legal and Democratic Services	1,123	0	0	
Environmental Services	6,556	0	200	Staffing
Finance, Procurement and Commercial Services	(755)	0	(70)	Various running cost budgets
Housing	839	0	0	Vacancies Energy costs
Planning and Regulatory	1,947	0	0	Vacancies Planning income down
Wellbeing and Place	1,232	0	0	Review of repairs pending
Central Service: Corporate Budgets	728	0	0	
Central Service: Corporate Staff Vacancy Factor	(1,014)	0	400	Pay award
NET SERVICE BUDGET	16,416	0	330	
Non Service: Treasury Management	(122)	240	170	Rising interest rates
Non Service: Reserves	(1,341)	0	0	
NET BUDGET	14,953	240	500	To be met from reserves
Council Tax	(8,227)	0	0	
Business Rates: Retained Income	(2,793)	0	0	
Business Rates: S31 Grants	(2,850)	0	0	
Government Grants	(1,083)	0	0	
FUNDING	(14,953)	0	0	

- 3.8 The overspend relates to:
- The effect of above budgeted pay offer of £518k, now makes the achievement of the corporate vacancy factor target unlikely and an under achievement of £400k is being reported at quarter 2
 - The under achievement of the SORP investment income target, (as discussed in 3.3 above). The forecasted shortfall in treasury management income, reported at quarter 1 of £240k, is expected to reduce by £70k to around £170k at quarter 2, due to rising interest rates.

- 3.9 Both the 2021/22 outturn position and 2022/23 mid-year forecast outturn position, assist forming the starting position for both the 2023/24 GRA revenue budget and the MTFE ending 2025/26. Though clearly the current mid-year forecast position can change throughout the year for emerging and recurring cost pressures and any in-year opportunities and savings that are identified.

4.0 FINANCIAL OVERVIEW

4.1 Economic update - Office for Budget Responsibility (OBR) November 2022:

Over the past six months, the global energy and food supply shocks emanating from Russia's invasion of Ukraine have intensified. The further curtailment of Russian imports saw European wholesale gas prices rise ten-fold from pre-pandemic levels, and markets now expect prices to remain four times higher in the medium-term. Rising energy, food, and other goods prices have pushed up the interest rates set by inflation-targeting central banks to levels not seen since the 2008 financial crisis. This has taken much of the wind out of the global economic recovery from the pandemic and ratcheted up the financial pressure on governments that emerged from it with higher debt and are again being called upon to help households and businesses through this latest crisis.

- CPI inflation is set to peak at a 40-year high of 11 per cent in the current quarter, and the peak would have been a further 2½ percentage points higher without the energy price guarantee (EPG) limiting a typical household's annualised energy bill to £2,500 this winter and £3,000 next winter. Rising prices erode real wages and reduce living standards by 7 per cent in total over the two financial years to 2023-24 (wiping out the previous eight years' growth), despite over £100 billion of additional government support.
- The squeeze on real incomes, rise in interest rates, and fall in house prices all weigh on consumption and investment, tipping the economy into a recession lasting just over a year from the third quarter of 2022, with a peak-to-trough fall in GDP of 2 per cent. Unemployment rises by 505,000 from 3.5 per cent to peak at 4.9 per cent in the third quarter of 2024.
- The Bank of England Monetary Policy Committee sets monetary policy to meet the 2% inflation target, and in a way that helps to sustain growth and employment. At its meeting ending on 2 November 2022, the MPC voted by a majority of 7-2 to increase Bank Rate by 0.75 percentage points, to 3%.

4.2 Economic outlook - Office for Budget Responsibility (OBR) November 2022:

Since the OBR March forecast, wholesale gas prices have reached new highs, interest rate expectations have surged, and the value of sterling has dropped. While UK-specific factors appear to have exacerbated some of these movements around the time of the 23 September Growth Plan, by early November differences in key market determinants largely reflected global developments since March: further curtailing of Russian gas exports to Europe, rising government bond yields internationally, and a strengthening US dollar.

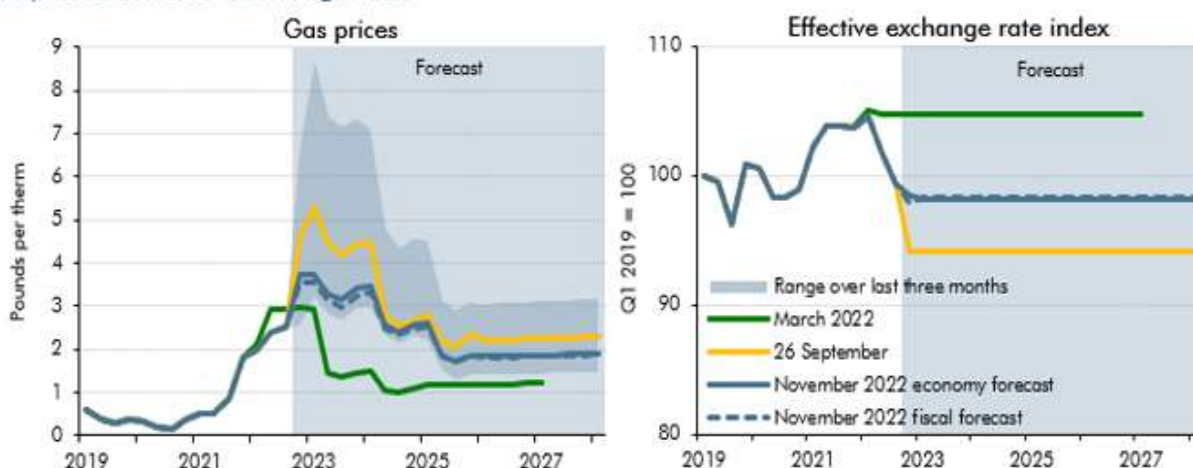
- Gas prices remain historically high and are expected to peak at £3.70 a therm in the first quarter of 2023, around 80p a therm higher than the peak in our March forecast. Prices then fall back sharply to settle at £1.90 a therm in the final quarter of 2025, after which we hold them constant in real terms – at around 70p a therm above our March forecast and around four times pre-pandemic norms.

Market expectations for gas prices have been volatile, with prices for the first quarter of 2023 having risen as high as £8.70 a therm and fallen as low as £3.20 since the start of August. The dollar cost of oil in 2023 is little changed since March at \$85 a barrel, but the weaker pound means the cost of oil is up by 19 per cent in sterling terms.

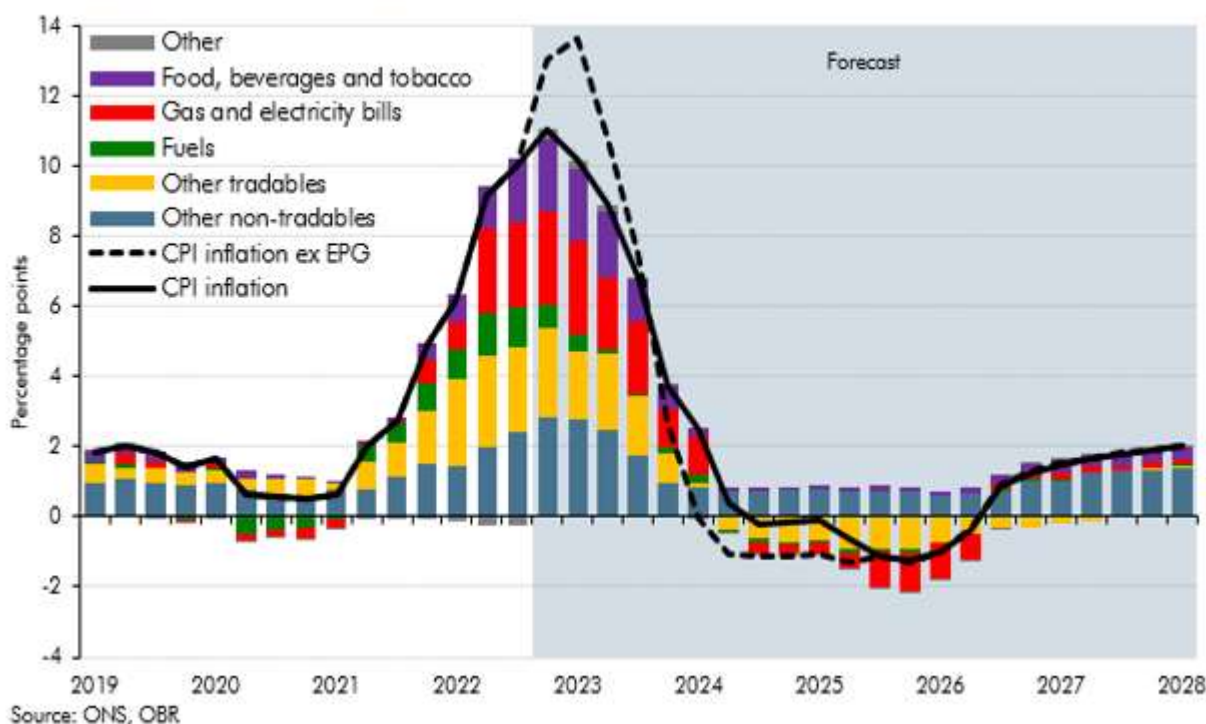
- Inflation is expected to peak at a 40-year high of 11.1 per cent in the fourth quarter of 2022, revised up from the peak of 8.7 per cent in our March forecast. The peak would have been even higher still at 13.6 per cent (and come one quarter later) without the reduction in utility prices that results from the EPG. The EPG continues to hold inflation down next year, though the increase from £2,500 to £3,000 in April 2023 adds 1 percentage point to quarterly CPI inflation in the second quarter of 2023. On a calendar-year basis, CPI inflation falls back from 9.1 per cent in 2022 to 7.4 per cent in 2023. Near-term fiscal support boosts demand (offsetting much of the reduction in demand that would otherwise have resulted from higher energy bills), with tighter monetary and fiscal policy then putting some downward pressure on domestic prices later in the forecast. Conditional on market expectations for Bank Rate and gas prices, inflation falls below zero for eight quarters from mid-2024 and by the end of our forecast, the price level is 0.8 per cent lower than our March forecast.

The charts below are taken from the *Office for Budget Responsibility: Economic and Fiscal Outlook*, published in November 2022.

Gas prices and the exchange rate



Contributions to CPI inflation



4.3 Autumn Statement November 2022

On 17 November 2022, the Chancellor delivered his Autumn Statement, this follows the previous Chancellor's Growth Plan announcements in late September 2022, the majority of which have since been rolled back – with the notable exception that the Health and Social Care Levy has been, and remains, cancelled.

The Chancellor has set two new fiscal policy rules which guide the Autumn Statement:

- Public sector net debt (excluding the Bank of England) needs to be falling as a percentage of GDP by the fifth year of the rolling forecast; and
- Public sector net borrowing (the deficit) needs to be below 3% of GDP by the fifth year of the rolling forecast.

The Autumn Statement confirms that departmental DEL budgets in 2023/24 and 2024/25 will be maintained at least in line with the budgets set at the Spending Review. After this Spending Review period, departmental resource spending will grow at 1% a year in real terms. Departmental capital spending will continue at the same level in cash terms.

To help identify further savings in departmental budgets, the government is launching an Efficiency and Savings Review. The Review will target increased efficiency, reprioritise spending away from lower-value programmes, and review the effectiveness of public bodies. Savings will be reinvested in public services, and the government will report on progress in the spring.

Announcements directly impacting Local Government:

Council Tax

- The government will provide local authorities in England with additional flexibility in setting council tax, by increasing the referendum limit for increases in council tax from 2% to 3% per year from April 2023.

- The government has not formally announced that the assumptions made on council tax increases will apply after 2023/24, although there are signs this has been priced in for at least 2024/25.

Business Rates

- From 1 April 2023, business rates bills in England will be updated to reflect changes in property values since the last revaluation in 2017. A package of targeted support worth £13.6 billion over the next five years is intended to support businesses as they transition to their new bills. It is stated that local authorities will be fully compensated for the loss of income as a result of these business rates measures and will receive new burdens funding for administrative and IT costs.
- The business rates multipliers will be frozen in 2023-24 at 49.9p and 51.2p, preventing them from increasing to 52.9p and 54.2p.
- Upwards Transitional Relief will cap bill increases caused by changes in rateable values at the 2023 revaluation. This £1.6 billion of support will be funded by the Exchequer, rather than by limiting bill decreases, as at previous revaluations. The 'upward caps' will be 5%, 15% and 30%, respectively, for small, medium, and large properties in 2023/24, and will be applied before any other reliefs or supplements. The caps will increase in later years of the scheme.
- Retail, Hospitality and Leisure Relief - support for eligible retail, hospitality, and leisure businesses is being extended and increased from 50% to 75% business rates relief up to £110,000 per business in 2023/24.
- Bill increases for the smallest businesses losing eligibility or seeing reductions in Small Business Rates Relief (SBRR) or Rural Rate Relief (RRR) will be capped at £600 per year from 1 April 2023. This is support worth over £500 million over the next 3 years and will protect over 80,000 small businesses who are losing some or all eligibility for relief. This means no small business losing eligibility for SBRR or RRR will see a bill increase of more than £50 per month in 2023-24.

Local Welfare

- £1 billion (including Barnett impact) will be provided to enable the extension of the Household Support Fund in England over 2023/24. The Fund is administered by local authorities who will deliver support to households to help with the cost of essentials.

- 4.4 Local Government Finance Policy Statement 2023/24 to 2024/25 December 2022
On 12 December 2022, the Secretary of State for Levelling Up, Communities and Local Government published a written ministerial statement which was accompanied by a policy statement on the 2023/24 Local Government Finance Settlement and assumptions about the 2024/25 Local Government Finance Settlement.

2023/24 Policy Statement:

The Government's policy statement sets out detailed assumptions, but local authority-level figures will be published as part of the provisional local government finance settlement.

Core Settlement

- Councils will be compensated for the business rates multiplier freeze up to the Consumer Price Index (CPI) inflation measure, rather than previously used – and – higher Retail Price Index (RPI). However, it is important to note that the "freeze in the multiplier" already includes an element of inflation (estimated at

- 3.9%) and therefore only the balance of the CPI owing (6.2%) is expected to be refunded through the multiplier compensation grant.
- Revenue support grant will increase in line with CPI and 'negative revenue support grant' will continue to be eliminated.
 - The Government will proceed to make the adjustments to tariffs and top-ups to reflect the 2023 business rates revaluation and transfers of certain hereditaments to the Central Rating List. The methodology and adjustments will be confirmed alongside the provisional 2023/24 settlement. Adjustments will subsequently be made to account for compiled rating list data for the 2023 list as at 1 April 2023 and for Outturn Business Rates data for 2022/23 at the 2024/25 local government finance settlement, with the final adjustment at the 2025/26 settlement.

Council Tax

- Shire district councils will have a referendum principle of 3% or £5, whichever is higher.

Government Grants

- The Services Grant will be reduced (estimated by £200m). The Government suggests this is to account for the cancelation of the increase in National Insurance Contributions and to route some funding to the Supporting Families programme. The distribution of the remaining grant will continue to follow the Settlement Funding Assessment as previously.
- The New Homes Bonus will continue in 2023/24 with a new round which will attract no legacy payments.
- The lower tier services grant (£111m) and a proportion of expired new homes bonus legacy payments (estimated at £276m) will be repurposed to guarantee that all authorities will see an increase in core spending power of at least 3%, before additional council tax income is factored in (please see paras 4.9 to 4.14).

2024/25 Policy Statement:

The Government has set out some planning assumptions for the 2024/25 local government finance settlement as follows:

- The Review of Relative Needs and Resources ('Fair Funding Review') and a reset of Business Rates growth will not be implemented in the next two years.
- The council tax referendum principles will continue the same as 2023/24.
- Revenue support grant will continue and be uplifted in line with baseline funding levels (assumed now to be now based on September 2023 CPI), while social care grants will increase as set out in the table above.
- Business rates pooling will continue.
- The Government will set out the future position of New Homes Bonus ahead of the 2024/25 local government finance settlement.

4.5 Provisional Local Government Finance Settlement (LGFS) December 2022:

To provide funding certainty and allow councils to plan ahead, in December 2015 the Government offered councils a four-year funding settlement for the period 2016/17 to 2019/20. Over the past three years of 2020/21, 2021/22 and 2022/23 the Government has limited this to one-year settlements.

On 19 December, the Government published for statutory consultation, the provisional LGFS for 2023/24. The provisional settlement is once again a holding position, this time based on proposed allocations for 2023/24 and a fairly full set of policy principles for 2024/25.

The broad approach is based on a uniform roll-over of the core elements of the settlement; additional resources for priority services; balancing service pressures with taxpayer concerns, through council tax referendum principles; and a fallback, by way of a minimum funding guarantee, for outlying councils.

Finance reform is deferred, once again, until at least 2025/26 and possibly later, as even this could be an ambitious timetable for designing and delivering reform. that makes it extremely difficult for councils to forecast with any certainty and plan medium-term.

Core Spending Power (CSP):

Core Spending Power is a measure of the resources available to local authorities to fund service delivery. It sets out the money that has been made available to local authorities through the LGFS.

The table below sets out the figures for local authority CSP from 2015-16 through to 2023-24. Figures for 2015-16 have been adjusted to ensure a consistent measure of local authority income over time.

CORE SPENDING POWER									
West Lancashire									
Illustrative Core Spending Power of Local Government:									
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	£5.465	£4.609	£3.966	£3.622	£3.262	£3.315	£3.315	£3.315	£3.595
Compensation for under-indexing the business rates multiplier	£0.044	£0.044	£0.046	£0.073	£0.106	£0.133	£0.173	£0.339	£0.586
Council Tax Requirement excluding parish precepts	£6.165	£6.354	£6.595	£6.878	£7.171	£7.498	£7.847	£8.227	£8.641
New Homes Bonus	£1.369	£1.714	£1.723	£1.172	£0.967	£0.875	£0.802	£0.703	£0.768
New Homes Bonus returned funding	£0.010	£0.007	£0.007	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000
Transition Grant	£0.000	£0.007	£0.007	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000
Lower Tier Services Grant	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.141	£0.152	£0.000
Services Grant	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.229	£0.134
Grants rolled in	£0.135	£0.152	£0.150	£0.145	£0.141	£0.142	£0.157	£0.156	£0.000
Funding Guarantee	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.000	£0.036
Core Spending Power	£13.187	£12.887	£12.496	£11.890	£11.646	£11.962	£12.435	£13.120	£13.760
Change since 2015-16 (£ millions)									£0.573
Change since 2015-16 (% change)									4.34%

For 2023/24 the table shows that the Council CSP has increased by £640k, from £13.120m to £13.760m. However, the compensation grant and Council Tax figures are assumed figures totalling £9.227m, actual figures have been calculated that total £9.168m, a shortfall of £59k, that is largely due to actual tax base growth being 1.13% rather than an assumed 1.98%.

Settlement Funding Assessment (SFA):

The Settlement Funding Assessment amount consists of Revenue Support Grant (RSG) and Business Rates Retention.

Key Information for Local Authorities (£m)

West Lancashire								
	2016-17	2017-18 ¹	2018-19 ¹	2019-20 ¹	2020-21 ¹	2021-22 ¹	2022-23 ¹	2023-24 ¹
Settlement Funding Assessment	£4.609	£3.966	£3.622	£3.262	£3.315	£3.315	£3.315	£3.595
of which:								
Revenue Support Grant	£1.576	£0.871	£0.433	£0.000	£0.000	£0.000	£0.001	£0.156
Baseline Funding Level	£3.034	£3.096	£3.189	£3.262	£3.315	£3.315	£3.315	£3.439
Tariff/Top-Up ²	(£9.633)	(£8.227)	(£8.367)	(£13.287)	(£8.698)	(£8.698)	(£8.698)	(£10.140)
2017-18 Tariff and Top-up reconciliation			£0.104					
Safety Net Threshold	£2.806	£2.863	£2.949	£3.099	£3.066	£3.066	£3.066	£3.181
Individual Authority Business Rates Baseline	£12.667	£11.322	£11.556	£16.549	£12.013	£12.013	£12.013	£13.578

¹ From 2017-18 onwards, figures have been adjusted to reflect authorities with increased Business Rates Retention arrangements. Please refer to the Settlement Funding Assessment Model and the explanatory note on authorities with increased Business Rates Retention arrangements.

² Tariffs and top-ups have been recalculated in 2017-18 and 2018-19 to reflect the adjustment for the 2017-18 business rates revaluation.

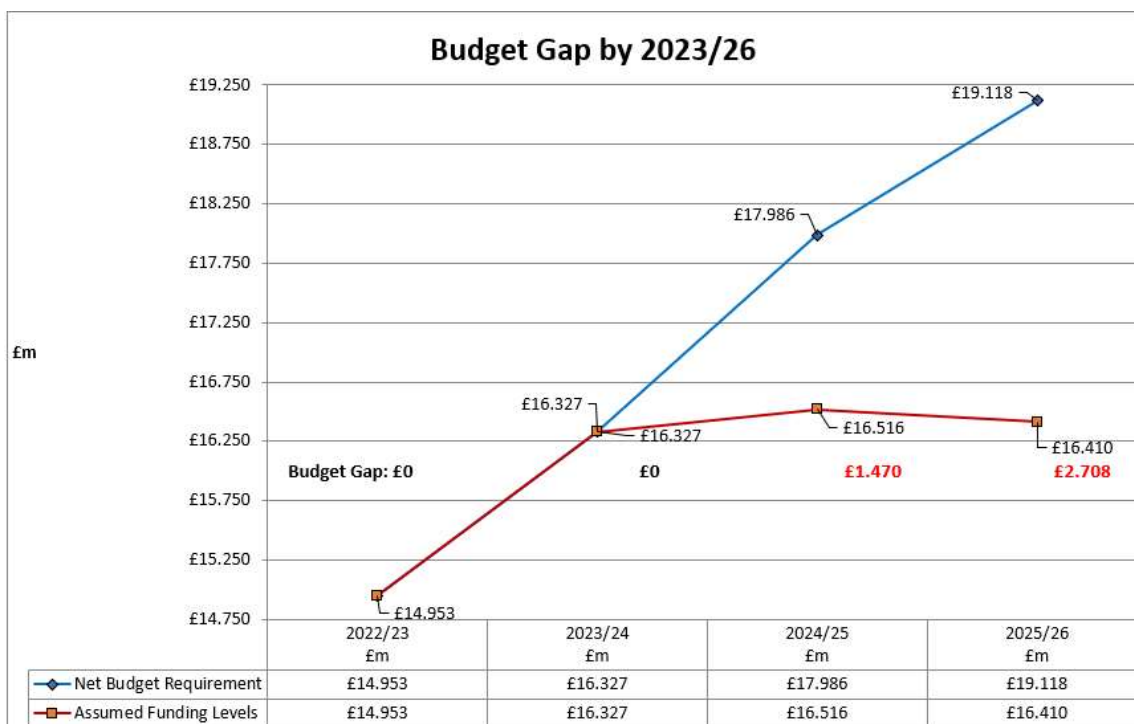
For 2023/24 the table shows that the Council SFA has Increased by £280k, from £3.315m to £3.595m, as a result of grants rolled into RSG and a 3.74% inflation increase to the Business Rates Baseline.

However, it can also be seen that both the Tariff and Individual Authority Business Rates Baseline figures significantly change in 2023/24. This is a result of the 2023 Business Rates Revaluation where the 2017 local Rateable Value list value of £81.166m, increases by £11.486m to £92.652m in 2023.

The intention is that these changes will offset the impact of Revaluation 2023 and therefore make it revenue neutral locally.

5.0 BASE BUDGET MOVEMENT: BUDGET ASSUMPTIONS and UPDATES

- 5.1 As the cost-of-living crisis deepens with rising inflation and energy costs forecast to continue into 2023 as shown in both 4.1 and 4.2 and the lack of detail from Government on the Local Government Finance Settlements from 2024/25 onwards, along with deferral of the introduction of the long-awaited funding reforms to both the funding settlement formula and the business rates system. Makes the production of the medium-term plan with any certainty difficult and therefore some key assumptions have been made on producing the latest forecast position for 2024/25 and 2025/26.
- 5.2 The key assumptions can be split between net budget requirement and funding and are then applied the starting base position being the 2022/23 base budget of £14.953m.
- 5.3 The graph below shows the 2023/24 net budget requirement and funding of £16.327m for approval, and the latest forecast net budget requirement and funding levels for 2024/25 to 2025/26, resulting in a budget gap of **£2.708m**.



5.4 In September the reported budget gap was £3.014m over the three-year period 2023/24 to 2025/26 (£0.539m 2023/24, £1.474m 2024/25 and £1.001m 2025/26), a summary of the movements since September are set out in the table below:

BUDGET MOVEMENTS	2023/24 £000s	2024/25 £000s	2025/26 £000s
ANNUAL BUDGET GAP SEPTEMBER 2022	539	1,474	1,001
Salary - Additional 3% 22/23 Pay Award, Budget at Top SCP, Vacancy/Scale Factor, FTCs Base Changes, 2023 Pension Triennial Valuation	438	(643)	8
Contract Inflation - Insurance, Energy, Fuel and Fleet	320	38	(3)
Solar PV System Tariff Income	(120)	0	0
Review of Unspent Budgets	(72)	0	0
Council Elections Delivery	5	101	2
PSAA Reset of External Audit Fees	85	0	0
Treasury Investment Income & Capital Financing	7	165	74
Complete Removal of Returns from TVD	50	0	0
Other Budget Movements	(1)	3	0
2023 Budget Proposals	354	89	(25)
Reserves - One-Off Use of Reserves to Balance the 2023/24 budget and the complete phasing out of the Use of Reserves by 2025/26	(466)	926	162
Net Budget Movements	600	679	218
Council Tax - 3% Council Tax Increase	(19)	(66)	(1)
Business Rates - further delay to the reset of Baselines	0	(826)	(427)
Use of Collection Fund Smoothing Reserve	(40)	40	0
23/24 LGFS - Business Rates Baseline & Tariff	16	(186)	0
23/24 NNDR1 Local Share & Section 31 Grants	(614)	0	0
23/24 LGFS Other Grants - NHB, Lower Tier and Services Grants	(482)	355	446
Funding Movements	(1,139)	(683)	18
TOTAL MOVEMENTS	(539)	(4)	236
ANNUAL BUDGET GAP FEBRUARY 2023	0	1,470	1,238

5.5 The key inflationary assumptions over the period 2023/24 to 2025/26 include:

Budget Assumptions	2023/24 £000s	2024/25 £000s	2025/26 £000s
Net Budget	1,305	714	564
Pay Award	3.00%	2.00%	2.00%
	590	401	407
2023 Pension Triennial Valuation - Future Service	1.40%	0%	0%
	207	4	4
Contractual Obligations: Inflation Energy	82.50%	40.00%	5.00%
	228	193	34
Contractual Obligations: Inflation Fuel	10.00%	5.00%	5.00%
	48	33	35
Contractual Obligations: Inflation Insurance	30.00%	5.00%	5.00%
	103	22	23
Contractual Obligations: Inflation Other	Variable	Variable	Variable
	48	10	10
Contractual Obligations: Inflation General	3.00%	2.00%	2.00%
	81	51	51
Net Central Service Budget	(446)	(19)	(20)
Contractual Obligations: External Audit Fees	150%	0%	0%
	85	0	0
2023 Pension Triennial Valuation - Past Service	(3.70%)	0%	0%
	(532)	(20)	(21)
Apprenticeship Levy: Pay Award	3.00%	2.00%	2.00%
	1	1	1
Funding	(342)	(397)	(341)
Council Tax Rate Increase (Relevant Basic Amount)	2.99%	2.99%	£5
	(250)	(261)	(199)
Council Tax Base Increase	1.13%	1.60%	1.60%
	(92)	(136)	(142)

5.6 The table below summarises the movements over the period 2023/24 to 2025/26:

Movements to the 2022/23 Base Budget	2023/24 £000s	2024/25 £000s	2025/26 £000s
Net Service Base Budget b/f	17,089	17,812	18,110
Permanent Virements	(112)	0	0
RODs	(40)	0	0
NET SERVICE BASE BUDGET	16,937	17,812	18,110
Pay, NI & Pensions - Inflation	797	405	412
Pay, NI & Pensions - Base Movements	(223)	(725)	0
Employee Vacancy/Scale Factor	(45)	33	(40)
Contractual Inflation	507	309	154
Volume/Activity Base Movements	176	80	0
Legislative/Regulatory	219	(143)	(43)
Grants & Contributions	(30)	0	0
Sales, Fees & Charges Levels	(231)	(98)	(17)
Recharges HRA & Capital	18	0	0
New / Cease / Transfer of Services	(22)	0	0
Service Reserve Movements	(152)	393	44
Other	35	0	0
Total Budget Assumptions	1,050	253	509
Growth Items	(438)	(44)	0
Policy Proposals	(91)	0	0
Total Approved Budget Proposals	(529)	(44)	0
Growth Items	502	38	(25)
Income Generation	0	0	0
Efficiency Proposals	0	102	0
Savings Proposals	(198)	0	0
Policy Proposals	51	(51)	0
Total New Budget Proposals	354	89	(25)
NET SERVICE BUDGET	17,812	18,110	18,594
Net Service Base Budget b/f	(700)	148	129
Permanent Virements	1,217	0	0
NET CENTRAL SERVICE BASE BUDGET	517	148	129
External Audit	85	0	0
Pensions	(533)	(20)	(21)
Apprenticeship Levy	1	1	1
Corporate Employee Vacancy/Scale Factor	19	0	0
Provision & Contingency	264	0	0
Covid-19	(191)	0	0
Other Corporate Items	(15)	0	0
Total Central Service Budget Assumptions	(369)	(19)	(20)
NET CENTRAL SERVICE BUDGET	148	129	109
Net Service Base Budget b/f	(1,436)	(1,633)	(254)
NET NON SERVICE BASE BUDGET	(1,436)	(1,633)	(254)
Treasury Management - Interest Received	161	0	0
Treasury Management - Interest Payments	0	53	19
Capital Charges - MRP	87	113	54
Dividends	50	0	0
Reserves	(494)	1,213	595
Total Non Service Budget Assumptions	(197)	1,379	668
NET NON SERVICE BUDGET	(1,633)	(254)	414
NET BUDGET	16,327	17,986	19,118

Movements to the 2022/23 Base Budget	2023/24 £000s	2024/25 £000s	2025/26 £000s
BASE FUNDING	(14,953)	(16,327)	(16,516)
Council Tax - Base Increase	(93)	(137)	(143)
Council Tax - % General Increase	(249)	(260)	(197)
Business Rates: Retained Income	(338)	(186)	0
Business Rates: S31 Grants	(643)	0	0
Prior Year Collection Fund (Surplus)/Deficit	(1,421)	(1,035)	0
Use of Collection Fund Smoothing Reserve	1,381	1,076	0
New Homes Bonus	(65)	768	0
Other Government Grants	54	(413)	446
Total Funding Assumptions	(1,374)	(188)	106
FUNDING	(16,327)	(16,516)	(16,410)
ANNUAL BUDGET (HEADROOM)/GAP	0	1,470	1,238
CUMULATIVE BUDGET (HEADROOM)/GAP	0	1,470	2,708

5.7 Other notable movements to the Net Base Budget include the following items and a full detailed listing is provided in Appendix 1 of the report:

- An exercise has been performed to fully cost the establishment at top-of scale, including building into the base the additional 3% not budgeted for as part of the 2022/23 budget setting for the £1,925 pay settlement, the introduction of a vacancy/scale factor at 10%, along with removing budgets for fixed-term contracts end dates, these have now been built into the base budget.
- The discontinuation of temporary or one-year approved Record of Decisions Under Delegated Authority (RODs), growth items and policy proposals approved at February Council.
- Base budget adjustments relating to fuel and the fleet contract.
- Council elections delivery: creation of smoothing reserve and contribution of £100k.
- **Reinstatement of Solar PV System Tariff Income, £120k**
- Provisions and contingency: insertion of insurance fund provision top-up of £80k and replenish the contingency budget to £166k.
- Reduction of £161k to the interest received from treasury investments.
- Capital financing costs: insertion of **£325k** over the three-year period.
- Removal of all TVD Dividend returns.
- The one-off increase in the use of reserves in 2023/24 of £512k and the complete phasing out of the contribution from reserves by the end of the three-year MTF period.

5.8 The 2023 budget proposals include the following items and a full detailed listing is provided in Appendix 2 of the report:

- Staffing: extension of existing posts and the creation of new posts to the establishment totalling £729k over the three-year period.
- Centralisation of budgets saving: computing savings of £100k and printing and stationery saving of £99k.
- Leisure review £153k, funded by a £102k one-off use of reserve and a £51k one-year base budget increase.

- 5.9 Other notable movements to the Funding include the following items and a full detailed listing is provided in Appendix 1 of the report:
- The assumption on the timing of the Business Rates Baseline reset and reform is now assumed to be implemented following the next general election, however there is some uncertainty whether this will be aligned to the Fairer Funding (Settlement Formula) review due in 2025/26 or 2026/27, at present this has been excluded from the three-year period.
 - An increase of £981k for retained Business Rates and Section 31 Compensation Grants.
 - An increase of £11k in Other Government Grants, that relates to New Homes Bonus, Lower Tier and Services Grants.

6.0 PROPOSED 2023/24 REVENUE BUDGET AND MEDIUM-TERM FINANCIAL FORECAST 2024/25 to 2025/26

- 6.1 The Council is required to set a balanced budget and determine its council tax level before the start of each financial year in accordance with statutory requirements and proper accounting practices.
- 6.2 The purpose of the Medium-Term Financial Forecast is to provide the strategic framework and a forward-looking approach to achieving long-term financial sustainability. It is central to the delivery of priority outcomes in the Council's strategy and plans in an affordable way over the next three years to 2025/26. It aids robust and methodical planning as it forecasts the Council's financial position, considering known pressures, major issues affecting the Council's finances, including national and regional influences as well as local priorities and factors.
- 6.3 Planning over the medium-term helps the Council to respond in a considered manner, to pressures and changes because of many internal and external influences. This is particularly important during a period where the Council is facing unprecedented changes and challenges. The recovery from the pandemic, the cost-of-living crisis, inflationary pressures and the changes in National funding are examples of this. The MTFF recognises the key role that financial resources play in the future delivery of outcomes and in enabling the effective planning, management and delivery of services that contribute towards the delivery of the Council's Strategic Plan.
- 6.4 The MTFF model provides the framework within which decisions relating to future service provision can be made. The detailed budget, taking account of constantly changing circumstances is regularly reviewed and the Council will be provided with updated budget monitoring reports as things progress.

6.5 Based on the current set of key assumptions set out in section 5, the 2023/24 net budget requirement and funding of £16.327m for approval, and the latest forecast net budget requirement and funding levels for 2024/25 to 2025/26, resulting in a budget gap of £2.708m by service is shown below:

2023/24 Budget and 2024/25 to 2025/26 MTFF	2023/24 £000s	2024/25 £000s	2025/26 £000s
Corporate and Customer Services	5,860	5,898	6,006
Environmental Services	6,677	6,822	6,969
Finance Procurement and Commercial Services	(488)	(391)	(326)
Housing Services	941	1,035	1,046
Legal and Democratic Services	1,167	1,270	1,299
Planning and Regulatory Services	1,845	1,845	1,918
Wellbeing and Place Services	1,457	1,272	1,314
Chief Officers	353	361	368
NET SERVICE BUDGET	17,812	18,110	18,594
Treasury & Banking	41	41	41
External Audit	142	142	142
Pensions	(148)	(168)	(188)
Apprenticeship Levy	45	46	47
GRA Recharges	(187)	(187)	(187)
Provision & Contingency	166	166	166
Parish Council Grants	89	89	89
NET CENTRAL SERVICE BUDGET	148	129	109
Treasury Management - Interest Received	(319)	(319)	(319)
Treasury Management - Interest Payments	95	147	167
Capital Charges - MRP	400	513	567
Reserves	(1,808)	(595)	0
NET NON SERVICE BUDGET	(1,633)	(254)	414
NET BUDGET	16,327	17,986	19,118
Council Tax	(9,247)	(9,645)	(9,985)
Council Tax - Parish Precepts	679	679	679
Business Rates: Retained Income	(3,130)	(3,316)	(3,316)
Business Rates: S31 Grants	(3,493)	(3,493)	(3,493)
Prior Year Collection Fund (Surplus)/Deficit	1,035	0	0
Use of Collection Fund Smoothing Reserve	(1,076)	0	0
New Homes Bonus	(768)	0	0
Other Government Grants	(327)	(740)	(294)
FUNDING	(16,327)	(16,516)	(16,410)
ANNUAL BUDGET (HEADROOM)/GAP	0	1,470	1,238
CUMULATIVE BUDGET (HEADROOM)/GAP	0	1,470	2,708

7.0 RESERVES AND BALANCES

- 7.1 In accordance with statutory regulations and CIPFA guidance, the levels of balances and reserves are reviewed during the budget process to ensure that they are currently sufficient, and that they will remain adequate over the medium term.
- 7.2 The Council's medium-term financial approach involves using reserves to support the budget position while savings are being realised. The assumption made at budget setting in February 2022, was that £1.314m of reserves would be required in 2022/23 to enable the Council to achieve a balanced budget.
- 7.3 Whilst the reserves position as at 31 March 2022 in 7.7 shows a balance of £16.849m, the Collection Fund Stabilisation Reserve balance of £6.271m is earmarked to fund future years losses on the Collection Fund and smooth the impact of reforms to the Business Rates System and Baseline Reset. Excluding this reserve, the position as at 31 March 2022 is £10.578m.
- 7.4 Utilising of reserves of £1.314m in 2022/23 and a proposed £1.808m in 2023/24, presents an un-sustainable position on the overall reserves position, therefore the complete phasing out of the contribution from reserves has now been assumed over the remaining two-years of the MTFE in 2024/25 and 2025/26.
- 7.5 To reduce the dependence on reserves it is recommended further savings, efficiencies or income generation are identified over the three-year period 2023/24 to 2025/26, to reduce the drawdown on reserves and stabilise the Council's finances over the medium-term.
- 7.6 Reserves Protocol
1. Details for each GRA reserve held by the Council are set out in 7.7 below.
 2. Each reserve is managed and controlled by the s151 Officer of the Council who will act as the responsible officer for the reserve.
 3. The responsible officer can authorise amounts, commensurate with the current limit for Record of Decision (RoD) actions, to be taken from a reserve provided that its use is in line with the stated purpose of the reserve.
 4. Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size.
 5. Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.
 6. Balances represent unallocated funds which have not been earmarked and consequently are available to support any service area.

7.7 Reserves Balances and Forecast

Classification	Sub-Classification	2021/22 YE Balance £000s	2022/23 Forecast In-Year Movement £000s	2022/23 Forecast YE Balance £000s	2023/24 Forecast In-Year Movement £000s	2023/24 Forecast YE Balance £000s	2024/25 Forecast In-Year Movement £000s	2024/25 Forecast YE Balance £000s	2025/26 Forecast In-Year Movement £000s	2025/26 Forecast YE Balance £000s
General Fund Balance	Core Balances	(£690)	£0	(£690)	£0	(£690)	£0	(£690)	£0	(£690)
General Fund Balance	Contingency Balances	(£270)	£0	(£270)	£0	(£270)	£0	(£270)	£0	(£270)
CORE and CONTINGENCY BALANCES		(£960)	£0	(£960)	£0	(£960)	£0	(£960)	£0	(£960)
Corporate Reserves	SORP / Policy Options Reserve	(£172)	£0	(£172)	£0	(£172)	£0	(£172)	£0	(£172)
Corporate Reserves	Budget Smoothing Reserve	(£837)	(£1,798)	(£2,635)	£1,808	(£827)	£595	(£232)	£0	(£232)
Corporate Reserves	Benefits Equalisation Reserve	(£908)	£0	(£908)	£0	(£908)	£0	(£908)	£0	(£908)
Corporate Reserves	Planning Income Equalisation Reserve	(£125)	£0	(£125)	£0	(£125)	£0	(£125)	£0	(£125)
Corporate Reserves	Collection Fund Stabilisation Reserve	(£6,271)	£3,957	(£2,314)	£1,076	(£1,238)	£0	(£1,238)	£0	(£1,238)
Corporate Reserves	Major Projects Reserve	(£399)	£69	(£330)	£69	(£261)	£0	(£261)	£0	(£261)
Corporate Reserves	Strategic Investment Reserve	(£613)	£0	(£613)	£0	(£613)	£0	(£613)	£0	(£613)
Corporate Reserves	Service Reserves	(£2,662)	£737	(£1,925)	£476	(£1,449)	(£50)	(£1,499)	(£100)	(£1,599)
CORPORATE RESERVES		(£11,986)	£2,965	(£9,021)	£3,429	(£5,592)	£545	(£5,047)	(£100)	(£5,147)
Insurance Reserve	Insurance Reserve	(£2,006)	£1,000	(£1,006)	£0	(£1,006)	£0	(£1,006)	£0	(£1,006)
INSURANCE RESERVES		(£2,006)	£1,000	(£1,006)	£0	(£1,006)	£0	(£1,006)	£0	(£1,006)
Ring Fenced Reserves	P&D Machine Replacement Fund	(£29)	£0	(£29)	(£5)	(£34)	(£5)	(£39)	(£5)	(£44)
Ring Fenced Reserves	Solar Panel R&R Fund	(£261)	£0	(£261)	£0	(£261)	£0	(£261)	£0	(£261)
Ring Fenced Reserves	Community Related Assets - R&R Fund	(£222)	£0	(£222)	(£40)	(£262)	(£40)	(£302)	(£40)	(£342)
Ring Fenced Reserves	Industrial Portfolio Fund	(£996)	£0	(£996)	(£92)	(£1,088)	(£143)	(£1,231)	(£137)	(£1,368)
Ring Fenced Reserves	Investment Centre Reserve	(£389)	£0	(£389)	(£50)	(£439)	(£50)	(£489)	(£50)	(£539)
RING FENCED RESERVES		(£1,896)	£0	(£1,896)	(£187)	(£2,083)	(£238)	(£2,321)	(£232)	(£2,553)
TOTAL GRA RESERVES		(£16,849)	£3,965	(£12,884)	£3,242	(£9,642)	£307	(£9,335)	(£332)	(£9,667)

8.0 CAPITAL PROGRAMME

8.1 The Capital Strategy for 2023/24 – 2025/26 is presented in Appendix 3.

8.2 The proposed Capital Programme for the period 2023/24 to 2025/26 totals £9.158m.

General Fund (GRA) Service Area	2022/23 F/cast Expenditure £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Corporate and Customer Services	£1,560	£601	£250	£250
Environmental Services	£236	£297	£45	£0
Finance Procurement and Commercial Services	£235	£772	£60	£210
Housing Services	£1,722	£1,941	£1,608	£1,608
Planning and Regulatory Services	£254	£211	£0	£0
Wellbeing and Place Services	£8,910	£4,129	£1,568	£6
Total GRA Capital Programme Expenditure	£12,917	£7,951	£3,531	£2,074

8.3 The above table includes Capital Bids totalling £651k and new approval relating to the UK Shared Prosperity Fund award, detailed in the table below:

Service	Budget Issue Name	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Environmental	Littering T&F group equipment	£23	£0	£0
Environmental	Street recycling bins	£10	£0	£0
Finance	Fixed Asset Register	£30	£0	£0
Finance	Capital Works Required (Est)	£230	£10	£180
Wellbeing and Place	Chapel Gallery building repairs	£50	£33	£6
Regulatory Services	CCTV monitoring costs	£79	£0	£0
New Service Bids 2023/24		£422	£43	£186
Wellbeing and Place	UK Shared Prosperity	£191	£1,535	£0
New Approvals 2023/24		£191	£1,535	£0

8.4 The Capital Programme is to be funded by the following resources with any remaining balance funded with the use of prudential borrowing.

FUNDING	2022/23 F/cast Expenditure £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Capital Receipts	£3,306	£1,228	£0	£0
GRA Contributions	£0	£0	£0	£0
Prudential Borrowing	£5,284	£1,506	£552	£630
Community Infrastructure Levy (CIL)	£1,053	£3,191	£0	£0
Section 106	£698	£36	£0	£0
Other Grant Funding	£2,576	£1,991	£2,979	£1,444
Total GRA Capital Programme Funding	£12,917	£7,951	£3,531	£2,074

8.5 Further detail on the proposed Capital Programme and funding is provided in Appendix 4.

9.0 ROBUSTNESS of ESTIMATES and ADEQUACY of RESERVES

- 9.1 It is a requirement of the Local Government Act 2003 for the Council's Chief Finance Officer to give an opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.
- 9.2 In determining the budget for the forthcoming year there have been important decisions about the continued use of reserves. The planned use of reserves totalling £3.242m in 2023/24 from 7.7 above, includes £1.808m of general reserves to support the budget that is a one-off source of funding. As the reliance on reserves is removed the budget gap over the period 2024/25 to 2025/26 increases by this amount.
- 9.3 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible.
- 9.4 Statement by the Head of Finance, Procurement and Commercial Property in his capacity as the s151 Officer of the Council:

This statement is not a guarantee that expenditure will be contained within each budget line, as budget estimates are exactly that. Estimates of the financial environment, spending and income made at a point in time, which will change as circumstances change.

Therefore, it is an assessment of the overall budget package and whether there is a reasonable expectation that the budget overall will not be breached.

On the basis, good financial management, and the sound monitoring of budgets and performance which exists. I am satisfied that sufficient management processes are present within the Council to deliver this budget and to identify and deal with issues which may arise unexpectedly during the year.

As the Council s151 Officer I'm able to report (in accordance with Section 25 of the Local Government Act 2003) that the estimates made for the purposes of the calculation of the budget are robust and the level of reserves and balances are adequate and (in accordance with Section 26 of the Local Government Act 2003) the minimum level of general reserve be set at £960k.

10.0 MEDIUM-TERM OUTLOOK

- 10.1 The Government continued with a detailed one-year funding settlement for 2023/24 and set out through a LGFS Policy Statement issued on 12 December 2022, the planning assumptions rather than detailed allocations for 2024/25.
- 10.2 We also await confirmation of the details to the long-awaited Government reforms to the settlement formula (Fairer Funding), together with a new business rates retention system and baseline reset. In the December LGFS Policy Statement Government announced that this will not be implemented in the next two years.

- 10.3 Economic outlook, early forecasts had shown inflation, prices and interest rates once peaking, falling mid to late 2023 but more recent forecasts now show falling in mid-2024 and flatlining in 2025/26. Forecasting the impact of the current economic climate with any certainty on the MTFF, is therefore extremely difficult especially with growing uncertainty over the coming months ahead as the cost-of-living crisis deepens.
- 10.4 Consequently, the MTFF will be continually refreshed once new information becomes available to establish the Council's financial position going forward.
- 10.5 The current MTFF position to 2025/26 shows a budget gap of £2.605m, the Council has undertaken some preliminary work to identify high level saving targets themes as shown in the table below:

HIGH LEVEL SAVING TARGET	2024/25 £'000s	2025/26 £000s
CUMULATIVE BUDGET GAP FEBRUARY 2023	1,495	2,605
All Service Efficiency Target of 3%	(930)	0
Review of Statutory and Non-Statutory Services	(125)	(125)
Accommodation Review	0	(250)
TOTAL HIGH LEVEL SAVING TARGETS	(1,055)	(375)
UPDATED CUMULATIVE BUDGET GAP	440	1,175

- 10.6 Indicative workplan:
- Undertake detailed service budget reviews
 - Undertake detailed budget analysis work to include statutory and non-statutory
 - Review sales, fees and charges register
 - Sensitivity and scenarios analysis modelling

11.0 SUSTAINABILITY IMPLICATIONS

- 11.1 There are no significant sustainability impacts associated with this report and no significant impact on crime and disorder.

12.0 RISK ASSESSMENT

- 12.1 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.
- 12.2 The challenging financial position facing local authorities has been evaluated and assessed as being a key risk, and consequently is included on the Council's key risk register.

13.0 HEALTH AND WELLBEING IMPLICATIONS

- 13.1 The health and wellbeing implications arising from this report will be dependent on the budget proposals put forward at the Council meeting. Details of any significant implications will be provided at the Council meeting if required.

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 direct impact on members of the public, employees, elected members and / or stakeholders is dependent on the proposals to be put forward at the Council meeting. Therefore no Equality Impact Assessment has been produced at this time.

Appendices

- Appendix 1 Budget Movements
- Appendix 2 2023 Budget Proposals
- Appendix 3 Capital Strategy 2023/24 to 2025/26
- Appendix 4 GRA Capital Programme 2023/24 to 2025/26

APPENDIX 1: BUDGET MOVEMENTS

Movement Heading	Description	2023/24 £000s	2024/25 £000s	2025/26 £000s
NET BUDGET		161	874	614
Net Service Budget		(936)	(505)	(55)
Permanent Virements	Budget Re-alignment of Contingency	(16)	0	0
Permanent Virements	Salary - Pay Award Catchup of the 22/23 £1,925 additional 3%	588	0	0
Permanent Virements	Salary - Budget at Top SCP & Introduction of Vacancy/Scale Factor @ 10%	(669)	0	0
Permanent Virements	Budget Re-alignment of Brokers Fee	(15)	0	0
Permanent Virements		(112)	0	0
RODs (2021/22)	Costs re transmission of CCTV images & for the new Skelmersdale TC cameras	(10)	0	0
RODs (2021/22)	Private Sector House Condition Review - Statutory Duty	(30)	0	0
RODs		(40)	0	0
Budget Assumptions	Salary - Base Movements FTCs	(223)	(725)	0
Budget Assumptions	Employee Vacancy/Scale Factor Increase for Pay Award	(45)	33	(40)
Budget Assumptions	Volume/Activity Base Movements - Fuel	134	0	0
Budget Assumptions	Volume/Activity Base Movements - Fleet Contract	114	0	0
Budget Assumptions	Review of Budget Underspend	(72)	0	0
Budget Assumptions	Insurance Fund Provision Top-Up	0	80	0
Budget Assumptions	National Fraud Initiative	0	3	0
Budget Assumptions	Insurance Fund Actuarial Review	6	0	0
Budget Assumptions	Commercial Property: Minimum Energy Efficiency Standards (MEES)	52	(51)	6
Budget Assumptions	Commercial Property: Use of Investment Property Portfolio Reserve to Fund MEES	(52)	51	(6)
Budget Assumptions	LG Futures: Collection Fund Suite Subscription	10	0	0
Budget Assumptions	Council Elections Delivery	151	(95)	(48)
Budget Assumptions	Council Elections Budget Stabilisation Reserve	(146)	196	50
Budget Assumptions	Fund new post from RSI & Homelessness grant	(30)	0	0
Budget Assumptions	Investment Properties - Service Charge (Energy)	(111)	(98)	(17)
Budget Assumptions	Solar PV System Tariff Income	(120)	0	0
Budget Assumptions	Recharges HRA - 23/24 Fleet SLA	18	0	0
Budget Assumptions	Transfer of Service - Home Link Care - Consultant Fees	(40)	0	0
Budget Assumptions	cc4131: 61 WESTGATE vacated	18	0	0
Budget Assumptions	Service Reserve Movements / Reversals	46	145	0

Movement Heading	Description	2023/24 £000s	2024/25 £000s	2025/26 £000s
Budget Assumptions	cc2021: HOUSING/HOMELESSNESS ADV - Error in previous years	4	0	0
Budget Assumptions	cc4148: STANLEY DEPOT - SFCs (cc1329 Transport)	31	0	0
Budget Assumptions		(255)	(461)	(55)
Approved - Growth Bids (FEB22)	Additional EHO post - Environmental Protection (22/23 funded from Covid)	44	0	0
Approved - Growth Bids (FEB22)	Additional post of Inward Investment Officer	(43)	0	0
Approved - Growth Bids (FEB22)	Additional income and/or efficiencies to be generated from the Finance FBP	(60)	(10)	0
Approved - Growth Bids (FEB22)	Supporting the business & Visitor economy & attracting inward investment	(3)	(42)	0
Approved - Growth Bids (FEB22)	Employment Debt recovery task force for 3 months	(20)	1	0
Approved - Growth Bids (FEB22)	Upgrade of IT equipment for Planning Services following Planning Service Review	(12)	0	0
Approved - Growth Bids (FEB22)	Regeneration Project Development Manager plus extension of existing post to Dec 2022	(60)	0	0
Approved - Growth Bids (FEB22)	Revenue consequences of Capital bid - C7 - Purchase Glutton Urban Vacuum Cleaner	2	0	0
Approved - Growth Bids (FEB22)	Revenue consequences of Capital bid - C8 - Beconsall Closed Church Yard	7	2	0
Approved - Growth Bids (FEB22)	Temporary post of Development Planning Surveyor for 12 months	(53)	0	0
Approved - Growth Bids (FEB22)	Continued Membership of Growth Lancashire (1 year)	(15)	0	0
Approved - Growth Bids (FEB22)	Replace WebaspX system	(80)	0	0
Approved - Growth Bids (FEB22)	Microsoft Site Licences	140	5	0
Approved - Growth Bids (FEB22)	Council Tax Discount/Relief Scheme (Cost of Living)	(260)	0	0
Approved - Growth Bids (FEB22)	Dial-a-Ride Contribution	(25)	0	0
Approved Growth Items		(438)	(44)	0
Approved - Policy Proposals (FEB21)	Customer Services staff resources	(9)	0	0
Approved - Policy Proposals (FEB21)	North Meols	(40)	0	0
Approved - Policy Proposals (FEB22)	Initial 1Yr Holiday re Reserves Contributions	239	0	0
Approved - Policy Proposals (FEB22)	Leisure Contract - 1 yr Contract Extension	(231)	0	0
Approved - Policy Proposals (FEB22)	Free car parking promotion Ormskirk Mons and Tues from 1pm - 1 year trial	(50)	0	0
Approved Policy Proposals		(91)	0	0
Net Central Service Budget		1,294	0	0
Permanent Virements	Introduction of Employee Costs Vacancy/Scale Factor @ 10%	995	0	0
Permanent Virements	Budget Re-alignment of the Provision & Contingency	16	0	0
Permanent Virements	Salary - Base Movements & Budget at Top SCP	191	0	0
Permanent Virements	Budget Re-alignment of Brokers Fee	15	0	0
Permanent Virements		1,217	0	0
Central Service: Corporate Budget	Employee Vacancy/Scale Factor Adj for Base Movements FTCs	19	0	0

Movement Heading	Description	2023/24 £000s	2024/25 £000s	2025/26 £000s
Central Service: Corporate Budget	Replenish the Provision & Contingency Budget	264	0	0
Central Service: Corporate Budget	Salary - Base Movements FTCs	(191)	0	0
Budget Assumptions		92	0	0
Approved - Growth Bids (FEB22)	County Deal	(15)	0	0
Approved Growth Items		(15)	0	0
Net Non Service Budget		(197)	1,379	669
Non Service: Treasury Management	Reduction of Interest Received from Investments	240	0	0
Non Service: Treasury Management	Additional Interest Received from Increased Interest Rates	(79)	0	0
Non Service: Treasury Management	Capital Programme 23/24 to 25/26: Interest on Borrowing	0	53	19
Non Service: Capital Charges MRP	MRP - Change of Policy	7	11	12
Non Service: Capital Charges MRP	Capital Programme 23/24 to 25/26: MRP	79	101	43
Non Service: Dividends	Returns from TVDC	(200)	0	0
Non Service: Dividends	Deletion of the Returns from TVDC	250	0	0
Non Service: Reserves	Phasing out of the contribution from Reserves	0	702	595
Non Service: Reserves	One-Off Use of Reserves in 23/24 to Balance the Budget Gap	(512)	512	0
Budget Assumptions		(215)	1,379	669
Approved - Policy Proposals (FEB22)	Reversal of the use of Reserves agreed at Council Feb 2022	18	0	0
Approved Policy Proposals		18	0	0
FUNDING		(1,032)	209	446
2023/24 LG Finance Settlement	Business Rates: Individual Authority Baseline	(1,566)	(735)	0
2023/24 LG Finance Settlement	Business Rates: Tariff	1,442	549	0
2023/24 NNDR1 Forecast	Business Rates: (Growth)/Decline	(214)	0	0
2023/24 NNDR1 Forecast	Business Rates: S31 Grants	(643)	0	0
Collection Fund Forecast	Estimated in-year Collection Fund Outturn position	(£1,422)	(£1,035)	0
Collection Fund Forecast	Movement on Collection Fund Stabilisation Reserve	£1,382	£1,075	0
2023/24 LG Finance Settlement	Government Funding: New Homes Bonus	(64)	767	0
2023/24 LG Finance Settlement	Government Funding: RSG, Lower Tier, Services & Funding Guarantee Grants	53	(412)	446

APPENDIX 2: 2023 BUDGET PROPOSALS

Service	Manager	Budget Issue Description	Budget Group	2023/24 £000s	2024/25 £000s	2025/26 £000s
NET BUDGET				£354	£89	(£25)
Net Service Budget				£354	£89	(£25)
Environmental Services	Kathryn Sephton	Depot Transport Services Manager	Staff	64	0	0
Environmental Services	Kathryn Sephton	Assistant Waste Services Manager	Staff	48	0	0
Environmental Services	Kathryn Sephton	Technical Support Officer Apprentice	Staff	22	0	(22)
Finance Procurement and Commercial Services	James Pierce	Senior Estates Surveyor	Staff	65	0	0
Finance Procurement and Commercial Services	James Pierce	Finance Manager	Staff	76	0	0
Housing Services	Alan Leicester	Staffing - Homelessness Triage	Staff	20	0	(20)
Legal and Democratic Services	Kay Lovelady	Planning Assistant Solicitor	Staff	54	0	0
Legal and Democratic Services	Kay Lovelady	Contracts & Procurement Lawyer	Staff	54	0	0
Planning and Regulatory Services	Paul Charlson	Strategic Planning Manager	Staff	0	53	17
Planning and Regulatory Services	Paul Charlson	CCTV Contract Monitoring Staff	Staff	15	(15)	0
Planning and Regulatory Services	Paul Charlson	CCTV Monitoring & Maintenance	Operational	45	0	0
Planning and Regulatory Services	Paul Charlson	Corporate Health & Safety Staff	Staff	39	0	0
Growth Items				£502	£38	(£25)
Corporate and Customer Services	Lisa Windle	Staffing - Extend Temporary Team staffing	Staff	0	102	0
Finance Procurement and Commercial Services	James Pierce	Procurement Staffing	Staff	157	0	0
		Procurement Contract Efficiency Savings	Operational	(157)	0	0
Efficiency Proposals				£0	£102	£0
Corporate and Customer Services	Lisa Windle	Centralisation of Budgets: Computing	Operational	(100)	0	0
		Centralisation of Budgets: Printing & Stationery	Operational	(99)	0	0
Saving Proposals				(£199)	£0	£0
Wellbeing and Place Services	Simon Kirby	Leisure Facilities Growth	Operational	153	(153)	0
		Leisure Facilities Budget Stabilisation Reserve	Reserves	(102)	102	0
Policy Proposals				£51	(£51)	£0

Staff	£614	£140	(£25)
Operational	(£158)	(£153)	£0
Reserves	(£102)	£102	£0
Proposals Total	£354	£89	(£25)



WEST LANCASHIRE BOROUGH COUNCIL

CAPITAL STRATEGY

2023/2026

Contents

- 1. Introduction**
- 2. Background**
- 3. Objectives**
- 4. Capital Programme**
- 5. Risk Management**
- 6. Knowledge and Skills**

1. Introduction

- 1.1 The Prudential Code for Capital Finance in Local Authorities (updated December 2021) sets out the requirement for councils to prepare a Capital Strategy, and this document has been produced in accordance with the latest guidance.
- 1.2 This strategy updates the capital strategy for both the general fund (GRA programme) and for the HRA, and sets out the direction for the Council's capital programme management and investment decisions in support of our outcomes. It sets out the principles for prioritising our capital investments, the governance, scrutiny and assurance process. It also provides an overview of the asset management process and approach to risk management.
- 1.3 The effective management of capital resources is an integral aspect in the delivery of the Council's corporate objectives. The Capital Strategy provides the framework for this delivery and ensures there is a focused approach to our capital investment. The Strategy maintains a strong link to its key strategy documents notably the Medium-Term Financial Strategy (MTFS), Treasury Management Strategy, Investment strategy. The Strategy will be reviewed annually and updated to take account of the challenges facing the Council and the residents of West Lancashire.

2. Background

- 2.1 The Council formulates its capital investment programme as part of its annual budget setting process. The aim is to ensure that the programme is affordable, deliverable and in line with the Council's priorities for expenditure.
- 2.2 The key priorities continue to be supported by our capital investment programme, for instance through our greener energy initiatives and the development of cycleways, we are working towards cleaner with increased provision of litter bins and CCTV initiatives to deter and address fly tipping. The programme funding for the provision of healthy hubs, to achieve the healthier community objective.
- 2.3 Although not currently in the strategy, there is work well underway to look at the long-term leisure service needs, including provision of new leisure facilities, to replace existing centres. At this stage, the affordability is still being worked upon, as we have been informed that the Council's £11m bid for levelling up funding has not been successful.

3. Objectives

- 3.1 To support the MTFs by ensuring that capital investment decisions are not taken in isolation from revenue spending with specific emphasis on delivering future savings and income streams capable of supporting the revenue budget.

Also ensuring the right capital assets are fit for purpose for the Council and partners and supports the Council's priorities.

4. Capital Programme – General Fund

General Fund – the programme includes £2.987m of new expenditure in 2023/24. In addition to this there will be estimated slippage of £4.964m, that is expenditure shown under the 2022/23 programme, that is not likely to occur until 2023/24. This forms part of the programme of £7.951m for 2023/24 shown below.

General Fund (GRA) Service Area	2022/23 F/cast Expenditure £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Corporate and Customer Services	£1,560	£601	£250	£250
Environmental Services	£236	£297	£45	£0
Finance Procurement and Commercial Services	£235	£772	£60	£210
Housing Services	£1,722	£1,941	£1,608	£1,608
Planning and Regulatory Services	£254	£211	£0	£0
Wellbeing and Place Services	£8,910	£4,129	£1,568	£6
Total GRA Capital Programme Expenditure	£12,917	£7,951	£3,531	£2,074

4.1 General Fund New Bids 2023/24

There is £651k of new expenditure included in the overall capital programme shown above. This is to support the six schemes identified below.

Service	Budget Issue Name	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Environment	Littering T&F group equipment	£23	£0	£0
Environment	Street recycling bins	£10	£0	£0
Finance & Procurement	Civica fixed asset register	£30	£0	£0
Finance & Procurement	Capital Works Required (Est)	£230	£10	£180
Wellbeing and leisure	Chapel Gallery building repairs	£50	£33	£6
Regulatory services	CCTV monitoring costs	£79	£0	£0
New Service Bids 2023/24		£422	£43	£186

In addition to the service bids presented here, the capital programme includes £1.726m of expenditure for the UK Shared Prosperity Fund, (£191k in 2023/24 and £1.535m in 2024/25), in addition to the £170k already in the capital programme for 2022/23.

This expenditure is fully funded from a grant of £4.3m split across revenue (£2.361m) and capital (£1.896m). At this stage, the apportionment between revenue and capital is under review, to ensure that it is accounted for in accordance with local authority accounting practice, which may result in some of the expenditure and grant being accounted for as revenue.

4.2 Capital Resources – General Fund

The above programme is to be resourced by the resources as identified below:

General Fund (GRA) Funding:	2022/23 F/cast Expenditure £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Capital Receipts	£3,306	£1,228	£0	£0
GRA Contributions	£0	£0	£0	£0
Prudential Borrowing	£5,284	£1,506	£552	£630
CIL funding	£1,053	£3,191	£0	£0
S106 funding	£698	£36	£0	£0
Other Grant Funding	£2,576	£1,991	£2,979	£1,444
Total GRA Capital Programme Funding	£12,917	£7,951	£3,531	£2,074

4.3 Sources of Finance for the Capital Programme

There are both external and internal sources of financing available to fund the capital programme. When these resources are depleted, the council needs to resort to prudential borrowing.

External Funding

Where external resources available to support the Capital Programme these are applied first, to reduce the borrowing burden on the council. These can include grants from government bodies such as funding to enable the award of disabled facilities grants, statutory and other developer contributions (e.g. S.106/CIL - Community Infrastructure Levy) and partner contributions from bodies interested in specific projects. It can be seen from the table in 4.2 that £5.219m of CIL, s106 and other grant funding will be used in delivering the 2023/24 capital programme.

Forecast Movement on Capital Resources	31 Mar '22	22/23 receipts	22/23 utilised	31 Mar '23
Unfinanced:				
Prudential borrowing			(5,284)	0
Capital Resources				
Capital Receipts Reserve	2,978	799	(3,306)	471
S106	2,606	0	(698)	1,908
HCA	1,402			1,402
Capital Grants unapplied Account	779	1,911	(2,576)	114
Community Infrastructure Levy	11,622	0	(1,053)	10,569
Available Resources Applied 2022/23	19,386	2,710	(7,633)	14,463
Capital financing available and used 2022/23	19,386	2,710	(12,917)	14,463

In addition to this, a further £191k for 2023/24 and £1.535m for 2024/25 has been identified in delivering UK prosperity fund scheme objectives. This forms part of a total grant of £4.257m which is split across revenue (£2.361m) and capital (£1.896m). The apportionment of the expenditure will need to be made in accordance with proper accounting practice across revenue and capital, and agreed with the awarding body to ensure that we both account for this correctly and act in accordance with the terms and conditions of the grant.

The Council has also secured funding in the form of a Heritage Action Zone grant. The total project is for £3.426m, of which the council's share is £1.130m. The current programme all of which is included in the capital programme presented. This includes s106 receipts held for transport initiatives which have been applied in agreement with the Lancashire County Council.

The Council has not yet received an award letter for 2023/24 Disabled Facilities Grant funding, but has included in the strategy £1.444m annually, shown as fully funded, which will be modified when the actual award is published.

It is expected that projects with 100% external funding will be added to the programme once business case requirements are met: namely, that the scheme meets the Council's strategy objectives; the scheme is subject to investment appraisal to ensure best use of funders resources; an assessment is made of the ongoing financial impact on the Council; there is evidence of a commercial approach to the decision; and that the Council has the availability of management resources to deliver the project effectively.

Internal Funds

When the Council has exhausted its available external grant funding, it then applies its own resources. These may include the setting aside of earmarked reserves to deliver capital priorities, or the use of the Council's capital receipts.

Capital receipts

The largest source of capital receipts available to the council are from right to buy sales. These are sales from the disposal of council owned dwellings.

From 2024/25, it is proposed that these receipts are used exclusively in the HRA capital programme. This is to recognise that these are assets lost to the HRA, and the income streams that would have been due to the HRA from these assets is now not available to undertake the essential capital works in achieving carbon targets on dwellings. The policy does not undo the commitments already included within the capital programme, so the receipts for 2023/24 will still be available to meet those projects previously planned to be financed.

Revenue and reserves

The Council may also, if affordable, make a GRA revenue contribution to the capital programme. As can be seen from the financing in the table above, there are no proposed GRA contributions.

At the end of the 2021/22 the Council had £19.4m in capital resources available (internal and external). There are £7.6m of commitments against these in 2022/23.

Unfinanced expenditure / Prudential borrowing

Where there is no identified source of either internal or external financing for a scheme, this is said to be unfinanced, and requires borrowing. It may be that the council will need to borrow from the PWLB, incurring an interest charge.

Where available, the Council may use its own cash balances to delay the need for borrowing. These balances could be, for example, cash sitting in reserves which has not been spent yet, or cash set aside to meet a future provision. Where internal cash is used there is still an interest cost in the form of a loss of interest earned on investments, but this will be cheaper than the market rate.

In addition to interest, the council will be required to set aside a 'minimum revenue provision'; essentially setting aside funds for the repayment of debt. This is paid back over the life of the asset.

The Council has £7.972m in the general fund capital strategy that is not financed, which requires prudential borrowing.

4.4 Capital Expenditure – Housing Revenue Account

HRA Service Area	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Housing investment Plan	£7,612	£6,328	£6,328	£6,328
Other Housing Schemes	£4,977	£6,421	£6,203	£2,203
TVDC Expenditure	£9,781	£0	£0	£0
Emerging Capital Requirements	£0	£2,010	£2,575	£0
Total HRA capital programme	£22,370	£14,759	£15,106	£8,531

The HRA capital programme includes the four themed headings above. The first section, housing investment plan, ensures decency and that homes are maintained to a habitable standard.

Tawd Valley Developments Limited (TVD) is the Council's commercial company, which builds affordable homes across Skelmersdale and Westhead and has so far delivered 81 new homes for the residents of West Lancashire.

There is a further scheme at Fairlie, Skelmersdale. This is due to be completed by June 2024 that will provide a further 50 affordable homes to the people of Skelmersdale.

This project has a project team that covers all disciplines and when required external professional advice will be sought.

4.5 Financing HRA Capital Programme

HRA Financing	2022/23 £'000s	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s
Capital Receipts	£0	£0	£798	£799
Government Grants	£2,708	£500	£0	£0
HRA Contributions	£3,521	£3,403	£3,281	£3,155
Major Repairs Reserve	£3,948	£4,066	£4,188	£4,314
Prudential Borrowing	£12,193	£6,790	£6,839	£263
Total Capital Funding	£22,370	£14,759	£15,106	£8,531

5. Risk Management

- 5.1 An important part of the Council's investment and risk strategy is that all potential risks are investigated. This is done by logging all risks on the Council's risk platform (Pentana) which analyses the likelihood of the risk occurring and mitigations are put in place to manage these risks.

The monitoring and management of mitigating these risks is a key part of the Capital programme.

6. Knowledge and Skills

- 6.1 The Council's Capital and Treasury Programmes are managed by professionally qualified Accountants. All Finance Business Partners at the Council are qualified Chartered Accountants with extensive Local Government Experience, and all keep up to date with new developments and complete Continuous Professional Development (CPD) on an ongoing basis
- 6.2 The Council's Head of Finance, Procurement and Commercial Property is the S151 officer and has overall control and responsibility for the Capital Programme. He is also a professionally qualified accountant and follows an ongoing CPD programme.
- 6.3 The Council's Investment Project Manager reviews all commercial and investment activity from inception right through to project completion and ongoing performance management and is also a professionally qualified Chartered Public Financial Accountant (CPFA).

APPENDIX 4: GRA CAPITAL PROGRAMME 2023/24 - 2025/26

Service	Capital Scheme	2022/23			2023/24						2024/25				2025/26		
		Total Budget	Forecast Spend	Potential Slippage	Recurring and Continuation of Schemes	Approved Budget Feb 2021 / 2022	In-Year Approvals Dec 2022	Slippage from 2022/23	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	Approved Budget Feb 2022	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	New Capital Bids Feb 2023	Total Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Corporate and Customer Services	Etarmis System	£17	£17	£0					£0	£0			£0			£0	
Corporate and Customer Services	ICT Infrastructure	£100	£100	£0	£50				£0	£50	£50		£50	£50		£50	
Corporate and Customer Services	ICT Development Programme	£423	£423	£0	£200				£0	£200	£200		£200	£200		£200	
Corporate and Customer Services	Website	£20	£20	£0					£0	£0			£0			£0	
Corporate and Customer Services	CRM System	£67	£67	£0					£0	£0			£0			£0	
Corporate and Customer Services	Right Kit Right Role Right Refresh - support agile working	£128	£128	£0					£0	£0			£0			£0	
Corporate and Customer Services	Microsoft Enterprise Site Licence	£70	£4	£66					£66	£66			£0			£0	
Corporate and Customer Services	Corporate wifi upgrade	£85	£85	£0					£0	£0			£0			£0	
Corporate and Customer Services	Website development	£170	£16	£154		£30			£154	£184			£0			£0	
Corporate and Customer Services	Communication devices	£40	£40	£0					£0	£0			£0			£0	
Corporate and Customer Services	Invest to Save Digital Services	£59	£59	£0					£0	£0			£0			£0	
Corporate and Customer Services	Egress Secure Email & File Transfer	£0	£0	£0					£0	£0			£0			£0	
Corporate and Customer Services	Digital Transformation - Implementation of IT Strategy	£384	£384	£0					£0	£0			£0			£0	
Corporate and Customer Services	Less HRA funding for Strategy	(£200)	(£200)	£0					£0	£0			£0			£0	
Corporate and Customer Services	Hybrid, Remote and Streaming Council Meetings	£92	£92	£0					£0	£0			£0			£0	
Corporate and Customer Services	Mastercard Gateway Upgrade	£40	£40	£0					£0	£0			£0			£0	
Corporate and Customer Services	Microsoft M365 Phase 3	£150	£150	£0		£100			£0	£100			£0			£0	
Corporate and Customer Services	Digital innovation and the continued development of ServiceNow	£80	£80	£0					£0	£0			£0			£0	
Corporate and Customer Services	Shop Front Improvement Fund	£50	£50	£0					£0	£0			£0			£0	
Corporate and Customer Services	Digital Transformation	£6	£6	£0					£0	£0			£0			£0	
Environmental Services	Culvert Debris Screens	£2	£2	£0					£0	£0			£0			£0	
Environmental Services	Purchase of Vehicles	£2	£2	(£0)					(£0)	(£0)			£0			£0	
Environmental Services	Purchase of Wheelie Bins	£0	£0	£0					£0	£0			£0			£0	
Environmental Services	Expand In Cab System	£1	£1	£0					£0	£0			£0			£0	
Environmental Services	Waste Collection Projects	£2	£0	£2					£2	£2			£0			£0	
Environmental Services	Litter Bin Policy Review (Cabinet November 2019)	£73	£73	£0	£5	£55			£0	£60	£5	£30	£35			£0	
Environmental Services	Street Cleansing Tools	£0	£0	£0					£0	£0			£0			£0	
Environmental Services	Liverpool Road Cemetery	£1	£0	£1					£1	£1			£0			£0	
Environmental Services	Waste Management Service	£35	£0	£35					£35	£35			£0			£0	
Environmental Services	Glutton Vacuum Cleaner	£20	£20	£0					£0	£0			£0			£0	
Environmental Services	Beconsall Closed Church Yard	£30	£0	£30					£30	£30			£0			£0	
Environmental Services	Tree Management	£50	£50	£0					£0	£50			£0			£0	
Environmental Services	Culvert Management	£50	£30	£20					£50	£70			£0			£0	
Environmental Services	Replace faulty domestic bins	£10	£10	£0	£10				£0	£10	£10		£10			£0	
Environmental Services	5 additional mobile CCTV bundles to address flytipping	£6	£6	£0					£0	£0			£0			£0	
Environmental Services	Littering T&F 23/24	£0	£0	£0					£0	£23			£0			£0	
Environmental Services	Street Recycling Bins 23/24	£0	£0	£0					£0	£10			£0			£0	
Environmental Services	Free Trees	£20	£20	£0					£0	£6			£0			£0	
Environmental Services	Conservation Area Enhancement	£14	£14	£0					£0	£0			£0			£0	
Environmental Services	Abbey Lake Quarry	£20	£0	£0					£0	£0			£0			£0	
Environmental Services	Mill Dam Lane	£3	£3	£0					£0	£0			£0			£0	
Environmental Services	Alder Lane	£5	£5	£0					£0	£0			£0			£0	
Environmental Services	Electric Vehicle Charging point	£0	£0	£0					£0	£0			£0			£0	
Finance Procurement and Commercial Services	Parish Capital Schemes	£42	£32	£10	£30				£10	£40	£30		£30	£30		£30	
Finance Procurement and Commercial Services	Restructuring Costs	£152	£0	£152					£152	£152			£0			£0	

APPENDIX 4: GRA CAPITAL PROGRAMME 2023/24 - 2025/26

Service	Capital Scheme	2022/23			2023/24						2024/25				2025/26		
		Total Budget	Forecast Spend	Potential Slippage	Recurring and Continuation of Schemes	Approved Budget Feb 2021 / 2022	In-Year Approvals Dec 2022	Slippage from 2022/23	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	Approved Budget Feb 2022	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	New Capital Bids Feb 2023	Total Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Finance Procurement and Commercial Services	Capitalise revenue transformation costs.	£300	£0	£300				£300		£300			£0			£0	
Finance Procurement and Commercial Services	Building Compliance on Commercial Property	£40	£40	£0	£20			£0		£20	£20		£20			£0	
Finance Procurement and Commercial Services	Gorsey Place Rebuild	£0	£0	£0				£0		£0			£0			£0	
Finance Procurement and Commercial Services	Fixed Asset Register 23/24	£0	£0	£0				£0	£30	£30			£0			£0	
Finance Procurement and Commercial Services	Capital works 23/24	£0	£0	£0				£0	£230	£230		£10	£10		£180	£180	
Finance Procurement and Commercial Services	Civica Financials	£163	£163	£0				£0		£0			£0			£0	
Housing Services	Robert Hodge Centre - external site improvements relating to Health and Safety Traffic Flow	£16	£0	£16				£16		£16			£0			£0	
Housing Services	Affordable Housing	£247	£0	£247				£247		£247			£0			£0	
Housing Services	Corporate Property Investment Programme	£239	£239	£0	£164			£0		£164	£164		£164	£164		£164	
Housing Services	Housing Renewal Grants	£0	£0	£0		£50		£0		£50			£0			£0	
Housing Services	Disabled Facilities Grants	£1,444	£1,444	(£0)	£1,444			(£0)		£1,444	£1,444		£1,444	£1,444		£1,444	
Housing Services	Burscough Sports Centre - roofing upgrades	£20	£0	£20				£20		£20			£0			£0	
Housing Services	Safer Streets	£39	£39	£0				£0		£0			£0			£0	
Planning and Regulatory Services	Preservation of Buildings at Risk	£1	£1	£0				£0		£0			£0			£0	
Planning and Regulatory Services	M3PP System Replacement	£90	£0	£90				£90		£90			£0			£0	
Planning and Regulatory Services	CCTV	£212	£212	£0				£0		£0			£0			£0	
Planning and Regulatory Services	CCTV monitoring 23/24	£0	£0	£0				£0	£79	£79			£0			£0	
Planning and Regulatory Services	IDOX ERDM System	£43	£41	£2		£20		£2		£22			£0			£0	
Planning and Regulatory Services	Planning/building control and land charges system upgrades	£0	£0	£0			£20	£0		£20			£0			£0	
Wellbeing and Place Services	Skelmersdale Town Centre	£5,220	£5,220	(£0)				(£0)		(£0)			£0			£0	
Wellbeing and Place Services	WL Play Strategy Improvements	£354	£354	(£0)		£30		(£0)		£30			£0			£0	
Wellbeing and Place Services	WL Play Strategy Improvements	£102	£102	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Burscough Sports Centre	£321	£0	£321				£321		£321			£0			£0	
Wellbeing and Place Services	Burscough Sports Centre	£65	£0	£65				£65		£65			£0			£0	
Wellbeing and Place Services	Allotment Improvements	£4	£4	(£0)				(£0)		(£0)			£0			£0	
Wellbeing and Place Services	WL Play Strategy Improvements	£234	£53	£181				£181		£181			£0			£0	
Wellbeing and Place Services	WL Play Strategy Improvements	£47	£0	£47				£47		£47			£0			£0	
Wellbeing and Place Services	Tawd Valley	£48	£23	£25				£25		£25			£0			£0	
Wellbeing and Place Services	Chapel Gallery phase 3	£1	£1	(£0)				(£0)		(£0)			£0			£0	
Wellbeing and Place Services	Chapel Gallery - Repair works	£48	£48	£0			£40	£0	£50	£90		£33	£33		£6	£6	
Wellbeing and Place Services	Tawd Valley	£10	£0	£10				£10		£10			£0			£0	
Wellbeing and Place Services	Hesketh Avenue	£40	£40	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Nye Bevan Pool Building Works	£9	£9	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Park Pool Building works	£10	£10	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Banks Leisure Centre	£0	£0	(£0)				(£0)		(£0)			£0			£0	
Wellbeing and Place Services	Hunters Hill	£0	£0	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Bowling Greens	£11	£11	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Whittle Drive	£37	£37	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Abbey Lakes	£11	£0	£11				£11		£11			£0			£0	
Wellbeing and Place Services	Cycle Trail at Cheshire Lines	£442	£442	£0				£0		£0			£0			£0	

APPENDIX 4: GRA CAPITAL PROGRAMME 2023/24 - 2025/26

Service	Capital Scheme	2022/23			2023/24						2024/25				2025/26		
		Total Budget	Forecast Spend	Potential Slippage	Recurring and Continuation of Schemes	Approved Budget Feb 2021 / 2022	In-Year Approvals Dec 2022	Slippage from 2022/23	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	Approved Budget Feb 2022	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	New Capital Bids Feb 2023	Total Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Wellbeing and Place Services	Resurfacing of Blaguegate Lane	£160	£0	£160				£160		£160			£0			£0	
Wellbeing and Place Services	Leisure Facilities Project	£4,000	£1,000	£3,000				£3,000		£3,000			£0			£0	
Wellbeing and Place Services	Community environmental improvements	£6	£6	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Christmas trees & decorations for Skelmersdale	£25	£25	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Moor Street Phase 2	£177	£261	(£84)				(£84)		(£84)			£0			£0	
Wellbeing and Place Services	Moor Street Phase 2	£565	£481	£84				£84		£84			£0			£0	
Wellbeing and Place Services	Moor Street/St Helens Road	£276	£276	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Moor Street (Phase 1) St Helen's Rd Ruff Lane	£104	£104	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Ormskirk Cycle and Pedestrian improvements	£95	£95	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Skelmersdale Vision	£11	£11	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Wheatshaf Walks	£1	£1	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Economic Regeneration	£5	£5	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Skelmersdale Gateway Improvements	£50	£50	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Cycle Path (S106)	£10	£10	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Ormskirk Town Centre (CIL)	£0	£0	£0				£0		£0			£0			£0	
Wellbeing and Place Services	Changing Places Facility	£60	£60	£0				£0		£0			£0			£0	
Wellbeing and Place Services	UK Shared Prosperity Fund	£63	£63	£0				£0	£191	£191		£1,535	£1,535			£0	
Wellbeing and Place Services	Ginnells	£107	£107	£0				£0		£0			£0			£0	
	Total GRA Capital Programme Expenditure	£17,901	£12,917	£4,964	£1,923	£391	£60	£4,964	£613	£7,951	£1,923	£30	£1,578	£3,531	£1,888	£186	£2,074

Service	Capital Scheme	2022/23			2023/24						2024/25				2025/26		
		Total Budget	Forecast Spend	Potential Slippage	Recurring and Continuation of Schemes	Approved Budget Feb 2021 / 2022	In-Year Approvals Dec 2022	Slippage from 2022/23	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	Approved Budget Feb 2022	New Capital Bids Feb 2023	Total Budget	Recurring and Continuation of Schemes	New Capital Bids Feb 2023	Total Budget
		£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
	FUNDING:																
	Capital Receipts	£4,554	£3,306	£1,228	£0	£0	£0	£1,228	£0	£1,228	£0	£0	£0	£0	£0	£0	£0
	GRA Contributions	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Prudential Borrowing	£5,438	£5,284	£154	£479	£391	£60	£154	£422	£1,506	£479	£30	£43	£552	£444	£186	£630
	CIL	£4,244	£1,053	£3,191	£0	£0	£0	£3,191	£0	£3,191	£0	£0	£0	£0	£0	£0	£0
	s106	£734	£698	£36	£0	£0	£0	£36	£0	£36	£0	£0	£0	£0	£0	£0	£0
	Other Grant Funding	£2,932	£2,576	£356	£1,444	£0	£0	£356	£191	£1,991	£1,444	£0	£1,535	£2,979	£1,444	£0	£1,444
	HCA (Homes England)	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0	£0
	Total GRA Capital Programme Funding	£17,901	£12,917	£4,964	£1,923	£391	£60	£4,964	£613	£7,951	£1,923	£30	£1,578	£3,531	£1,888	£186	£2,074



Agenda Item:

COUNCIL: 22nd February 2023

Report of: Corporate Director of Transformation, Housing & Resources

Relevant Portfolio Holder: Councillor Adam Yates

Contact for further information: Mrs E Dobson (Extn. 01695 587345)
(E-mail: estelle.dobson@westlancs.gov.uk)

SUBJECT: COUNCIL TAX REFORMS – SECOND HOMES AND EMPTY HOMES

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

- 1.1 To consider proposed changes to the council tax charged on second homes and long-term empty properties.

2.0 RECOMMENDATIONS

- 2.1 Subject to the Levelling Up and Regeneration Bill becoming Law, that the proposed changes to council tax discounts set out in Appendix B be approved.

3.0 BACKGROUND

- 3.1 Under the national council tax system, taxpayers in certain circumstances have been entitled to reductions in their council tax bills, with the most well-known categories being 25% single persons discount and student exemption. However, discounts and exemptions were previously also available on certain types of empty property and second homes.
- 3.2 In 2013 Parliament approved a Local Government Finance Act, that gave Local Authorities the power to determine the discounts that are applied to council tax charges on empty properties and second homes. Consequently, the Council introduced changes to the discounts charged in April 2013, with additional amendments to the scheme being made in April 2017 & April 2019.

- 3.3 Parliament are proposing further changes which are subject to the Levelling Up and Regeneration Bill becoming law, this will give local authorities the power to determine the discounts that are applied to council tax charges on second homes and long-term empty homes. Consequently, the Council now needs to consider whether to change the discounts it provides from April 2024. For information, a full list of current council tax exemptions/empty property discounts are set out in Appendix A. For the avoidance of doubt the changes will only apply to the discounts on second homes and long-term empty homes.

The additional charges could over time help make more homes available to West Lancashire residents, whilst generating extra income towards local services in West Lancashire.

4.0 POLICY CONTEXT

- 4.1 The Councils Fees and Charges set out a range of factors that need to be considered in making decisions on what discounts, if any, should be offered. Some of the key points to take into account are as follows:

- Decisions to offer discounts should be based on fair, transparent and objective criteria.
- Discounts are likely to be more appropriate in relation to improving well-being, and encouraging changes in behaviour.
- Any discounts offered should support the Councils corporate priorities.
- All changes imposed by the Council should be reasonable.
- The Councils approach and policy on charging should be clearly communicated to the public.
- Whether the cost of providing the discount be accommodated within the Councils budget?
- Reasonable notice should be given to service users before new charge is implemented.

- 4.2 The proposed changes provide an opportunity to generate additional income from reducing the level of existing council tax discounts, which is an important consideration, given the difficult medium term financial position facing the Council. However, it should be recognised that only around 12% of council tax income is received by the Borough Council, with the balance going to the County Council, Police Authority, Fire Authority, and Parish Councils.

- 4.3 The proposed changes also provide a positive opportunity for the Council to consider how it can use the council tax system to provide financial incentives to discourage people from leaving properties vacant for long periods. Given the housing issues within the Borough this could help increase the amount of housing available, which is an important consideration.

5.0 PROPOSALS

- 5.1 Second Homes (a furnished dwelling that is not the sole or main residence of any individual) in the Borough are currently charged at the full rate of council tax. The proposed changes set out in the Levelling up and Regeneration Bill, would double this. This change would affect around 85 properties.
- 5.2 Currently properties that are empty and unfurnished are eligible for a 50% discount for a period dependant on the reason it is empty (refer to Appendix A), following this period they are charged at the full rate. If the property is not actively marketed for sale/let and has been unoccupied for a continuous period of over 2 years, the liable person is already charged an Empty Homes Premium in accordance with the below structure:
- Properties empty for a period of 2 – 5 years - the maximum premium will be 100% (PREM100).
 - Properties empty for a period of 5 – 10 years - the maximum premium will increase to 200% (PREM200).
 - Properties empty for a period of 10+ years – the maximum premium will increase to 300% (PREM300).

As of November 2022, there are currently 141 properties in the Premium 100, 55 in the Premium 200 and 40 in the Premium 300 category.

- 5.3 Under the new proposals there will be the ability to impose the Premium charge after 1 year of being empty. The main consideration here is to encourage faster turnaround times on empty properties and thereby aid the reduction in properties becoming long term empty. This approach will still provide a reasonable but not excessive discount to support short term void periods between tenancies.
- 5.4 In accordance with Central Government guidance, any change would need at least a year to come into effect and so, subject to changes in national law, these would be applied from April 2024.

The current and proposed arrangements are summarised in Appendix B for ease of reference.

6.0 ISSUES

- 6.1 To support the delivery of this change the Levelling Up Bill needs to have received Royal Assent. Once legislation has been approved, the Local Authority must have the policy agreed, also a notice of the decision must be published in a local newspaper before 10th March 2023 (this being 21 days before the end of the financial year). This is to enable changes being implemented from 1st April 2024. Otherwise, if this deadline is missed, changes cannot be imposed until the following year, this being 1st April 2025.

7.0 IMPLEMENTATION

- 7.1 Due to the complexity and significant resources required to implement these Schemes, detailed project plan's will be drafted. These will identify key milestones, tasks, dates and responsible Officers/Teams.

8.0 SUSTAINABILITY IMPLICATIONS

- 8.1 Ensuring best use of the Borough's housing stock is a key consideration for these proposals, as is encouraging development that improves the quality of that stock.

9.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 9.1 Financial modelling has taken place on the additional income that could be generated from the proposals set out in this report. This has identified that the Second Homes changes could potentially generate around £174k of council tax income, of which around £21k would be received by the Borough Council (these figures are based on 2022/23 Band 'D' equivalent council tax charges). However, the actual amount of council tax income will depend on the number of properties in each category and this will vary over time. It is for this reason that it is difficult to fully estimate the impact the changes to Long Term Empties would have, however based on the average number each year of 50 properties, this category could generate around £102k of council tax income, of which around £12k would be received by the Borough Council (these figures are based on 2022/23 Band 'D' equivalent council tax charges).
- 9.2 The Council could also benefit from an increase in its New Homes Bonus grant as a result of these measures. This grant is paid based on the number of new homes built and empty properties brought back into use. These changes could create a financial incentive to encourage empty properties to be brought back into use more quickly and so there could be a further positive financial effect through this grant funding.
- 9.3 In considering these changes it should be noted that certain homeowners and landlords, including the Housing Revenue Account, could see a significant increase in the amount of council tax that they must pay. In particular, there would be significant increases in council tax liability for owners of second homes and long-term empty homes.
- 9.4 Additional administrative resources will be required to administer these Schemes – this will be undertaken by existing staff within the Revenues and Benefits service.
- 9.5 Specialist external consultancy support to assist in the Scheme and Policy design may be required – yet to be determined.
- 9.6 Additional system functionality to support such changes may be required – yet to be determined. Software suppliers will not act on proposed legislation changes and therefore will not assess whether the existing functionality will support these changes until the legislation is agreed.

10.0 Risk Assessment

10.1 The legislative changes will provide the Council with the ability to determine the discounts it provides on long term empty homes and second homes. The Council could choose not to use this discretionary power and to keep the existing discounts in place. However, this would miss out on an opportunity to address empty homes issues within the Borough and to generate additional income.

11.0 Health and Wellbeing Implications

11.1 There are no health and wellbeing implications arising from this report.

Background Documents

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

Equality Impact Assessment

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

Appendices

Appendix A – Current Council Tax Exemptions/Empty Property Discounts

Appendix B – Proposed Changes to Council Tax charged on Second Homes and Empty Homes

Appendix C – Equality Impact Assessment

APPENDIX A - CURRENT COUNCIL TAX EXEMPTIONS/EMPTY PROPERTY DISCOUNTS

Exemptions:

Class – Description

- B** Unoccupied dwellings owned by a charity (up to six months).
- D** A dwelling left unoccupied by people who are detained e.g., in prison.
- E** An unoccupied dwelling which was previously the sole or main residence of a person who has moved into a hospital or care home.
- F** Dwellings left empty by deceased persons.
- G** An unoccupied dwelling where the occupation is prohibited by law.
- H** Unoccupied clergy dwellings.
- I** An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and has moved to receive personal care.
- J** An unoccupied dwelling which was previously the sole or main residence of a person who is the owner or tenant and has moved to provide personal care to another person.
- K** An unoccupied dwelling where the owner is a student who last lived in the dwelling as their main home.
- L** An unoccupied dwelling which has been taken into possession by a mortgage lender.
- M** A hall of residence provided predominantly for the accommodation of students.
- N** A dwelling which is occupied only by students, the foreign spouses of students, or school and college leavers.

- O** Armed forces' accommodation.
- P** A dwelling where at least one person who would otherwise be liable has a relevant association with a Visiting Force.
- Q** An unoccupied dwelling where the person who would otherwise be liable is a trustee in bankruptcy.
- R** Empty caravan pitches and boat moorings.
- S** A dwelling occupied only by a person, or persons, aged under 18.
- T** A dwelling which forms part of a single property which includes another dwelling and may not be let separately from that dwelling, without a breach of planning control.
- U** A dwelling occupied only by a person, or persons, who is or are severely mentally impaired who would otherwise be liable to pay the council tax or only by a one or more severely mentally impaired persons and one or more students, students' foreign spouses and school and college leavers.
- V** A dwelling in which at least one person who would otherwise be liable is a diplomat.
- W** A dwelling which forms part of a single property including at least one other dwelling and which is the sole or main residence of a dependent relative of a person who is resident in the other dwelling

Current Empty Homes Discounts

Code - Description

Property Category	First Phase	Second Phase	Third Phase	Forth Phase	Fifth Phase
PCLD50 Unoccupied substantially unfurnished requiring Major/Structural repairs to render habitable	Unoccupied discount of 50% for up to 12 months or 6 months after works complete	PCLD0 Full council tax charged following PCLD50 discount	PREM100 Charged 200% of the normal council tax after the dwelling is empty for 2-5 years by 01.04.19 and if it is not being actively marketed for sale/let	PREM200 Charged 300% of the normal council tax after the dwelling is empty for 5 - 10 years by 01.04.20 and if it is not being actively marketed for sale/let	PREM300 Charged 400% of the normal council tax after the dwelling is empty for 10+ years by 01.04.21 and if it is not being actively marketed for sale/let
PCLC5017 Unoccupied - Substantially unfurnished	Unoccupied discount of 50% for up to 3 months	PCLC0 Full council tax charged following PCLC5017 discount			
PCLB5017 Unoccupied – Substantially furnished	Unoccupied/furnished discount of 50% for up to 3 months	PCLB1 Full council tax charged following PCLB5017 discount	n/a	n/a	n/a

PCLB0	Full council tax charged	n/a	n/a	n/a	n/a
Second home – Substantially furnished, not someone's sole/main residence					

Note: Local discounts referred to above, apply to the property, and not to an individual's account. Therefore, once the relevant period of time has been spent, the discount will not be applied again until the property has been occupied for 6 weeks or more.

APPENDIX B – PROPOSED CHANGES TO COUNCIL TAX SECOND HOMES AND EMPTY HOMES

Proposed changes relate to three categories of Empty Homes discount only, there will be no changes to any other existing categories as detailed in Appendix A

Current Position		Council Tax Reforms from 01.04.24				
Reduction Type	Timescale	From 1 April 2024 – Phase 1	Phase 2	Phase 3	Phase 4	Phase 5
PCLD50 – Unoccupied substantially unfurnished requiring Major/Structural repairs to render habitable	50% discount for up to 12 months or 6 months after works complete whichever is the shorter Following works completing full charge applicable Premium charges apply if property remains empty 2+ years	50% discount for up to 12 months or 6 months after works complete whichever is the shorter	Following works completing full council tax charged	Charge 200% of the normal council tax after the dwelling is empty for 1 – 5 years and if it is not being actively marketed for sale/let	Charge 300% of the normal council tax after the dwelling is empty for 5 - 10 years and if it is not being actively marketed for sale/let	Charge 400% of the normal council tax after the dwelling is empty for 10+ years and if it is not being actively marketed for sale/let
PCLC5017 - Unoccupied - Substantially unfurnished	50% discount for up to 3 months Following 3 months full charge	50% discount for up to 3 months	After 3 months of 50% discount full council tax charged			

	applicable Premium charges applied if property remains empty 2+ years					
PCLB0 - Second home Substantially furnished, not someone sole/main residence	Full council tax charged	Charge 200% of the normal council tax	n/a	n/a	n/a	n/a

Note: Local discounts referred to above, apply to the property, and not to an individual's account. Therefore, once the relevant period of time has been spent, the discount will not be applied again until the property has been occupied for 6 weeks or more.

Equality Impact Assessment Form	
Directorate: Transformation & Resources	Service: Revenues and Benefits
Completed by: Estelle Dobson	Date: 12th January 2023
Subject Title: Council Tax Reforms – Second Homes and Empty Homes	
1. DESCRIPTION	
Is a policy or strategy being produced or revised?	Yes
Is a service being designed, redesigned or cutback:	Yes
Is a commissioning plan or contract specification being developed?	No
Is a budget being set or funding allocated:	No
Is a programme or project being planned?	Yes
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty (Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations)?	Yes
Details of the matter under consideration:	Changes to legislation will allow Local Authorities to determine the charge associated with Second Homes and Long-Term Empty Properties, Policy to underpin these changes requires decision and adoption to progress changes to Council Tax accounts affected by this change.
<p><i>If you answered Yes to any of the above go straight to Section 3</i></p> <p><i>If you answered No to all the above, please complete Section 2</i></p>	
2. RELEVANCE	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	
If yes , provide details of how these impact on service users, staff or Councillors (stakeholders): <i>If you answered Yes go to Section 3</i>	
If you answered No to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	

3. EVIDENCE COLLECTION	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	Local Council Tax payers.
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?	As the make-up of householders owning second homes or with an empty property is unknown, and may change over time, it is difficult to specifically state if any particular group would be affected more than others.
Which of the protected characteristics are most relevant to the work being carried out? Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity	The changes in policy could potentially affect all of the protected groups. However, as the proposals have purely financial implications, and are across the board, no one group should be disproportionately affected. The financially disadvantaged could also potentially be affected by an increase in council tax but it is difficult to see this group being in a financial position to own one or more homes.
4. DATA ANALYSIS	
In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?	The make-up of householders owning second homes or with an empty property is unknown.
What will the impact of the work being carried out be on usage/the stakeholders?	There will be an increased financial impact on owners of second homes and empty properties.
What are people's views about the services? Are some customers more satisfied than others, and if so, what are the reasons? Can these be affected by the proposals?	n/a
What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	Existing data contained within the Northgate Revenues computer system.

If any further data/consultation is needed and is to be gathered, please specify:	
5. IMPACT OF DECISIONS	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	As the make-up of householders owning second homes or with an empty property is unknown, and may change over time, it is difficult to specifically state if any particular group would be affected more than others.
6. CONSIDERING THE IMPACT	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).	This is a legislative change.
What actions do you plan to take to address any other issues above?	No actions
7. MONITORING AND REVIEWING	
When will this assessment be reviewed and who will review it?	n/a



COUNCIL: 22 February 2023

Report of: Head of Finance, Procurement and Commercial Services

Relevant Portfolio Holder: Councillor N. Pryce-Roberts

Contact for further information: Peter Quick (Extn. 5203)

[\(\[peter.quick@westlancs.gov.uk\]\(mailto:peter.quick@westlancs.gov.uk\)\)](mailto:peter.quick@westlancs.gov.uk)

SUBJECT: HOUSING ACCOUNT – 2023/24 REVENUE AND CAPITAL BUDGET SETTING

Wards Affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To enable the Council to set its Housing Revenue Account (HRA) budget and capital investment programme for the next financial year 2023/24.

2.0 RECOMMENDATIONS

2.1 That the rent and service charges set within delegated authority, as detailed in sections 4 and 5 of this report, be noted.

2.2 That the 2023/24 HRA budget in Appendix 1 be approved, based on the proposals to be presented at the Council meeting by the Housing and Landlord Services portfolio holder.

2.3 That the 30 year capital programme in paragraph 7.6 be approved, based on the proposals to be presented at the Council meeting by the Housing and Landlord Services portfolio holder.

2.4 That the budget issues in paragraph 8.2 be approved, based on the proposals to be presented at the Council meeting by the Housing and Landlord Services portfolio holder.

- 2.5 That, subject to any updated approvals in regard to Tawd Valley Developments, the HRA budgets be added to reflect the HRA share of each scheme cost, as detailed in paragraphs 7.7 to 7.10.
- 2.6 That the reserves policy set out in appendix 2 be approved.
- 2.6 That delegated authority be given to the Director of Transformation, Housing and Resources to take all necessary action to implement the decisions of Council.

3.0 BACKGROUND

- 3.1 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.
- 3.2 With September 2023 cpi being exceptionally high, (10.1%), following consultation, Government have imposed a cap on HRA rent increases for 2023/24. The cap is likely to support tenants to some extent during the cost of living crisis, but the detrimental financial effect on the HRA business plan over the medium and long term will be significant.
- 3.3 The cost of living crisis, particularly in regard to energy costs, has had a financial impact on a number of HRA contracts where uplifts will be required in 2023/24.
- 3.4 The HRA budget has been the subject of recent reports to Cabinet, Executive Overview and Scrutiny, Landlord Services, and Budget Committees. These reports identified a draft budget surplus of £672k in 2022/23, between the resources available and the expenditure required to deliver agreed service levels and investment plans with some further work still required.

4.0 RENTAL INCOME

- 4.1 Following consultation Government have announced a rent cap, for 2023/24 only, of 7% on general needs properties, (the majority of WLBC housing stock.) For sheltered housing stock Government have indicated that the standard approach per their Rent Policy remains in place, namely an increase of September CPI (10.1%) + 1%
- 4.2 WLBC will comply with the Government rent decision. The Director of Transformation, Housing & Resources will use his delegated authority to increase the majority of rents by 7%, whether general needs, affordable rent or sheltered.

- 4.3 In order to ensure strict adherence to the maximum rent increase that is allowed, all rents with this increase will be rounded down to the nearest penny. In addition, around 12 properties will have a lower increase in rents of between 0% and 7%
- 4.4 Rents are the main source of income for the HRA, and ultimately also for housing capital, either as a revenue contribution, or for servicing debt interest. From this perspective it is important to maximise rental income, within Government rules, as this pays for repairs and improvements to housing stock, as well as estate and tenancy services which benefit tenants.
- 4.5 The cost of living crisis will impact many in a significant way, even with rents at 7% rather than the standard CPI+1% (11.1%). For this reason a budget issue has been included in 2023/24 budget setting to ringfence additional funding to provide some support to those residents most in financial need over the next two years, see paragraph 8.2.
- 4.6 The rent budget is also affected by 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.
- 4.7 During conversation with Government it has been mentioned that the Government are still considering whether to give providers of social housing the ability to recoup the gap in future years between existing rent formula of CPI +1% and the capped 7% for this year. However, it may be the case that this would only be an option for those providers who increase rents this year by the maximum 7% cap. From a financial perspective, it is prudent for WLBC to increase rents to the 7% level to ensure we are in a position if it is agreed by government to recoup the business plan gap in future years

5.0 OTHER CHARGES

- 5.1 The general principle applied to service charges is that they should be sufficient to recover the full cost of service provision. In addition, the Government has advised, but not directed, that it would expect service charge increases to be limited to CPI + 1% unless there is a very clear rationale. The Government rent consultation did not impose a cap on service charges.
- 5.2 In keeping with these general principles as well as considering issues around affordability for tenants at this time, and the ability to let properties for the HRA business plan, service charges have been increased as shown in the table below, along with the price effect of each of the increases.

Service Charge	% increase	Ave. increase £ pw
Caretaking	7%	£0.29

Door Entry	11%	£0.25
Communal Lighting	50%	£0.59
Painting	7%	£0.01
Sheltered Maintenance incl. communal energy but not DHS	14%	£1.76
Sheltered Management category 1	7%	£0.36
Sheltered Management category 2	7%	£0.91

- 5.3 In addition there are nearly 750 residents who are part of the WLBC **district heating scheme** (DHS). In recent years the DHS has been in surplus so residents have benefited from low heating charges and a general trend of annual reductions to charges.
- 5.4 At the time of setting DHS charges for 2022/23 most DHS tenants had their charge increased by around 2%. Heating costs were expected to increase by around 50% with the difference being funded from the heating reserve. As the energy crisis worsened the actual increase in energy costs was several fold. Tenants had £6.25 pw added to their heating charge at mid year which cost them an extra £150 per household in 2022/23, only partially offsetting the increase in actual energy costs. Leasehold bills were not increased in year.
- 5.5 During 2022/23 all DHS residents should have received Government energy bill support of £150 per council tax household, (up to band D), paid via WLBC, and £400 through reduced bills from individual electricity suppliers. Some residents are likely to have qualified for additional Government support. In most households it is likely that heating is a major element of energy expenditure.
- 5.6 At the time of writing this report, it is expected that there will be a shortfall in the heating reserve at 31/3/23 which will need to be recovered from DHS customers over a reasonable period of time. In addition, our gas supplier has advised that we should expect further increases in prices for 2023/24 of between 65% and 100%. These costs will also need to be recovered over a reasonable period of time.
- 5.7 All DHS tenants will have their 2023/24 heating charge increased to £25pw on a 48 week basis. This is an average increase of 88%. In addition there are around 42 DHS leaseholders. Four of these leaseholders will have their annual heating charge increased to £1,200 in 2023/24 as current estimates suggest that this will be enough to take them out of arrears within the reserve by 31/3/24. The remaining leaseholders will have a charge in 2023/24 of £1,350 when possible, subject to the terms of their lease. This recognises that their charges did not change during 2022/23 and they are likely to still be in a shortfall position at 31/3/24.
- 5.8 The intention with all the DHS increases is to balance the requirement to recover the costs of energy used, plus estimated shortfalls at 31/3/23, over a

reasonable timeframe, whilst recognising that affordability is key in the current cost of living crisis.

- 5.9 If energy prices continue at the estimated 2023/24 price, or go up further, it is likely that all DHS customers will see further significant increases in their charges.
- 5.10 The table below provides an analysis of the impact of the increases to weekly rents, service charges and DHS charges on tenants on a 48 week basis. It shows that for non-DHS tenants the average weekly increase is around £7, the largest single increase is £11.90. For the reasons outlined in paragraphs 5.3 to 5.9, the weekly increase for DHS tenants is more, averaging £19.40 pw in total, with the worst affected tenant being limited to £24.13 pw increase.

Paying for:	% Tenants	Approx. no. Tenants	Ave Increase £pw	Min Increase £pw	Max Increase £pw
Rent only	59%	3,444	£6.56	£0	£11.90
Rent & sc's	29%	1,696	£7.24	£0.95	£11.24
Rent sc's & heating	12%	696	£19.40	£13.33	£24.13
Total	100%	5,836	£8.29	£0	£24.13

- 5.11 The **furnishing service** offered to tenants has seen an increase in prices of around 17%. It is proposed to reflect this change over three years, so a 5% increase only in 2023/24.
- 5.12 **Garage rents and garage sites** will be increased by 11%
- 5.13 The charge categories for the majority of **leaseholders** will rise by the same % principles as for tenants, heating charges are covered in paragraphs 5.3 to 5.9.
- 5.14 Leaseholders also pay charges for some services they receive that tenants pay for through their rent, for example repairs to communal and external areas. Invoices to leaseholders for 2023/24 repairs-related charges have been streamlined so that a number of previously separate categories have been amalgamated into one repairs cost category. In addition, around 199 leaseholders have been identified as paying a shortfall in their contribution to the Advanced Payment Fund reserve, towards their share of major works costs. This will be corrected over two or three years to lessen the financial impact in 2023/24.
- 5.15 Leaseholder buildings insurance fees have increased by around 77%, driven by insurance market price rises, plus an additional element towards use of communal areas. The annual insurance element is still less than £92 per year in 2023/24.

5.16 Overall, the average increase in leaseholder charges in 2023/24 is around 15.5%, 207 leaseholders will see a total increase in excess of 7%, due to the factors mentioned above. The average increase for this group is less than £220 per annum.

6.0 REVENUE ESTIMATES

6.1 The HRA revenue estimates for 2023/24 are shown in Appendix 1 and provide the detailed information that sets out the financial basis for how HRA service objectives will be achieved. They cover all areas of revenue expenditure and income and include changes in the base budget required to roll forward agreed service levels, such as pay and contract inflation, but do not allow for any service improvements. The summary in 6.2, below, provides a high-level picture consistent with 2022/23 mid-year reporting and makes clear the main assumptions being applied.

Budget Area	2022/23 Mid year Budget £000	Mid year Forecast Variance £000	2023/24 Summary £000	Assumptions
Employee Expenses	3,929	-100	4,304	Based on latest establishment. Includes unbudgeted 22/23 pay uplift and assumes 3% pay uplift 23/24.
Void repairs and response repairs	4,504	250	5,100	Base budget £4,504 plus cpi and contract adjustments for 2023/24 only.
Other premises costs	3,702	0	4,511	Increased budget for funded district heating account expenditure, plus other energy costs, some contract uplifts and various budget-neutral virements.
Transport costs	162	0	191	Increase in fleet recharge costs
Budget contingency	390	-80	390	Maintain contingency at amended 22/23 level, to reflect increased economic and legislative uncertainty and financial pressure.
Supplies and Services	1,248	-50	951	Release £300k temporary budget from 2022/23 for second half of stock condition survey. Various budget-neutral virements.
Support Services and internal	2,594	0	2,809	Recharge estimates, dependent upon various factors

income (net)				including 2023/24 GRA outturn
Loan interest & Contribution towards Repayment	3,419	0	3,492	£3,057k interest – existing debt £60k interest – new debt £375k existing debt repayment set aside
Contributions to capital	7,485	0	7,455	Balancing item, towards funding capital programme
Dwelling rents	-24,300	-50	-25,900	7% uplift. 50 rtb sales.
Other external income	-3,133	-50	-3,975	Several different income streams that behave in different ways.
Total	0	-80	-672	To fund revenue budget issues

7.0 CAPITAL INVESTMENT PROGRAMME

- 7.1 The previous HRA capital budget was based on the last stock condition survey, plus some other works, and had been approved by Council for a number of years to come.
- 7.2 Updated information from the recent 2022 stock condition survey is presented in the table 7.6, below. The effect on total cost over 30 years is an increase of around 20%, (£40m), from the previous survey in 2017, due primarily to inflation.
- 7.3 Budgets for the first ten years from the stock condition survey have initially been profiled equally to support resource allocation and contract procurement. Operational changes between years will be reflected in budget adjustments forwards or backwards, as is our standard practice.
- 7.4 Members are asked to approve this updated 30 year capital budget and the approach outlined.
- 7.5 In addition the following amendments have been made to the capital budget:
- Slippage of £218k for the 2022/23 Environmental Programme, approved by Council at mid-year, has been added to 2023/24.
 - Other slippage approved at mid-year from 2022/23 into 2023/24 is covered in paragraph 8.2 as part of budget issues. The previous bringing forward of roofing budget into 2022/23 at mid year is superseded by this new budget.
 - Contract Inflation has been added to the budgets for contingency and smoke detection to reflect uplifts of around 10%
 - The existing budget of £101k per annum for Fire Safety Works, has been moved from the Housing Investment Plan section to Other Housing Schemes. This ensures that the Housing Investment Plan section mirrors the outcome of the stock condition survey.
- 7.6 Updated 30 Year Capital programme for Council Approval

Scheme	23/24 £000's	24/25 £000's	25/26 £000's	26/27 £000's	Years 5-10 £000's	Years 11-20 £000's	Years 21-30 £000's
Kitchens	842	842	842	842	5,054	20,153	8,369
Bathrooms	225	225	225	225	1,350	9,046	10,541
Electrics	608	608	608	608	3,651	8,344	12,341
Heating	936	936	936	936	5,615	11,710	15,533
Roofs	550	550	550	550	3,298	5,354	8,309
Walls	1,566	1,566	1,566	1,566	9,396	3,484	5,127
Windows and Doors	361	361	361	361	2,163	19,673	7,915
External Areas	1,067	1,067	1,067	1,067	6,401	7,927	6,317
Communal Areas	173	173	173	173	1,040	4,371	2,539
Housing Investment Plan	6,328	6,328	6,328	6,328	37,968	90,062	76,991

Digmoor Redevelopment	4,000	4,000					
Salaries & Professional Fees	600	600	600	600	3,600	6,000	6,000
Disabled Adaptations	502	502	502	502	3,012	5,020	5,020
Contingency	330	330	330	330	1,980	3,300	3,300
Smoke Detection	330	330	330	330	1,980	3,300	3,300
Environmental Programme	418	200	200	200	1,200	2,000	2,000
Sheltered Housing Upgrades	140	140	140	140	840	1,400	1,400
Fire Safety Works	101	101	101	101	606	1,010	1,010
Other Housing Schemes	6,421	6,203	2,203	2,203	13,218	22,030	22,030
Total Expenditure	12,749	12,531	8,531	8,531	51,186	112,092	99,021
<i>Budget per annum</i>					<i>8,531</i>	<i>11,209</i>	<i>9,902</i>

7.7 **Tawd Valley Developments** budget for existing HRA approvals to be completed in 2023/24 will be reprofiled at year end, once the 2022/23 outturn position is known. Funding plans were to utilise borrowing as well as Homes England Grants. If the financial position at the end of 2022/23 supports it, funding may be switched to revenue contributions to avoid the unnecessary use of borrowing.

7.8 HRA budget relating to future Tawd Valley Developments schemes will be in line with updates and approvals of the TVD business plan values for HRA stock.

7.9 Given substantial right to buy sales each year, this leads to a reduction in total Council housing stock available to West Lancashire residents. The work of TVD in building new Council housing helps to mitigate/offset the rtb losses.

7.10 In addition, by building modern homes the expectation is that less repairs and maintenance will be required, certainly in the earlier years. Whilst the business case for each scheme is calculated to reflect expected costs, including interest, over a number of decades, it is likely that these properties will stand for much longer than the business case criteria and so will provide a positive long-term contribution to the HRA business plan.

8.0 BUDGET PROPOSALS

8.1 In addition to the roll over budget in continuing services, it is also important to consider new budget issues and areas for development. The table in 8.2 indicates budget issue that officers have identified and that should be considered as part of the budget process. Members will need to consider

these options, plus any others that may emerge through the budget process and determine which proposals to include in the final budget to meet service objectives.

8.2 HRA budget issues

	Budget Issues Identified	2023/24 £000	2024/25 £000	2025/26 £000	Ongoing £000
	Capital Expenditure				
	<u>Working for Capital bid 1</u>				
	Decarbonisation exp. - Wave 2.1	4,556	3,037		
	Wave 2.1 grant funding	-1,068	-712		
	Additional grant - digitalisation	-120			
	Virement of 22/23 carbon neutral dwellings budget	-1,089			
	Virement of 22/23 Walls slippage	-784			
1	Wave 2.1 additional Budget required	1,495	2,325		
2	Disrepair mitigation resources and works	500	250		
3	Abritas further upgrade	15			
	Capital** Sub Total	2,010	2,575		
	Revenue Expenditure				
1	Targeted additional hardship support	500	250		
2	Ext. Audit of gas/electrical compliance	66	66	66	66
3	Disrepairs solicitor	57	57	57	57
4	Abritas – ongoing costs for yearly system upgrades	10	10	10	10
5	Delivering Consumer Standards	36	36	36	36
6	Tenant Satisfaction Measures	3	6	3	
	Revenue* Sub Total	672	425	169	169
	Total	2,682	3,000	169	169

*revenue policy options will be funded from the HRA (rents)

**capital policy options will be funded by HRA borrowing

8.3 The Portfolio Holder for Housing and Landlord Services has been given delegated authority to submit proposals for consideration at the Council meeting to enable the budget and capital programme to be set.

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.

11.0 HEALTH AND WELLBEING IMPLICATIONS

11.1 The health and wellbeing implications arising from this report will be dependent on the particular circumstances for that budget.

Background Documents

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

Equality Impact Assessment

The direct impact on members of the public, employees, elected members and / or stakeholders is dependent on the proposals to be put forward at the Council meeting. Therefore no Equality Impact Assessment has been produced at this time. However, an Assessment will be produced and made available at the Council meeting if required.

Appendices

Appendix 1 – HRA Revenue Estimates

Appendix 2 – Reserves Policy

Appendix 1 – Draft Estimates 2023/24

Budget 2023/24	Employees £	Running Expenses £	External income £	Total Cash £	Support Services & Capital Charges £	Net budget £
General Expenses						
Premises Related Expenses	0	184,787	0	184,787	0	184,787
Bad Debts Provision	0	130,000	0	130,000	0	130,000
Capital Programme Contribution	0	0	0	0	7,454,630	7,454,630
Debt Principal Repayment	0	0	0	0	374,784	374,784
Debt Charges	0	0	0	0	3,116,990	3,116,990
Sub-Total	0	314,787	0	314,787	10,946,404	11,261,191
Supervision, Management, Repairs & Maintenance						
Central Administration	17,215	1,565,670	-1,009,100	573,785	2,692,244	3,266,029
Transformation & Housing Regulation	186,261	0	0	186,261	0	186,261
Income & Financial Inclusion	714,121	113,770	0	827,891	156,303	984,193
Tenancy Services						
Allocations	310,051	70,520	0	380,571	4,182	384,753
Estate Management	317,129	347,757	0	664,886	25,111	689,997
Other Tenancy Services	45,392	302,000	-470,000	-122,608	0	-122,608
Elderly & Disabled Support	329,243	145,230	-597,000	-122,528	85,964	-36,564
Sub-Total	1,001,814	865,507	-1,067,000	800,321	115,257	915,578
Property Services						
Property Services Management	378,471	7,680	0	386,151	-51,534	334,618
Compliance	235,352	1,153,305	-100	1,388,557	24,844	1,413,400
Caretakers	532,483	171,062	-49,000	654,545	-10,947	643,599
Maintenance of Grassed Areas	71,130	798,440	-31,440	838,130	0	838,130
Responsive & Void Repairs	356,027	5,185,570	-69,000	5,472,597	-14,554	5,458,043
Independent Living Premises Costs	270,115	432,946	-825,250	-122,189	223,848	101,659
Programmed Maintenance	540,676	534,810	-500	1,074,986	-326,386	748,600
Sub-Total	2,384,254	8,283,813	-975,290	9,692,777	-154,729	9,538,048
General Income						
Customer & Client Receipts	0	0	-26,823,300	-26,823,300	0	-26,823,300
Interest	0	0	0	0	0	0
Sub-Total	0	0	-26,823,300	-26,823,300	0	-26,823,300
Transfers to/from Reserves	0	0	0	0	0	0
Grand Total	4,303,664	11,143,547	-29,874,690	-14,427,479	13,755,478	-672,000

Notes:

- 'Transformation & Housing Regulation' reflects reorganisation within Housing
- 'Compliance' has been separated out from Property Services Management
- The budgets above also reflect various virements and uplifts
- The budget savings & Efficiency Reserve, (Appendix 2), has been renamed the 'Transformation & Efficiency Reserve'
- £100k has been moved from the Transformation & Efficiency reserve to the Repairs Reserve to ensure that the Repairs Reserve maintains it's minimum 10% provision after 2023/24 contractual uplifts to the response repairs and void revenue repairs budget

	Employees	Running Expenses	External income	Total Cash	Support Services & Capital Charges	Net budget
Budget 2022/23	£	£	£	£	£	£
General Expenses						
Premises Related Expenses	0	167,890	0	167,890	0	167,890
Bad Debts Provision	0	160,000	0	160,000	0	160,000
Capital Programme Contribution	0	0	0	0	7,433,860	7,433,860
Debt Principal Repayment	0	0	0	0	362,110	362,110
Debt Charges	0	0	0	0	3,056,990	3,056,990
Sub-Total	0	327,890	0	327,890	10,852,960	11,180,850
Supervision, Management, Repairs & Maintenance						
Central Administration	285,310	858,270	-414,220	729,360	2,735,460	3,464,820
Income & Financial Inclusion	666,050	103,770	0	769,820	151,750	921,570
Tenancy Services						
Allocations	278,700	69,250	-90	347,860	10,000	357,860
Estate Management	301,700	303,600	-30	605,270	24,380	629,650
Other Tenancy Services	34,550	228,560	-288,870	-25,760	0	-25,760
Elderly & Disabled Support	304,710	127,150	-588,030	-156,170	88,130	-68,040
Sub-Total	919,660	728,560	-877,020	771,200	122,510	893,710
Property Services						
Property Services Management	750,480	1,096,800	-210	1,847,070	-140,070	1,707,000
Caretakers	407,160	153,420	-41,220	519,360	-43,220	476,140
Maintenance of Grassed Areas	0	869,570	-31,440	838,130	0	838,130
Responsive & Void Repairs	344,910	4,563,140	-58,000	4,850,050	-14,130	4,835,920
Independent Living Premises Costs	239,260	313,360	-745,250	-192,630	148,270	-44,360
Planned Maintenance	446,300	432,570	-3,780	875,090	-316,880	558,210
Sub-Total	2,188,110	7,428,860	-879,900	8,737,070	-366,030	8,371,040
General Income						
Customer & Client Receipts	0	0	-25,150,990	-25,150,990	0	-25,150,990
Interest	0	0	0	0	-1,000	-1,000
Sub-Total	0	0	-25,150,990	-25,150,990	-1,000	-25,151,990
Transfers to/from Reserves	0	0	0	0	0	0
Grand Total	4,059,130	9,447,350	-27,322,130	-13,815,650	13,495,650	-320,000

Appendix 2 - HRA RESERVES POLICY

Reserves Protocol

- 1.1 For each reserve held by the Council there must be a clear protocol setting out:
- The reason for and purpose of the reserve;
 - How and when the reserve can be used;
 - Procedures for the reserve's management and control; and
 - A process and timescale for review of the reserve to ensure continuing relevance and adequacy.
- 1.2 Details for each HRA reserve are set out below. Each reserve is managed and controlled by a Chief Officer. The responsible officer can authorise amounts of up to £10,000 to be taken from a reserve provided that its use is in line with the stated purpose of the reserve.
- 1.3 In addition the responsible officer must also consult with the Housing and / or Finance Portfolio Holders before authorising uses from reserves in excess of £10,000.
- 1.4 Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size. Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area. Balances represent unallocated funds which have not been earmarked and consequently are available to support any service area.
- 1.5 The values shown below for each reserve reflect their current position. The process for closing down the accounts at the year-end will then allow for any outstanding in year commitments and contributions.
- 1.6 The underlying level of reserves is adequate and reflects the HRA's stable financial position.

Description	Purpose	How and When Used	Responsible Officer	Value £000
HRA BALANCES	Balances are held by every organisation and are used to cushion the impact of unexpected events or emergencies, uneven cash flows and to avoid temporary borrowing	Can be used as a general contingency and should be maintained at a level of at least £100 per property.	Head of Housing	620
HRA ELEMENT OF INSURANCE FUND	Funds held to meet the Council's self-insured liabilities where this is a more cost effective method	Costs are incurred when insurance claims are settled. The level of the reserve is	Head of Finance, Procurement & Commercial	331

	of insuring than using an external company	determined through actuarial reviews	Property	
DISTRICT HEATING CHARGES RESERVE	This reserve holds the difference between the income raised from charges to tenants for the District Heating scheme and the cost of running this scheme (primarily gas charges).	It is Council policy to run this scheme on a cost recovery basis, and so it is necessary to maintain this reserve so that any surpluses that are achieved can be carried forward to fund lower charges to tenants in the future than otherwise would be possible	Head of Housing	0
REPAIRS RESERVE	This reserve is used to deal with demand led and other spending pressures on the response and void repairs budgets	Can be used as a general contingency for repairs expenditure and should be maintained at a level of at least 10% of the repairs budgets	Head of Housing	550
GENERAL SLIPPAGE RESERVE	This reserve is used to carry forward slippage on revenue and capital projects, where required	Enables the funding on schemes that are not completed at the financial year end to be carried forward so that the scheme can be completed in the next financial year	Head of Housing	30
TRANSFORMATION & EFFICIENCY RESERVE	This reserve is available to support the overall budget position	Used to deal with the financial challenges facing the HRA over a medium term period	Head of Housing	992



AGENDA ITEM:

**Special Executive Overview & Scrutiny:
14 February 2023**

**Council:
22 February 2023**

Report of: Head of Finance, Procurement and Commercial Property

Contact for further information: Mr S Peet
(E-mail: simon.peet@westlancs.gov.uk)
Mr J. Smith (Ext 5093)
(E-mail: jonas.smith@westlancs.gov.uk)

SUBJECT: CAPITAL FINANCE AND TREASURY MANAGEMENT STRATEGY

Wards affected: Borough Wide

1.0 PURPOSE OF REPORT

1.1 To set the framework for capital financing and treasury management operations for the next financial year.

2.0 RECOMMENDATIONS

Special Executive Overview & Scrutiny

Are asked to recommend the following items to Council for approval:

- 2.1 That the projected position in respect of the Prudential Indicators for 2022-23 set out in Appendix 1 be noted.
- 2.2 That the Treasury and Prudential Indicators for the next three years set out in Appendix 1 be agreed.
- 2.3 That the capital expenditure projections in Appendix 1 be agreed.
- 2.4 That the CFR projections set out in Appendix 1 be agreed.
- 2.5 That the MRP policy as set out in section 4.5 be agreed.

Council

- 2.6 That the projected position in respect of the Prudential Indicators for 2022-23 set out in Appendix 1 be noted.

- 2.7 That the Treasury and Prudential Indicators for the next three years set out in Appendix 1 be agreed.
- 2.8 That the capital expenditure projections in Appendix 1 be agreed.
- 2.9 That the CFR projections set out in Appendix 1 be agreed.
- 2.10 That the MRP policy as set out in section 4.5 be agreed.
-
-

3.0 BACKGROUND

The Authority is required to operate a balanced budget, which broadly means that cash raised during the year will meet cash expenditure. Part of the treasury management operation is to ensure that this cash flow is adequately planned, with cash being available when it is needed. Surplus monies are invested in low-risk counterparties or instruments commensurate with the Authority's low risk appetite, providing adequate liquidity initially before considering investment return.

The second main function of the treasury management service is the funding of the Authority's capital plans. These capital plans provide a guide to the borrowing need of the Authority, essentially the longer-term cash flow planning, to ensure that it can meet its capital spending obligations. This management of longer-term cash may involve arranging long or short-term loans or using longer-term cash flow surpluses. On occasion, when it is prudent and economic, any debt previously drawn may be restructured to meet risk or cost objectives.

3.1 Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require all local authorities to prepare a Capital Strategy report which will provide the following:

- a high-level long-term overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- an overview of how the associated risk is managed
- the implications for future financial sustainability

The aim of the strategy is to ensure that all the Authority's elected members fully understand the overall long-term policy objectives and resulting Capital Strategy requirements, governance procedures and risk appetite. This strategy will be submitted for member consideration separately to this report.

3.2 Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas Capital Issues, including expenditure plans and associated prudential indicators and Treasury Management Issues, including the current position, treasury indicators which limit risk, prospects for interest rates, borrowing and investment strategy, creditworthiness policy and the use of external service providers

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

3.3 Training

The CIPFA Treasury Management Code requires the responsible officer to ensure that members with responsibility for treasury management receive adequate training in treasury management. This especially applies to members responsible for scrutiny. Member training was undertaken on the 26th October 2022 and further training will be arranged as required. The training needs of treasury management officers are periodically reviewed.

A formal record of the training received by officers central to the Treasury function will be maintained by the Head of Finance. Similarly, a formal record of the treasury management/capital finance training received by members will also be maintained by Head of Finance.

3.4 Treasury Management Consultants

The Authority uses Link Group, Link Treasury Services Limited as its external treasury management advisors.

The Authority recognises that responsibility for treasury management decisions always remains with the organisation and will ensure that undue reliance is not placed upon the services of our external service providers. All decisions will be undertaken with regards to all available information, including, but not solely, our treasury advisers.

It also recognises that there is value in employing external providers of treasury management services to acquire access to specialist skills and resources. The Authority will ensure that the terms of their appointment and the methods by which their value will be assessed are properly agreed and documented and subjected to regular review.

4.0 THE CAPITAL PRUDENTIAL INDICATORS 2023/24 – 2025/26

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

4.1 Capital Expenditure and Financing

This prudential indicator is a summary of the Authority's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle. Members are asked to approve the capital expenditure forecasts detailed in table 1.1 of Appendix 1.

Other long-term liabilities - the financing need excludes other long-term liabilities, such as PFI and leasing arrangements that already include borrowing instruments.

The table 1.1 in Appendix 1 also details how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding borrowing need.

4.2 The Authority's Borrowing Need (the Capital Financing Requirement)

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

The CFR does not increase indefinitely, as the minimum revenue provision (MRP) is a statutory annual revenue charge which broadly reduces the indebtedness in line with each asset's life, and so charges the economic consumption of capital assets as they are used.

The CFR includes any other long-term liabilities (e.g., PFI schemes, finance leases). Whilst these increase the CFR, and therefore the Authority's borrowing requirement, these types of schemes include a borrowing facility by the PFI, PPP lease provider and so the Authority is not required to separately borrow for these schemes. The Authority currently has no such schemes within the CFR.

The Authority is asked to approve the CFR projections in table 1.2 of Appendix 1.

4.3 Liability Benchmark

A third and new prudential indicator for 2023/24 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the Authority's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the Authority's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance.

The Liability Benchmark is detailed in table 1.3 of Appendix 1.

4.4 Core Funds and Expected Investment Balances

The application of resources (capital receipts, reserves etc.) to either finance capital expenditure or other budget decisions to support the revenue budget will have an ongoing impact on investments unless resources are supplemented each year from new sources (asset sales etc.). Detailed below are estimates of the year-end balances for each resource and anticipated day-to-day cash flow balances.

Year End Resources	2021/22	2022/23	2023/24	2024/25	2025/26
£m	Actual	Estimate	Estimate	Estimate	Estimate
Fund balances / reserves	17,219	16,107	12,906	12,599	12,931
Capital receipts	2,978	471	42	42	42
Provisions	1,628	1,628	1,628	1,628	1,628
Capital Grants Unapplied	12,400	13,900	11,850	12,800	13,750
Total core funds	34,225	32,106	26,426	27,069	28,351
Working capital	20,082	6,500	6,500	6,500	6,500
Under/over borrowing	23,480	22,804	22,029	21,128	20,160
Expected investments	30,827	15,802	10,897	12,441	14,691

4.5 Minimum Revenue Provision (MRP) Policy Statement

Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003, where the Authority has financed capital expenditure by borrowing it is required to make a provision each year through a revenue charge (MRP).

The Authority is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Authority can use any other reasonable basis that it can justify as prudent.

The MRP policy statement requires full council approval (or closest equivalent level) in advance of each financial year.

The Authority is recommended to approve the following MRP Statement

For expenditure incurred before 1 April 2008 which forms part of supported capital expenditure, the MRP policy will be:

- **Asset life method (annuity)** – MRP will be based on an asset life of 50 years

From 1 April 2008 for all unsupported borrowing the MRP policy will be:

- **Asset life method (annuity)** – For regeneration and income generating assets MRP will be based on the estimated life of the assets
- **Asset life method (straight line)** – For service delivery assets MRP will be based on the estimated life of the assets

Capital expenditure incurred during 2022/23 will not be subject to an MRP charge until 2023/24, or in the year after the asset becomes operational

The Authority will apply the asset life method for any expenditure capitalised under a Capitalisation Direction.

There is no requirement on the HRA to make a minimum revenue provision but there is a requirement for a charge for depreciation to be made.

MRP in respect of assets acquired under Finance Leases or PFI will be charged at an amount equal to the principal element of the annual repayment.

For capital expenditure on loans to third parties where the principal element of the loan is being repaid in annual instalments, the capital receipts arising from the principal loan repayments will be used to reduce the CFR instead of MRP.

Where no principal repayment is made in a given year, MRP will be charged at a rate in line with the life of the assets funded by the loan.

MRP Overpayments – Under the MRP guidance, any charges made in excess of the statutory MRP can be made, known as voluntary revenue provision (VRP).

VRP can be reclaimed in later years if deemed necessary or prudent. In order for these amounts to be reclaimed for use in the budget, this policy must disclose the cumulative overpayment made each year.

Cumulative VRP overpayments made to date are £2.365m.

5.0 BORROWING

The capital expenditure plans set out in Section 2 provide details of the service activity of the Authority. The treasury management function ensures that the Authority's cash is organised in accordance with the relevant professional codes, so that sufficient cash is available to meet this service activity and the Authority's Capital Strategy. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury / prudential indicators, the current and projected debt positions, and the Annual Investment Strategy.

5.1 Current Portfolio Position

The overall treasury management portfolio as at 31.3.22 and for the position as at 31.12.22 are shown below for both borrowing and investments.

TREASURY PORTFOLIO				
	Actual	Actual	Current	Current
	31.03.22	31.03.22	31.12.22	31.12.22
Treasury investments	£,000	%	£,000	%
Banks	11,500	41%	8,000	34%
Building societies - unrated	11,500	41%	10,500	45%
Building societies - rated		0%		0%
Local authorities	5,000	18%	5,000	21%
DMADF (H.M.Treasury)		0%		0%
Money Market Funds		0%		0%
Certificates of Deposit		0%		0%
Total managed in house	28,000	100%	23,500	100%
Bond Funds	0	0	0	0
Property Funds	0	0	0	0
Total managed externally	0	0	0	0
Total treasury investments	28,000	100%	23,500	100%
Treasury external borrowing				
Local Authorities	0	0	0	0
PWLB	88,212	100%	88,212	100%
Market Loans		0		0
LOBOs		0		0
Total external borrowing	88,212	100%	88,212	100%
Net treasury investments / (borrowing)	-60,212		-64,712	

The Authority's forward projections for borrowing are summarised below. The table shows the actual external debt, against the underlying capital borrowing need, (the Capital Financing Requirement - CFR), highlighting any over or under borrowing.

£m	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
External Debt					
Debt at 1 April	88,212	88,212	105,689	113,985	121,376
Expected change in Debt	0	17,477	8,296	7,391	893
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	88,212	105,689	113,985	121,376	122,269
The Capital Financing Requirement	111,692	128,493	136,014	142,504	142,429
Under / (over) borrowing	23,480	22,804	22,029	21,128	20,160

Within the range of prudential indicators there are several key indicators to ensure that the Authority operates its activities within well-defined limits. One of these is that the Authority needs to ensure that its gross debt does not, except in the short-term, exceed the total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years but ensures that borrowing is not undertaken for revenue or speculative purposes.

The Head of Finance reports that the Authority complied with this prudential indicator in the current year and does not envisage difficulties for the future. This view takes account of current commitments, existing plans and the proposals in this budget report.

5.2 Treasury Indicators: Limits to Borrowing Activity

The Operational Boundary. This is the limit beyond which external debt is not normally expected to exceed. In most cases, this would be a similar figure to the CFR, but may be lower or higher depending on the levels of actual debt and the ability to fund under-borrowing by other cash resources. Details of this indicator are shown in table 1.4 of Appendix 1.

The Authorised Limit for external debt. This is a key prudential indicator and represents a control on the maximum level of borrowing. This represents a legal limit beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, while not desired, could be afforded in the short-term, but is not sustainable in the longer-term.

- This is the statutory limit determined under section 3 (1) of the Local Government Act 2003. The Government retains an option to control either the total of all local authority plans, or those of a specific authority, although this power has not yet been exercised.
- The Authority is asked to approve the following Authorised Limit in table 1.5 of Appendix 1

5.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 19.12.22. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave eamings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave eamings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Additional notes by Link on this forecast table: -

Link's central forecast reflects a view that the MPC will be keen to demonstrate its anti-inflation credentials by delivering a succession of rate increases. This has happened throughout 2022, but the new Government's policy of emphasising fiscal rectitude will probably mean Bank Rate does not now need to increase to further than 4.5%.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures have lessened – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation appears to have peaked at 11.1% in Q4 2022 (10.7% in December). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Wage increases, excluding bonuses, are currently running at 5.7%.

PWLB Rates

Yield curve movements have become less volatile under the Sunak/Hunt government. PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%. The medium to longer part of the yield curve is currently inverted (yields are lower at the longer end of the yield curve compared to the short to medium end).

We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the poor inflation outlook but markets are volatile and further whipsawing of gilt yields across the whole spectrum of the curve is possible.

Link's (beyond 10 years) forecast for Bank Rate stands at 2.5%. As all PWLB certainty rates are now above this level, borrowing strategies will need to be reviewed in that context. Better value can generally be obtained at the shorter end of the curve and short-dated fixed LA to LA monies should be considered. Temporary borrowing rates are likely, however, to remain near Bank Rate and may also prove attractive whilst the market waits for inflation, and therein gilt yields, to drop back later in 2023.

Our interest rate forecast for Bank Rate is in steps of 25 bps, whereas PWLB forecasts have been rounded to the nearest 10 bps and are central forecasts within bands of + / - 25 bps. Naturally, we continue to monitor events and will update our forecasts as and when appropriate.

5.4 Borrowing Strategy

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

Against this background and the risks within the economic forecast, caution will be adopted with the 2023/24 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

- *if it was felt that there was a significant risk of a sharp FALL in borrowing rates, then borrowing will be postponed.*
- *if it was felt that there was a significant risk of a much sharper RISE in borrowing rates than that currently forecast, fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.*

Any decisions will be reported to the appropriate decision-making body at the next available opportunity.

5.5 Policy on Borrowing in Advance of Need

The Authority will not borrow more than or in advance of its needs purely in order to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

5.6 Rescheduling

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a large difference between premature redemption rates and new borrowing rates.

5.7 Approved Sources of Long and Short-term Borrowing

On Balance Sheet	Fixed	Variable
PWLB	●	●
UK Municipal Bond Agency	●	●
Local Authorities	●	●
Banks	●	●
Pension Funds	●	●
Insurance Companies	●	●
UK Infrastructure Bank	●	●
Market (long-term)	●	●
Market (temporary)	●	●
Local Temporary	●	●
Internal (capital receipts & revenue balances)	●	●
Finance Leases	●	●

6.0 ANNUAL INVESTMENT STRATEGY

6.1 Investment Policy – Management of Risk

The Department of Levelling Up, Housing and Communities (DLUHC - this was formerly the Ministry of Housing, Communities and Local Government (MHCLG)) and CIPFA have extended the meaning of 'investments' to include both financial and non-financial investments. This report deals solely with treasury (financial) investments, (as managed by the treasury management team). Non-financial investments, essentially the purchase of income yielding assets and service investments, are covered in the Capital Strategy, (a separate report).

The Authority's investment policy has regard to the following: -

- DLUHC's Guidance on Local Government Investments ("the Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("the Code")
- CIPFA Treasury Management Guidance Notes 2021

The Authority's investment priorities will be security first, portfolio liquidity second and then yield (return). The Authority will aim to achieve the optimum return (yield) on its investments commensurate with proper levels of security and liquidity and with regard to the Authority's risk appetite.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This Authority has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable **credit criteria** are applied to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.
2. **Other information:** ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as "**credit default swaps**" and overlay that information on top of the credit ratings.
3. **Other information sources** used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.
4. This Authority has defined the list of **types of investment instruments** that the treasury management team are authorised to use. The list is outlined in 6.2 below.

Specified investments are those with a high level of credit quality and subject to a maturity limit of one year or have less than a year left to run to maturity, if originally they were classified as being non-specified investments solely due to the maturity period exceeding one year.

Non-specified investments are those with less high credit quality, may be for periods in excess of one year, and/or are more complex instruments which require greater consideration by members and officers before being authorised for use.

5. **Non-specified and loan investment limits.** The Authority has determined that it will set a limit to the maximum exposure of the total treasury management investment portfolio to non-specified treasury management investments as set out in 6.2 below.
6. **Lending limits**, (amounts and maturity), for each counterparty will be set through applying the matrix table in paragraph 6.2.
7. **Transaction limits** are set for each type of investment in 6.2.
8. This Authority will set a limit for its investments which are invested for **longer than 365 days**, (see paragraph 6.2).
9. Investments will only be placed with counterparties from the UK.
10. This Authority has engaged **external consultants**, Link Treasury Services, to provide expert advice on how to optimise an appropriate balance of security, liquidity and yield, given the risk appetite of this Authority in the context of the expected level of cash balances and need for liquidity throughout the year.
11. All investments will be denominated in **sterling**.
12. As a result of the change in accounting standards for 2022/23 under IFRS 9, this Authority will consider the implications of investment instruments which could result in an adverse movement in the value of the amount invested and resultant charges at the end of the year to the General Fund. (In November 2018, the MHCLG, concluded a consultation for a temporary override to allow English local authorities time to adjust their portfolio of all pooled investments by announcing a statutory override to delay implementation of IFRS 9 for five years ending 31.3.23. At the current juncture it has not been determined whether a further extension to the over-ride will be agreed by Government.

However, this Authority will also pursue **value for money** in treasury management and will monitor the yield from investment income against appropriate benchmarks for investment performance, (see paragraph 6.5). Regular monitoring of investment performance will be carried out during the year.

Changes in risk management policy from last year.

The above criteria are unchanged from last year.

6.2 Creditworthiness Policy

The primary principle governing the Authority's investment criteria is the security of its investments, although the yield or return on the investment is also a key consideration. After this main principle, the Authority will ensure that: -

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and
- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

The Head of Finance will maintain a counterparty list in compliance with the following criteria and will revise the criteria and submit them to Full Council for approval as necessary. These criteria are separate to that which determines which types of investment instrument are either specified or non-specified as it provides an overall pool of counterparties considered high quality which the Authority may use, rather than defining what types of investment instruments are to be used.

Credit rating information is supplied by Link Group, our treasury advisors, on all active counterparties that comply with the criteria below. Any counterparty failing to meet the criteria would be omitted from the counterparty (dealing) list. Any rating changes, rating Watches (notification of a likely change), rating Outlooks (notification of the longer-term bias outside the central rating view) are provided to officers almost immediately after they occur, and this information is considered before dealing. For instance, a negative rating Watch applying to a counterparty at the minimum Authority criteria will be suspended from use, with all others being reviewed in light of market conditions.

The criteria for providing a pool of high-quality investment counterparties, (both specified and non-specified investments) is:

Type of Counterparty	Maximum loan by Council	Maximum Period
Major British Based Banks and Subsidiaries with at least A- credit rating.	£5m	Up to £5m 364 days Up to £3m 3 years
British Based Building Societies. – Only those with at least A- credit rating as advised by Link.	£5m	Up to £5m 364 days Up to £3m 3 years
Other Local Authorities, where agreed.	£5m	Up to 5 years
Property Funds, Corporate Bonds, Infrastructure Investments	£3m	Up to 3 years for Corporate, and 5 years for Property and Infrastructure
Money Market Funds AAA rated	£3m	N/A Callable deposits

Use of additional information other than credit ratings

Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

Creditworthiness

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this Authority will not set a minimum rating for the UK.

CDS prices

Although bank CDS prices, (these are market indicators of credit risk), spiked upwards during the days of the Truss/Kwarteng government, they have returned to more average levels since then. However, sentiment can easily shift, so it will remain important to undertake continual monitoring of all aspects of risk and return in the current circumstances. Link monitor CDS prices as part of their creditworthiness service to local authorities and the Authority has access to this information via its Link-provided Passport portal.

6.3 Limits

Due care will be taken to consider the exposure of the Authority's total investment portfolio to non-specified investments, countries, groups and sectors.

- a. **Non-specified treasury management investment limit.** The Authority has determined that it will limit the maximum total exposure of treasury management investments to non-specified treasury management investments as per paragraph 6.2.
- b. **Country limit.** The Authority has determined that it will only use approved counterparties from the UK.

6.4 Investment Strategy

In-house funds. Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the ups and downs of cash flow where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

6.5 Investment Performance / Risk Benchmarking

This Authority will use an investment benchmark of 3-month Sterling Overnight Interbank Average Rate (SONIA) to assess the investment performance of its investment portfolio.

6.6 MifiD II Status

The Market in Financial Instruments Directive II (MIFID II) changed the classification of local authority investors. It reclassified local and public authorities as retail investors from 3 January 2018. Authorities could elect for a return to professional status provided they met certain criteria. If the Authority decided against opting up it would have had access to a more limited a range of financial investment instruments. Therefore, the decision has been taken to opt for profession status with all counterparties in which it currently invests and will do the same for any future eligible ones if required.

6.7 End of Year Investment Report

At the end of the financial year, the Authority will report on its investment activity as part of its Annual Treasury Report.

7.0 SUSTAINABILITY IMPLICATIONS

7.1 The Capital Financing and Treasury Management Framework ensures that robust financial decisions are made. The strategies in place provide for sound financial management decision making with regards to the Council's assets and their sustainability. This report has no significant impacts on crime and disorder.

8.0 RISK ASSESSMENT

8.1 The Council is signed up to the CIPFA Treasury Management Code of Practice and it reviews the Prudential Indicators on a regular basis. It is, therefore, minimising the risks associated with financing decisions.

9.0 HEALTH AND WELLBEING IMPLICATIONS

9.1 There are no significant health and wellbeing implications arising from this report.

Background Documents

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

Equality Impact Assessment

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

APPENDICES

1. Prudential and treasury indicators
2. Economic background
3. Treasury management practice 1 – credit and counterparty risk management
4. Treasury management scheme of delegation
5. The treasury management role of the section 151 officer

1. THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2023/24 – 2025/26

The Authority's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

1.1 Capital Expenditure and Financing

Capital expenditure £,000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Non-HRA	8,961	12,917	7,951	3,531	2,074
HRA	16,441	22,370	14,759	15,106	8,531
Total	25,402	35,287	22,710	18,637	10,605

Financing of capital expenditure £,000	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital receipts	1,197	3,306	1,228	798	799
Capital grants	8,119	5,284	2,491	2,979	1,444
Capital reserves	3,833	3,948	4,066	4,188	4,314
Revenue	4,174	5,272	6,630	3,281	3,155
Net financing need for the year	8,079	17,477	8,296	7,391	893

1.2 The Authority's Borrowing Need (the Capital Financing Requirement)

£m	2021/22 Actual	2022/23 Estimate	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate
Capital Financing Requirement					
Non-HRA	23,263	28,233	29,339	29,378	29,441
Housing	88,429	100,260	106,675	113,126	112,987
Total CFR	111,692	128,493	136,014	142,504	142,429
Movement in CFR	7,422	16,801	7,521	6,490	-76
Movement in CFR represented by					
Net financing need for the year (above)	8,079	17,477	8,296	7,391	893
Less MRP/VRP and other financing movements	-657	-676	-775	-901	-969
Movement in CFR	7,422	16,802	7,521	6,490	-76

External borrowing £m	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Service spend		16	1,202	1,711	2,155
Housing	88,212	100,405	107,195	114,034	114,297
Regeneration		5,268	5,588	5,631	5,817
Preventative action					
Treasury Management					
Projects for yield					
TOTAL	88,212	105,689	113,985	121,376	122,269

1.3 Liability Benchmark

West Lancashire Borough Council		£'000	£'000	£'000	£'000
Financial Year End		Estimate	Estimate	Estimate	Estimate
		2022/23	2023/24	2024/25	2025/26
PWLB Loans		88,212	88,212	88,212	88,212
Market Loans (excl LOBO loans)					
LOBO Loans					
Short Term inc LA Temporary Borrowing (<1 year)					
Variable rate loans					
Existing Loan Debt Outstanding		88,212	88,212	88,212	88,212
Opening Loan Debt					
Less: opening treasury investments					
Plus: planned prudential borrowing		17,477	8,296	7,391	893
Less: MRP & Capital Receipts set aside		-676	-775	-901	-969
+/- other forecast cashflows		13,773	4,905	-1,479	-2,251
Net Loans Requirement (forecast net loan debt)		89,212	101,637	106,649	104,322
Opening Loans CFR					
Plus: planned Prudential Borrowing		17,477	8,296	7,391	893
Less: MRP & Capital Receipts set aside		-676	-775	-901	-969
Loans CFR		128,493	136,014	142,504	142,429
Liquidity allowance above net debt (liquidity buffer)		1,500	1,500	1,500	1,500
Liability Benchmark (Gross Loans Requirement)		90,712	103,137	108,149	105,822
Forecast Investments		1,500	1,500	1,500	1,500
(Over)/Under Liability Benchmark		2,500	14,925	19,937	17,610

1.4 Operational Boundary

Operational Boundary £m	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Debt	128,493	136,014	142,504	142,429
Other long-term liabilities	0	0	0	0
Total	128,493	136,014	142,504	142,429

1.5 Authorised Limit for external debt

Authorised Limit £m	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Debt	138,493	146,014	152,504	152,429
Other long-term liabilities	500	500	500	500
Total	138,993	146,514	153,004	152,929

1.6 Maturity Structure of Borrowing

Maturity analysis of loans	Average Rate	Interest Payable	2022/2023
	%	£'000	£'000
Between 5 and 10 years	3.01	132.76	4,411
Between 10 and 15 years	3.30	145.55	4,411
Between 15 and 20 years	3.44	303.45	8,821
Between 20 and 25 years	3.50	308.74	8,821
Between 25 and 30 years	3.53	621.89	17,642
Between 30 and 35 years	3.52	620.13	17,642
Between 35 and 40 years	3.50	617.48	17,642
Between 40 and 45 years	3.48	306.98	8,822
Total	3.47	3,056.99	88,212

Maturity structure of borrowing	2021/22 Actual %	2022/23 Estimate Limit %	2023/24 Estimate Limit %	2024/25 Estimate Limit %	2025/26 Estimate Limit %
Under 12 months	0	0	0	0	0
12 months and within 24 months	0	0	0	0	0
24 months and within 5 years	0	0	0	0	0
5 years and within 10 years	5%	5%	5%	5%	5%
10 years and above	95%	95%	95%	95%	95%

1.7 Limits for Long Term Treasury Management Investments

Limits for Long Term Treasury Management Investments	2021/22 Actual %	2022/23 Estimate Limit %	2023/24 Estimate Limit %	2024/25 Estimate Limit %	2025/26 Estimate Limit %
Limit for investments > a year	0	Higher of £3m and 20%	Higher of £3m and 20%	Higher of £3m and 20%	Higher of £3m and 20%

1.8 Affordability Prudential Indicators

The previous sections cover the overall capital and control of borrowing prudential indicators, but within this framework prudential indicators are required to assess the affordability of the capital investment plans. These provide an indication of the impact of the capital investment plans on the Authority's overall finances. The Authority is asked to approve the following indicators: -

1.8.1 Ratio of Financing Costs to Net Revenue Stream

This indicator identifies the trend in the cost of capital, (borrowing and other long-term obligation costs net of investment income), against the net revenue stream.

Capital expenditure	2021/22	2022/23	2023/24	2024/25	2025/26
£m	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	8,961	12,917	7,951	3,531	2,074
HRA	16,441	22,370	14,759	15,106	8,531
Total	25,402	35,287	22,710	18,637	10,605

Ratio of Financing Costs to Net Revenue Stream

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	1.15%	0.38%	1.05%	1.99%	2.37%
HRA	12.91%	12.37%	12.54%	12.60%	13.24%

Non-HRA £,000	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Interest received on existing investments	-129	-349	-319	-319	-319
Interest cost for new borrowing	0	95	95	147	166
Interest cost existing finance leases/PFI	0	0	0	0	0
Interest cost for new finance leases/PFI	0	0	0	0	0
Gains and losses on the repurchase or early settlement of borrowing	0	0	0	0	0
MRP and VRP	307	314	400	513	567
Total Financing Costs	178	60	176	341	413
Taxation, precepts	13,928	11,698	12,418	12,936	13,277
Non-specific grant income	1,550	3,934	4,588	4,233	3,787
Net Revenue Stream	15,478	15,632	16,776	17,108	17,449
Ratio of Financing Costs	1.15%	0.38%	1.05%	1.99%	2.37%

HRA £,000	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Interest received on existing investments	-5	-49	-119	-119	-119
Interest cost on existing borrowing	3,057	3,057	3,057	3,057	3,057
Interest cost for new borrowing	0	0	427	664	904
Interest cost existing finance leases/PFI	0	0	0	0	0
Interest cost for new finance leases/PFI	0	0	0	0	0
Gains and losses on the repurchase or early settlement of borrowing	0	0	0	0	0
MRP and VRP	350	362	375	388	402
HRA Depreciation	0	0	0	0	0
Total Financing Costs	3,402	3,370	3,739	3,990	4,243
HRA Rental Income	26,354	27,254	29,810	31,664	32,062
Ratio of Financing Costs	12.91%	12.37%	12.54%	12.60%	13.24%

The estimates of financing costs include current commitments and the proposals in this budget report.

1.8.2 Ratio of income from commercial and service investments to net revenue stream

%	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	7.73%	8.43%	6.39%	6.36%	6.33%
£,000	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
Income from financial investments	0	0	0	0	0
Income from assets held primarily for financial return	2,408	2,253	2,364	2,463	2,480
Investment management costs	0	0	0	0	0
Other direct revenue costs of investments	-1,212	-935	-1,277	-1,370	-1,399
Total Net Commercial & Service Income	1,196	1,318	1,087	1,092	1,081
Taxation, precepts	13,928	11,698	12,418	12,936	13,277
Non-specific grant income	1,550	3,934	4,588	4,233	3,787
Net Revenue Stream	15,478	15,632	17,006	17,169	17,064
Ratio of net income from commercial & service investments	7.73%	8.43%	6.39%	6.36%	6.33%

1.8.3 HRA Ratios

	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
HRA debt £,000	88,212	100,405	107,195	114,034	114,297
HRA revenues £,000	26,354	27,254	29,810	31,664	32,062
Ratio of debt to revenues %	29.88	27.14	27.81	27.77	28.05
	2021/22	2022/23	2023/24	2024/25	2025/26
	Actual	Estimate	Estimate	Estimate	Estimate
HRA debt £,000	88,212	100,405	107,195	114,034	114,297
Number of HRA dwellings	5,858	5,808	5,758	5,708	5,658
Debt per dwelling £	15,058	17,287	18,617	19,978	20,201

Assumed RtB sales of 50 per annum without replacement

2. ECONOMIC BACKGROUND

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extraordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.50% in December and the market expects Bank Rate to hit 4.5% by May 2023.

3. TREASURY MANAGEMENT PRACTICE (TMP1) – CREDIT AND COUNTERPARTY RISK MANAGEMENT

The DLUHC issued Investment Guidance in 2018, and this forms the structure of the Authority's policy below. These guidelines do not apply to either trust funds or pension funds which operate under a different regulatory regime.

The key intention of the Guidance is to maintain the current requirement for local authorities to invest prudently, and that priority is given to security and liquidity before yield. In order to facilitate this objective, the Guidance requires this Authority to have regard to the CIPFA publication Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes. This Council adopted the Code on 24/02/2022 and will apply its principles to all investment activity. In accordance with the Code, the Head of Finance has produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

Annual Investment Strategy - The key requirements of both the Code and the investment guidance are for the Authority to set an Annual Investment Strategy, as part of its annual treasury strategy for the following year, covering the identification and approval of the following:

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.

- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

Strategy guidelines – The main strategy guidelines are contained in the body of the Treasury Management Strategy Statement.

Specified investments – These investments are sterling investments of not more than one-year maturity, or those which could be for a longer period but where the Authority has the right to be repaid within 12 months if it wishes. They also include investments which were originally classed as being non-specified investments, but which would have been classified as specified investments apart from originally being for a period longer than 12 months once the remaining period to maturity falls to under 12 months.

These are considered low risk assets where the possibility of loss of principal or investment income is small. These would include sterling investments which would not be defined as capital expenditure with: -

- The UK Government (such as the Debt Management Account deposit facility, UK Treasury Bills or a Gilt with less than one year to maturity).
- Supranational Bonds of less than one year's duration.
- A Local Authority, Housing Association, Parish Council or Community Council.
- Pooled investment vehicles (such as Money Market Funds) that have been awarded a high credit rating by a credit rating agency e.g., Standard and Poor's, Moody's and/or Fitch rating agencies.
- A body that is considered of a high credit quality.

In accordance with the Code, the Authority has set out additional criteria to limit the time and the amount of monies which will be invested in these bodies. These criteria are set out in section 4.2 above.

Non-specified investments – are any other type of investment (i.e., not defined as specified above). The identification and rationale supporting the selection of these other investments and the maximum limits to be applied are also set out in 4.2.

The monitoring of investment counterparties - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Finance, and if required new counterparties which meet the criteria will be added to the list.

4. TREASURY MANAGEMENT SCHEME OF DELEGATION

(i) Full board/council

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of annual strategy.

(ii) Boards/committees/council/responsible body

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

(iii) Body/person(s) with responsibility for scrutiny

- reviewing the treasury management policy and procedures and making recommendations to the responsible body.

5. THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER

The S151 (responsible) officer

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe (*say 20+ years – to be determined in accordance with local priorities.*)
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing

- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
 - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
 - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
 - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
 - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
- *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*



COUNCIL: 22nd February 2023

Report of: Corporate Director of Place & Community

Contact for further information: Kathryn Sephton – Head of Environmental Services

Tel 01695 585211

(email: kathryn.sephton@westlancs.gov.uk)

SUBJECT: PUBLIC SPACE PROTECTION ORDER RENEWAL 2023 – DOG CONTROL

Wards affected: Boroughwide

1.0 PURPOSE OF THE REPORT

1.1 To seek approval to renew the Councils' existing Public Space Protection Order which details numerous Dog Control provisions for locations across the Borough and include two additional locations.

2.0 RECOMMENDATIONS TO COUNCIL

2.1 That due consideration is given to the results from the public consultation conducted between 15th December 2022 and 26th January 2023.

2.2 That the Public Space Protection Order detailed at Appendix 2 to this report be approved for renewal for a 3-year period commencing on 1st April 2023 with the inclusion of the two additional locations as outlined in the public consultation.

3.0 BACKGROUND

3.1 On the 1st April 2017, the Council created a Public Space Protection Order (PSPO) under the Anti-social Behaviour, Crime and Policing Act 2014 (Appendix 1).

Further details can be found via:

<https://www.westlancs.gov.uk/environment/dogs/dog-control.aspx>

The order details restrictions that are in place relating to:

- dog fouling;
- dog exclusion areas;
- areas where dogs are walked on a lead and;

- the number of dogs that can be walked by one person.
- 3.2** There are currently 69 enclosed play areas where dogs are excluded and 8 areas where dogs are required to be kept on leads. The order consolidated numerous pieces of old legislation and has been successful in minimising dog related issues in the areas concerned.
- 3.3** All PSPO's are valid for a period of 3 years and must be reviewed. If the review supports an extension before the current expiry date, a local authority can extend the lifetime of the Order for a maximum further period of 3 years if satisfied on reasonable grounds that in doing so, is necessary to prevent an occurrence or reoccurrence of the activities including an increase in frequency or seriousness of those activities. The 2017 order was extended in 2020 for another 3 years until 2023. An Order can be extended for up to a further 3 years and there are publication requirements as set down by the Secretary of State.
- 3.4** In addition, a local authority has the power to amend an Order if it satisfies two conditions.

Condition 1: It believes:

- a) activities carried on in a public place within the authority's area have had a detrimental effect on the quality of life of those in the locality, or;
- b) it is likely that activities will be carried on in a public place within that area and that they will have such an effect

Condition 2 is that the effect, or likely effect, of the activities

- (a) is, or is likely to be, of a persistent or continuing nature,
- (b) is, or is likely to be, such as to make the activities unreasonable, and
- (c) justifies the restrictions imposed by the notice.

- 3.5** As the lifetime of the current Order requires extending, and there has been further evidence to justify extending the jurisdiction of the Order, Council is asked to approve the renewal of the existing PSPO for a further 3 years in addition to the inclusion of the two additional locations to ensure continuity with current locations.

4.0 CONSULTATION

- 4.1** Since the renewal of the order in 2020, two new additional play areas have been created at Thompson Avenue, Ormskirk and The Queen Elizabeth the Second Platinum Jubilee Park, Tawd Valley, Skelmersdale.

- 4.2** The additional sites considered for inclusion in the Order with restrictions are:

- Enclosed children's play area, Thompson Avenue, Ormskirk - dogs to be excluded

- Enclosed children's play area, The Queen Elizabeth the Second Platinum Jubilee Park, Tawd Valley, Skelmersdale – dogs to be excluded
- The Queen Elizabeth the Second Platinum Jubilee Park, Tawd Valley, Skelmersdale – dogs to be kept on leads

4.3 As is required, the Council consulted on the additional new proposed restrictions (i.e. Appendices 3 and 4 to this report) for a period of 6 weeks. In addition to consulting the community, the Council is also required to consult the Police and Crime Commissioner. This is because the Police potentially have a role in enforcing the Order. The Council's website contained a questionnaire in relation to the proposals, which allowed respondents to support or object to the proposals and add comments.

The consultation took place from 15th December 2022 and 26th January 2023.

4.4 Statistical analysis from the public consultation period can be found at Appendix 5.

4.5 No response was received to the consultation from the Police and Crime Commissioner.

4.6 Having considered the data collected from the consultation, it is recommended that the two additional sites with restrictions, be included and the Order agreed from 1st April 2023 for a period of 3 years.

5.0 SUSTAINABILITY IMPLICATIONS

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

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

6.1 The resource implications from this report can be met within existing resources.

7.0 RISK ASSESSMENT

7.1 Including the play areas and new restrictions will demonstrate consistency with previous work and assist in the reduction of anti-social behaviour.

Putting restrictions in place on the new sites at The Queen Elizabeth the Second Platinum Jubilee Park, Tawd Valley, Skelmersdale and Thompson Avenue, Ormskirk also reduces the risk of park users coming into contact with dog faeces that can cause toxocariasis.

8.0 HEALTH AND WELLBEING IMPLICATIONS

8.1 The proposal will reduce exposure to dog faeces by members of the public whilst they are undertaking recreational activities.

Background Documents

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

Equality Impact Assessment

There is a direct impact on members of the public, employees, elected members and / or stakeholders, therefore an Equality Impact Assessment is required. A formal equality impact assessment is attached as an Appendix 1 to this report, the results of which have been considered in the Recommendations contained within this report.

Appendices

Appendix 1 - EIA Document

Appendix 2 -Existing Public Space Protection Order (01.04.20 – 31.03.23)

Appendix 3 - Proposed areas where dogs are to be excluded

Appendix 4 - Proposed areas where dogs will be required to be kept on a lead

Appendix 5 - Results of Public Consultation (15.12.22 – 26.1.23)

Appendix 1	
Equality Impact Assessment Form	
	
Directorate: Place & Community	Service: Environmental Services
Completed by: Kathryn Sephton	Date: 27th January 2023
Subject Title: PSPO Renewal	
1. DESCRIPTION	
Is a policy or strategy being produced or revised:	Yes <i>*delete as appropriate</i>
Is a service being designed, redesigned or cutback:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	No
Is a programme or project being planned:	No
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty (Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations):	Yes
Details of the matter under consideration:	Public Space Protection Order Renewal including 2 additional sites
<i>If you answered Yes to any of the above go straight to Section 3</i> <i>If you answered No to all the above please complete Section 2</i>	
2. RELEVANCE	
Does the work being carried out impact on service users, staff or Councillors (stakeholders):	Yes <i>*delete as appropriate</i>
If Yes , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered Yes go to Section 3</i>	The service delivered will have a direct impact of the quality of the environment.
If you answered No to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	
3. EVIDENCE COLLECTION	
Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?	Members of the public.
If the work being carried out relates to a universal service, who needs or uses it most? (Is there any particular group affected more than others)?	Universal service, no particular group affected more.

<p>Which of the protected characteristics are most relevant to the work being carried out?</p> <p>Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity</p>	<p style="text-align: right;"><i>*delete as appropriate</i></p> <p>No No No No No No No No No</p>
<p>4. DATA ANALYSIS</p>	
<p>In relation to the work being carried out, and the service/function in question, who is actually or currently using the service and why?</p>	<p>Members of the public</p>
<p>What will the impact of the work being carried out be on usage/the stakeholders?</p>	<p>Reduced exposure to dog faeces whilst undertaking leisure and /or sporting activities.</p>
<p>What are people's views about the services? Are some customers more satisfied than others, and if so what are the reasons? Can these be affected by the proposals?</p>	<p>A public consultation was conducted from 15th December 2022 to 26th January 2023. This received 98 submissions Out of the 98 submissions the following results were obtained 92 people agreed that the current PSPO banning dogs from children's play area should be extended. 90 people agreed that the current PSPO for keeping dogs on a lead in certain areas should be extended. 87 people agreed that the current PSPO for dogs to be on a lead near carriageways with a speed limit of 40mph or greater should be extended. 92 people agreed that's dogs should be banned from the enclosed children's play area at the Queen Elizabeth II Platinum Jubilee children's park, Tawd Valley, Skelmersdale. 84 People agreed that dogs should be kept on leads in the area around the Queen Elizabeth II Platinum Jubilee children's park, Tawd Valley, Skelmersdale. 91 people agreed that's dogs should be banned from the enclosed children's play area at Thompson Avenue, Ormskirk. 97 people agree that it should be an offence for a person to not clean up after a dog has fouled.</p>

What sources of data including consultation results have you used to analyse the impact of the work being carried out on users/stakeholders with protected characteristics?	It is a universal service that will not unduly disadvantage stakeholders with protected characteristics.
If any further data/consultation is needed and is to be gathered, please specify:	Consultation has taken place.
5. IMPACT OF DECISIONS	
In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?	There is no anticipated disproportionate impact on people with protected characteristics.
6. CONSIDERING THE IMPACT	
If there is a negative impact what action can be taken to mitigate it? (If it is not possible or desirable to take actions to reduce the impact, explain why this is the case (e.g. legislative or financial drivers etc.).	There is no perceived negative impact on those with protected characteristics.
What actions do you plan to take to address any other issues above?	No actions If no actions are planned state no actions

7. MONITORING AND REVIEWING

When will this assessment be reviewed and who will review it?

Prior to the 3-year expiry date of the PSPO Order.
Clean and Green Area Manager/s



**WEST LANCASHIRE BOROUGH COUNCIL ANTISOCIAL BEHAVIOUR
CRIME AND POLICING ACT 2014**

**PUBLIC SPACE PROTECTION ORDER - (WEST LANCASHIRE
BOROUGH COUNCIL) 2020**

West Lancashire Borough Council in exercise of its powers under S59 of the Anti- Social Behaviour, Crime and Policing Act 2014 (the Act), being satisfied that the conditions set out in S59 of the Act have been met hereby makes the following Order:

This Order comes into force on 1st April 2020 for a period of 3 years.

This Order supersedes the following:

- The Fouling of Land by Dogs (West Lancashire) Order 2008
- The Dogs Exclusion Order 2009
- The Dogs off Leads Order 2009
- The Dogs (Specified Maximum) Order 2009 The Dog on Leads by Direction Order 2009
- Public Space Protection Order 2017

The Order applies to the land specified in the attached Schedules and maps (where relevant) and should be read in conjunction with the same.

Section 1 - General Provisions

- 1.1 Where specified, in this Order, "the Council" means West Lancashire Borough Council.
- 1.2 A person who habitually has a dog in his possession shall be taken to be in charge of the dog at any time unless at that time some other person is in charge of the dog
- 1.3 In relation to Section 2 & 6 of this Order the offence does not apply to a person who:
- 1.3.1 is registered as a blind person in a register compiled under Section 29 of the National Assistance Act 1948; or
 - 1.3.2 has a disability which affects his hearing, mobility, manual dexterity, physical co-ordination, or ability to lift, -carry or otherwise move everyday objects, in respect of a dog trained by a prescribed charity and upon which he relies for assistance.
 - 1.3.3 each of the following is a "prescribed charity" for the purposes of this Order-
 - (i) Dogs for the Disabled (registered charity number 700454);
 - (ii) Support Dogs (registered charity number 1088281);
 - (iii) Canine Partners for Independence (registered charity number 803680)

(iv) Hearing Dogs for Deaf People (registered charity number 293358)

- 1.4** An "authorised officer of the Council" means an employee of the Authority who is authorised in writing by the Council for the purposes of giving directions under this Order.

Section 2 - Dog Fouling

2.1 This Section applies to the land specified in Schedule 1

2.2 If a dog defecates at any time on land to which this Order applies and a person who is in charge of the dog at the time fails to remove the faeces from the land forthwith, that person shall be guilty of an offence unless -

- (a) he has reasonable excuse for failing to do so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

2.3 For the purposes of this section -

- (a) placing of faeces in a receptacle on the land, which is provided for the purpose, or for the disposal of waste, shall be a sufficient removal from the land;
- (b) being unaware of the defecation (whether by reason of not being in the vicinity or otherwise), or not having a device for or other suitable means of removing the faeces shall not be a reasonable excuse for failing to remove the faeces.

Section 3 - Specified Maximum Number of Dogs

3.1 This Section applies to the land specified in Schedule 1

3.2 A person will be guilty of an offence if, at any time, he takes onto any land in respect of which this Order applies more than six dogs per person, unless

- (a) he has reasonable excuse for doing so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his doing so.

Section 4 - Dogs to Be Kept on Leads in Identified Areas

4.1 This Section applies to the land specified in Schedule 2

4.2 A person in charge of a dog shall be guilty of an offence if, at any time, on any land to which this Order applies he does not keep the dog on a lead, unless -

- (a) he has reasonable excuse for doing so; or

- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

Section 5 - Dogs to Be Kept on Leads When Directed to Do So by An Authorised Officer

5.1 This Section applies to the land specified in Schedule 1

5.2 A person in charge of a dog shall be guilty of an offence if, at any time on any land to which this Order applies, he does not comply with a direction given to him by an Authorised Officer of the Council to put and keep the dog on a lead unless -

- (a) he has reasonable excuse for doing so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

5.3 an Authorised Officer of the Council may only give a direction under this Order to put and keep a dog on a lead if such restraint is reasonably necessary to prevent a nuisance or behaviour by the dog causes or is likely to cause annoyance or disturbance to any other person on any land to which this Order applies or the worrying or disturbance of any animal or bird.

Section 6 - Dogs to Be Excluded from Designated Areas

6.1 This Section applies to the land specified in 3

6.2 A person in charge of a dog shall be guilty of an offence if at any time he takes a dog onto, or permits a dog to enter or to remain on, any land to which this Order applies unless -

- (a) he has reasonable excuse for doing so; or
- (b) the owner, occupier or other person or authority having control of the land has consented (generally or specifically) to his failing to do so.

Section 7 - Penalty

A person who fails to comply with any obligation imposed by this Order is guilty of a criminal offence by virtue of section 67(1) of the Act and liable to a fine on summary conviction not exceeding level 3 on the standard scale.

Fixed Penalty Notices

In accordance with S68 of the Act an Authorised Officer may issue a fixed penalty notice (the Notice) of £75.00 to anyone he has reason to believe has committed an offence under this Order.



**WEST LANCASHIRE BOROUGH COUNCIL ANTISOCIAL BEHAVIOUR CRIME AND
POLICING ACT 2014**

**PUBLIC SPACE PROTECTION ORDER -
(WEST LANCASHIRE BOROUGH COUNCIL) 2020**

SCHEDULE 1

This Order applies to all land which is within the administrative area of the Borough of West Lancashire and which the public are entitled or permitted to have access with or without payment. The order will also apply to all Access Land within the Borough of West Lancashire within the meaning of S1(1) Countryside and Rights of Way Act 2000.

**WEST LANCASHIRE BOROUGH COUNCIL ANTISOCIAL BEHAVIOUR
CRIME AND POLICING ACT 2014**

**PUBLIC SPACE PROTECTION ORDER -
(WEST LANCASHIRE BOROUGH COUNCIL) 2020**

SCHEDULE 2

This Order applies to -

- (a) all carriageways in the West Lancashire Borough Council Area (either public or to which the public have access with or without payment) with a speed limit of 40 miles per hour or greater and the adjoining footways, cycle tracks and verges (either public or to which the public have access with or without payment); and
- (b) the areas outlined below and identified in the attached plans:
- Part of Beacon Country Park
 - Part of Coronation Park, Ormskirk
 - Coronation Park, Skelmersdale
 - St Helens Road Park, Ormskirk
 - Alder Lane playing fields, Parbold
 - Ormskirk Rugby Club, Ormskirk
 - Tarleton Cricket Club, Tarleton
 - Tarleton Rugby Club, Tarleton

WEST LANCASHIRE BOROUGH COUNCIL ANTISOCIAL BEHAVIOUR CRIME AND POLICING ACT 2014

PUBLIC SPACE PROTECTION ORDER - (WEST LANCASHIRE BOROUGH COUNCIL) 2020

SCHEDULE 3

The areas outlined below and identified in the attached plans: Schedule of Borough Council "enclosed play areas"

at:

- Coronation Park, Park Road, Ormskirk, West Lancs
- Ennerdale Tanhouse Park, Skelmersdale, West Lancs
- Cascades, Ormskirk Road, Skelmersdale, West Lancs
- Bracknel Way, Aughton, Ormskirk, West Lancs
- Abrams Fold/Lancaster Gate, Banks, West Lancs
- Appley Playing Fields, Appley Lane South, Appley Bridge, West Lancs
- Banksbarn, Digmaor, Skelmersdale, West Lancs
- Abbeystead, Gillibrands Road, Little Digmaor, Skelmersdale, West Lancs
- Fairhaven, Skelmersdale, West Lancs
- Banks Leisure Centre, Greaves Hall Avenue, Banks, West Lancs
- Hawksclough, Skelmersdale, West Lancs
- Holland Moor, Digmaor, Skelmersdale, West Lancs
- Priors Close Vicarage Gardens, Burscough, West Lancs
- Rees Park, Burscough, West Lancs
- Richmond Park, Burscough, West Lancs
- School Lane, Westhead, Ormskirk, West Lancs
- Stanley, Coronation Park, Skelmersdale, West Lancs
- Firbeck, Skelmersdale Town Centre, Skelmersdale, West Lancs
- Trinity Walks, Tarleton, West Lancs
- Broadacre, Upholland, Skelmersdale, West Lancs
- Dewberry Fields, Upholland, Skelmersdale, West Lancs
- Moy Park, Scarisbrick, West Lancs
- Willows, Victoria Park, Skelmersdale, West Lancs
- Southport Road, Scarisbrick, West Lancs
- Poppyfields, Hesketh Bank, West Lancs
- Eavesdale/Edenhurst, Skelmersdale, West Lancs
- White Moss Road, Skelmersdale, West Lancs
- Westhead (School Lane)
- Coronation Park, Ormskirk
- Halsall Lane, Ormskirk
- Westend, Ormskirk

- Mawdesley Terrace, Ormskirk
- Pickles Drive, Burscough
- Rees Park, Burscough
- Richmond Park, Burscough
- Banksbarn, Digmaor
- Beacon Country Park, Up Holland
- Alderley, Little Digmaor
- Belvedere Way, Aughton
- Fairhaven, Birch Green
- Helmsdale, Birch Green
- Inglewhite, Birch Green
- Stanley Coronation Park, Old Skelmersdale
- Tanfields, New Church Farm
- Evington, Tanhouse
- Ennerdale, Tanhouse
- Abbeystead, Little Digmaor
- Daisy Way, Scarisbrick
- Greenhill, Old Skelmersdale
- Chequerlane
- Beacon Park
- Hilldale Playing Field
- Bickerstaffe Playing Field
- Evermore Hub, Digmaor

Schedule of Parish Council "enclosed play areas" at:

- Winifred Lane, Aughton, West Lancs
- Redsands, Aughton, West Lancs
- Holt Green, Aughton, West Lancs
- Mere Avenue, Burscough, West Lancs
- Engine Lane, Great Altcar, West Lancs
- Memorial Hall, Halsall Road, Halsall, West Lancs
- Shore Road, Hesketh with Beconsall, West Lancs
- Glen Park Drive, Hesketh with Beconsall, West Lancs
- Schwartzmans Drive, North Meals, West Lancs
- Village Hall, The Green, Parbold, West Lancs
- Burnside, Parbold, West Lancs
- Village Hall, Smithy Lane, Scarisbrick, West Lancs
- Carr Lane, Tarleton, West Lancs
- Mill Lane, Up Holland, West Lancs
- Lawns Ave, Up Holland, West Lancs
- Station Road, Hesketh Bank

The fixed penalty notice is a notice offering the person to whom it is issued the opportunity of discharging any liability to conviction for the offence by payment of a fixed penalty to the Council.

When a Notice is issued, no proceedings will be taken in respect of the offence before the end of the period of 14 days following the date of the Notice. If the person issued with the Notice pays the amount due within the 14-day period, he may not be convicted of the offence.

Section 8-Appeal

If any interested person desires to question the validity of this Order on the grounds that the Council has no power to make it or that any requirement of the Act has not been complied with in relation to this Order, he may apply to the High Court within six weeks from the date on which this Order is made.

Dated this 17 day of July 2020

The COMMON
SEAL of WEST
COUNCIL was
hereunto affixed

) LANCASHIRE BOROUGH)
) in the presence of:)



Authorised Officer

Appendix 3

Proposed new areas where dogs are to be excluded.

LOCATION	DESCRIPTION
Thompson Avenue, Ormskirk	Enclosed play area
The Queen Elizabeth the Second Platinum Jubilee Park, Tawd Valley Park	Enclosed play area

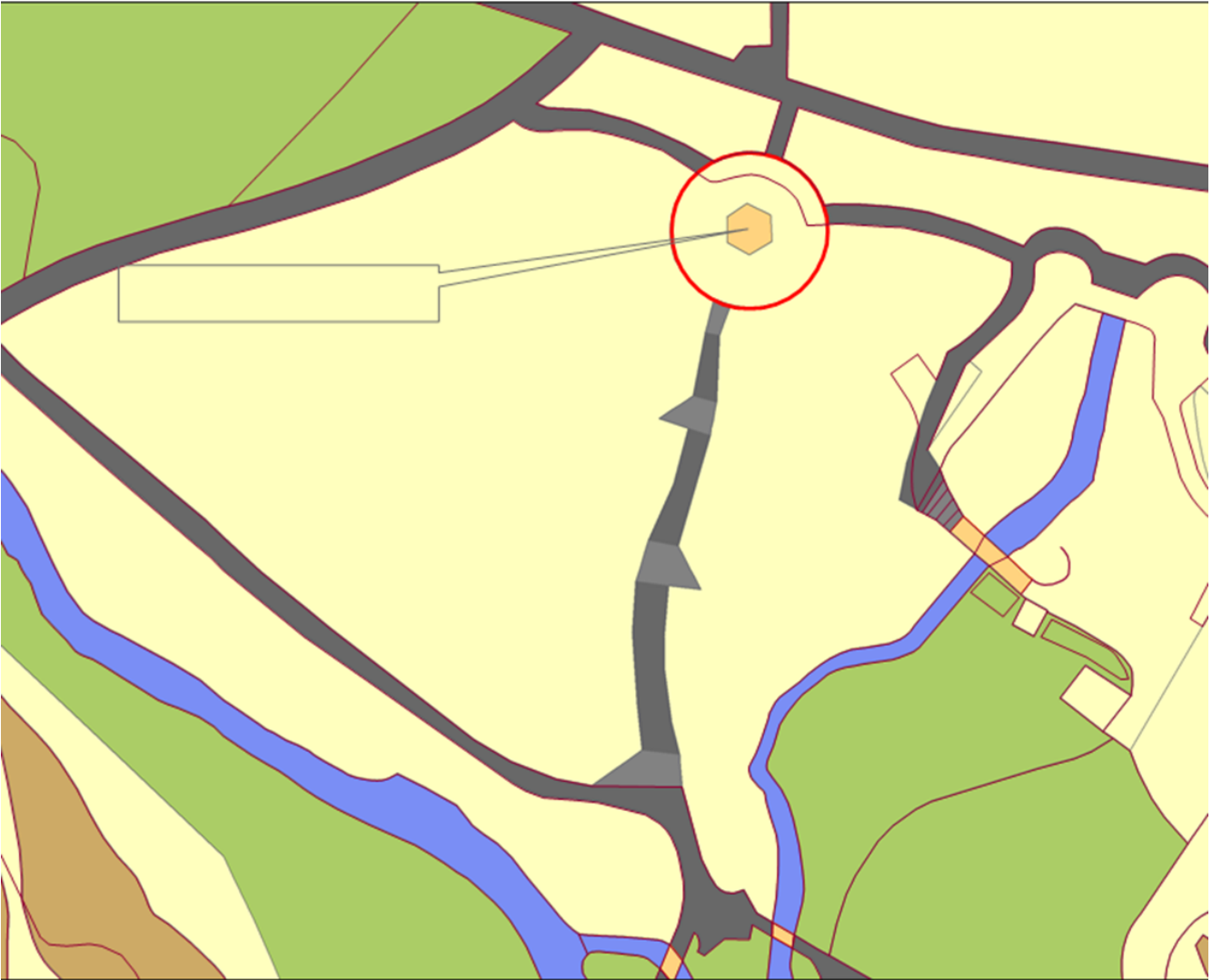


Thompson Avenue Play Area



Date: 26/11/2019

This map is reproduced from Ordnance Survey material with the Permission of Ordnance Survey on behalf of the Controller of Her Majesty's Stationery Office (C) Crown Copyright. Unauthorised reproduction may lead to prosecution or civil proceedings. Lancashire County Council - OS Licence 100023320 (C) Centre of map: 342495:409427



© Crown Copyright. All Rights Reserved. Licence No. 100024309. West Lancashire Borough Council. 2022.

Enclosed children's play area - Tawd Valley Park

1:625

Appendix 4

Proposed areas where Dogs will be required to be kept on a lead.

Tawd Valley Park

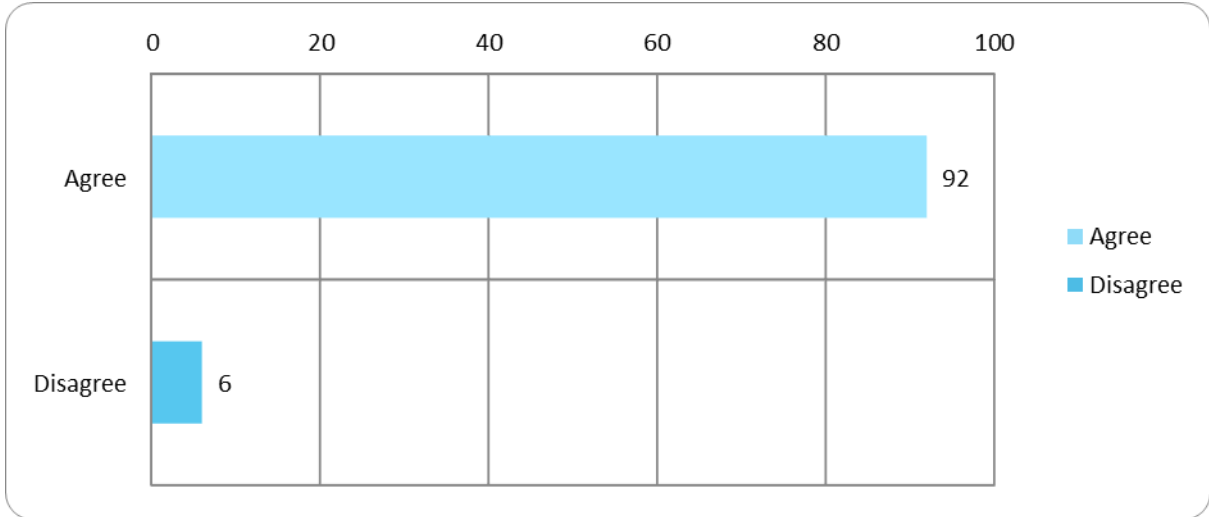


© Crown Copyright. All Rights Reserved. Licence No. 100024309. West Lancashire Borough Council. 2022.
Tawd Valley Park Perimeter

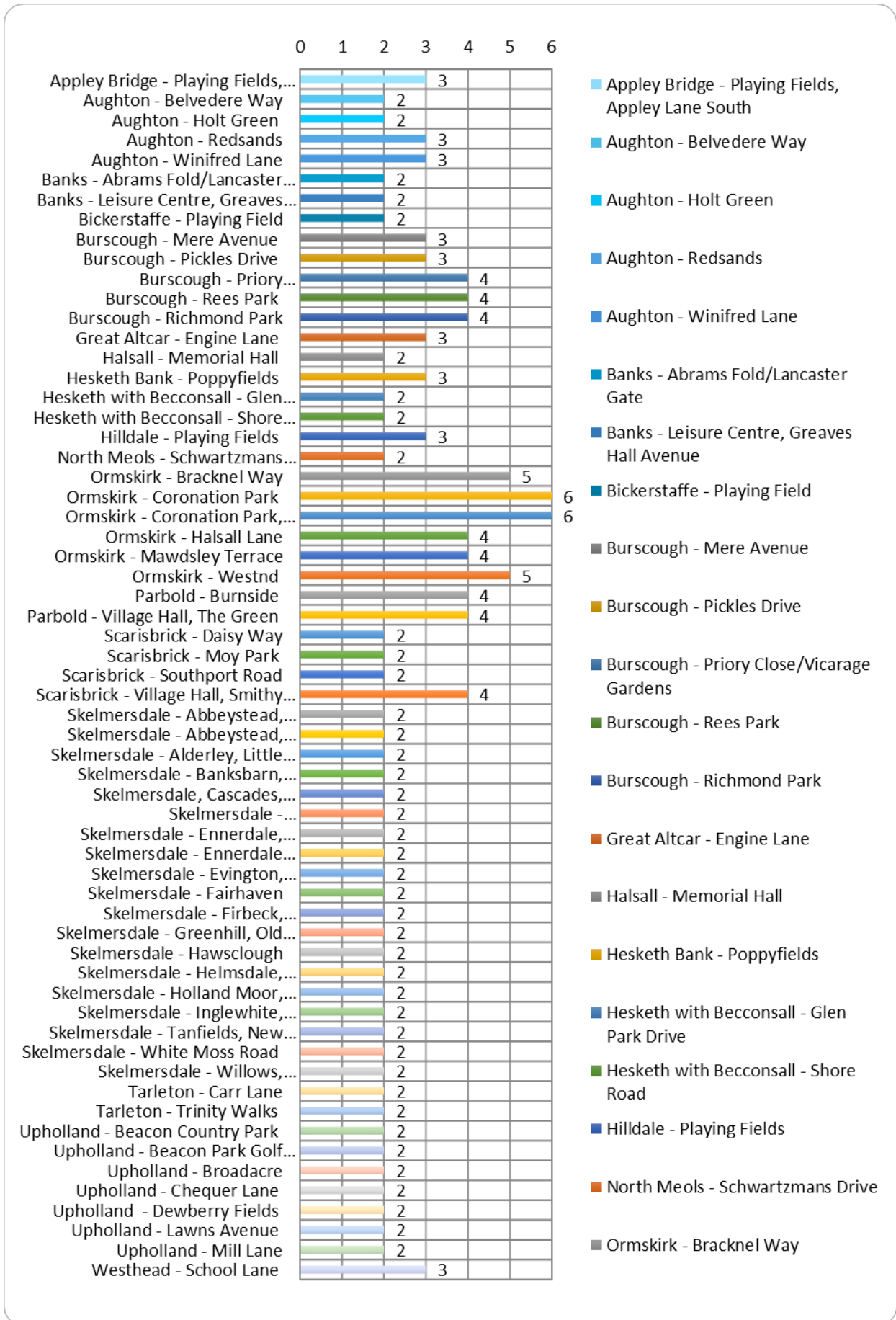
1:715

Appendix 5 – Results of Public Consultation (15.12.22 – 26.1.23)

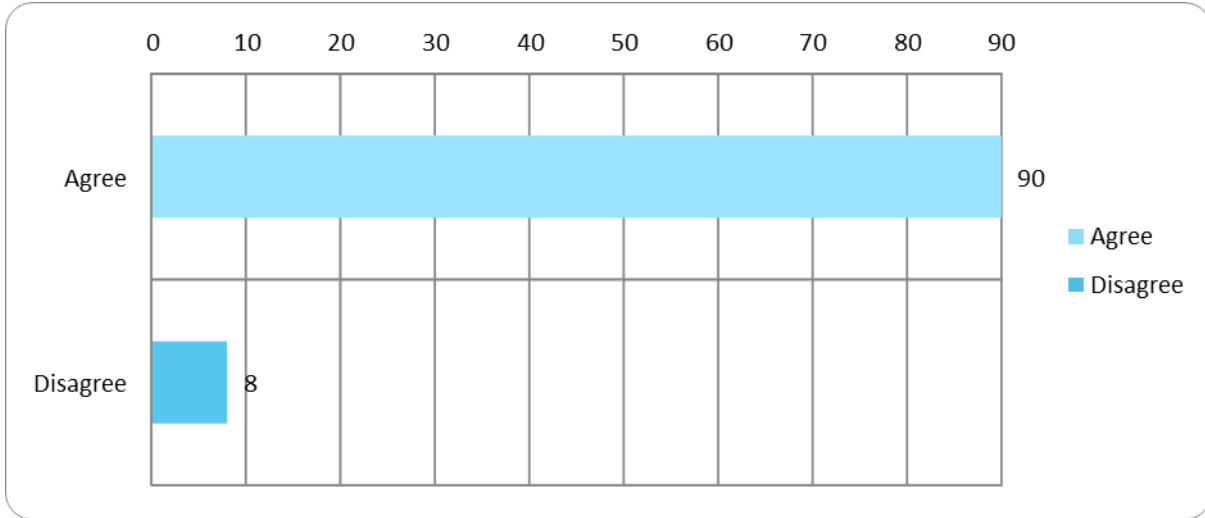
Under the Public Space Protection Order, dogs, with the exception of guide dogs, are banned from children's play areas. You can view the list of areas on our website. Do you agree or disagree with the current areas?



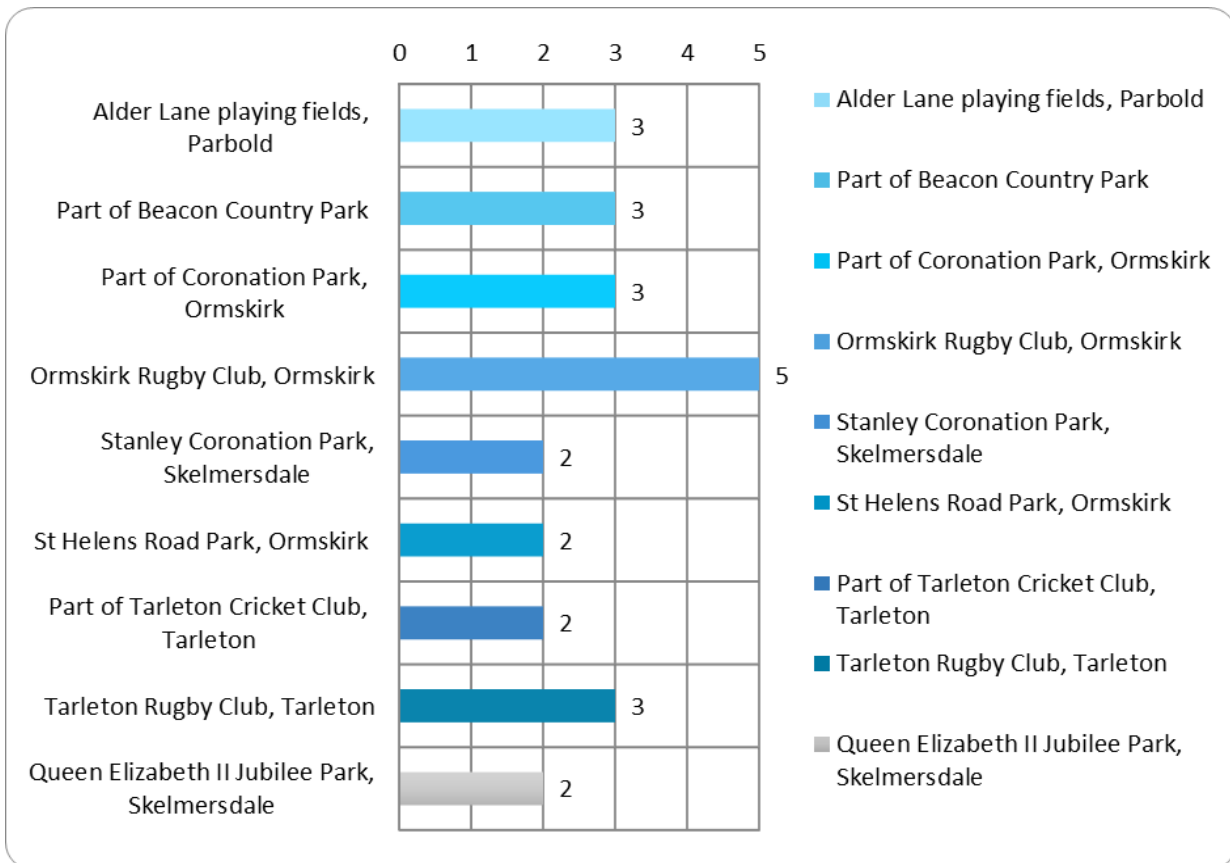
Which areas do you disagree with? (Please select all that apply)



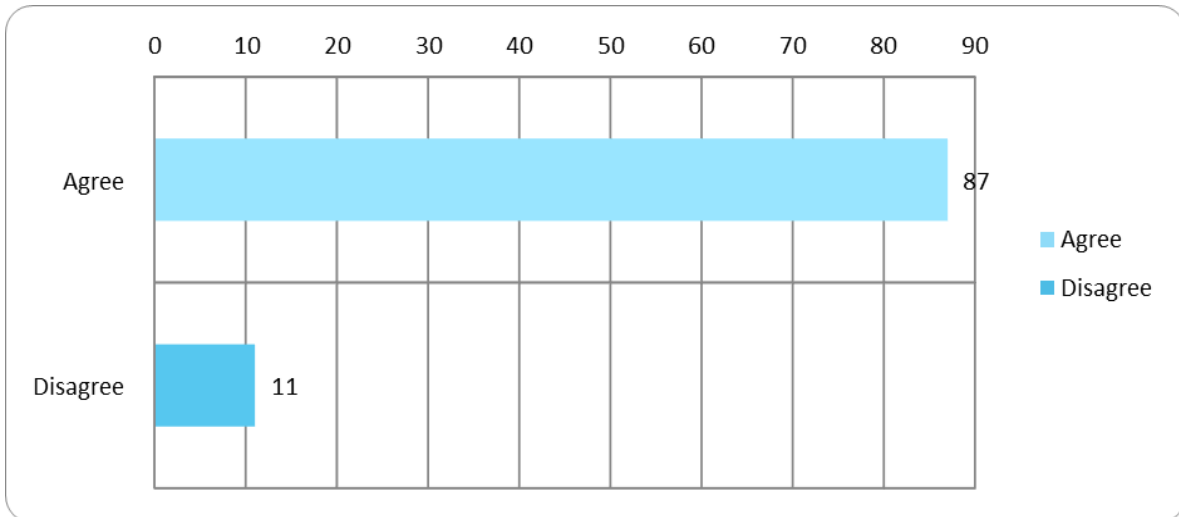
Under the Public Space Protection Order, in certain areas dogs must be kept on a lead. You can view the list of areas on our website. Do you agree or disagree with the current areas?



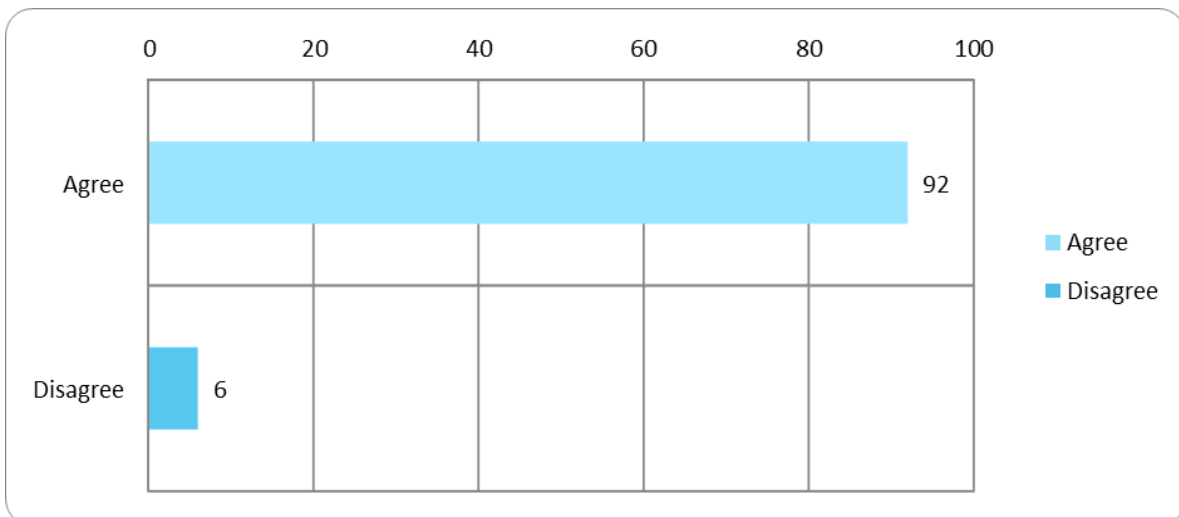
Which areas do you disagree with? (Please select all that apply)



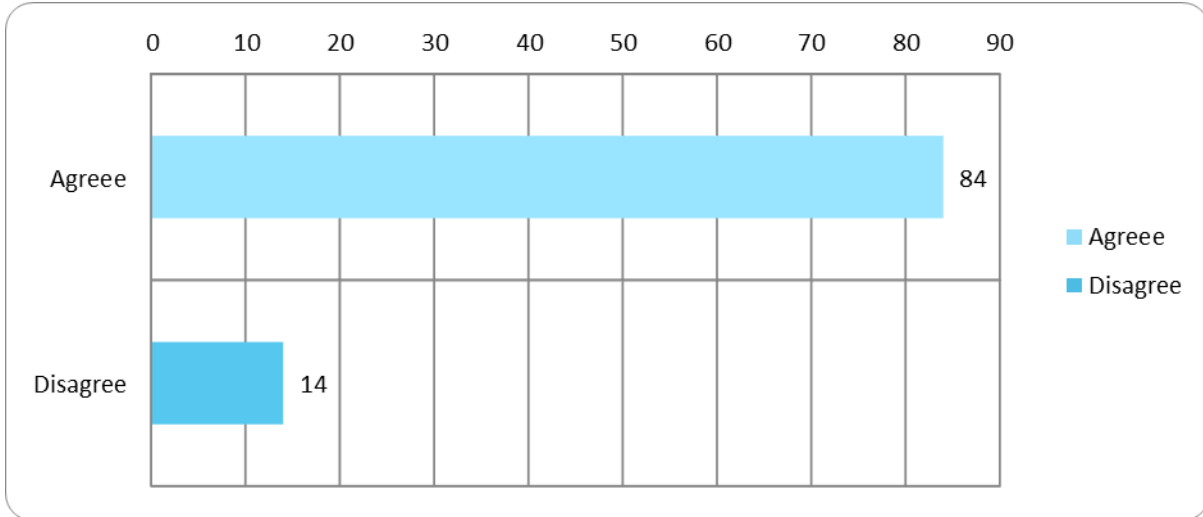
Under the Public Space Protection Order it is an offence for dogs to be off lead near all carriageways in the West Lancashire Borough Council area, where there is a speed limit of 40mph or greater and adjoining footways, cycle tracks and verges. Do you agree or disagree with this rule?



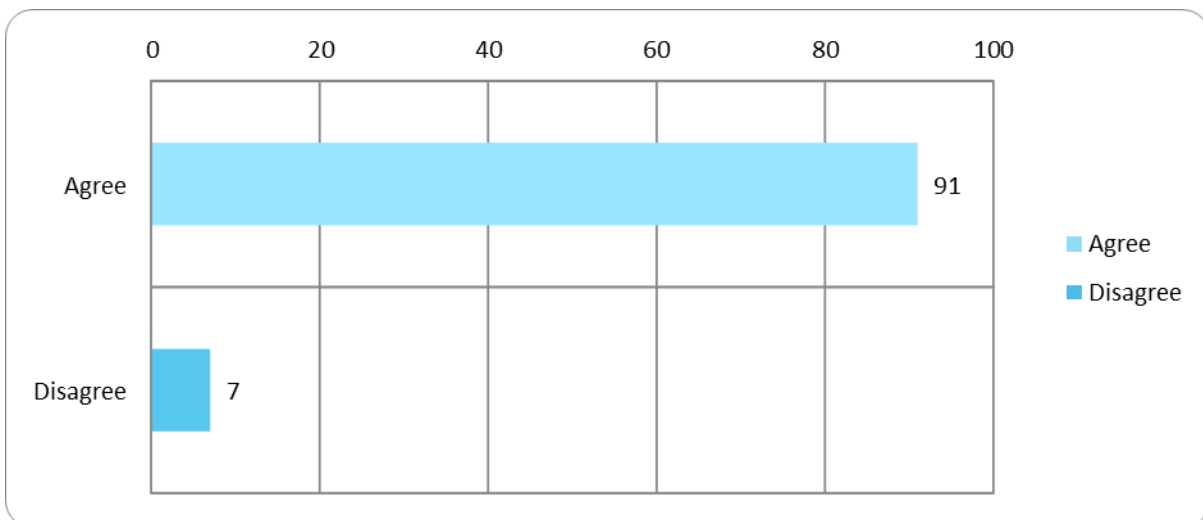
The new Queen Elizabeth II Platinum Jubilee children's park located at Tawd Valley Park in Skelmersdale is to be included on the Public Space Protection Order. To view the enclosed area, [click here](#)



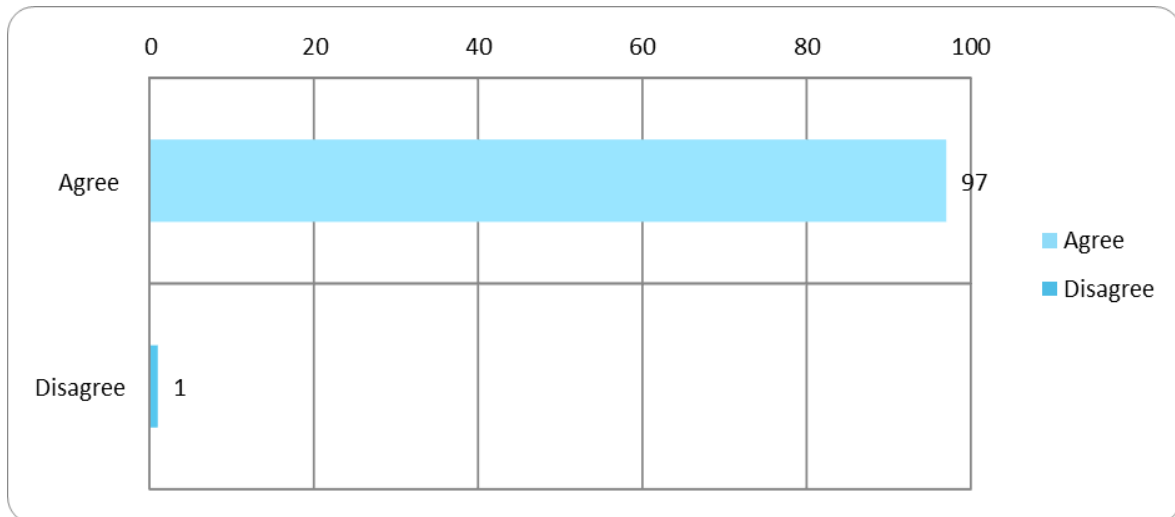
Areas around the new Queen Elizabeth II Platinum Jubilee children's park have been designated for dogs on leads and is to be included on the Public Space Protection Order. To view the designated area, [click here](#). Do you agree or disagree with dogs on leads being permitted in this area, in line with the other areas?



The new Children's park located at Thompson Avenue in Ormskirk is to be included on the Public Space Protection Order. To view the park area, [click here](#). Do you agree or disagree dogs, with the exception of guide dogs, being banned from this area, in line with the other children's parks listed in the policy?



Under the Public Space Protection Order it is an offence for a person in charge of a dog, to not clean up after the dog if it has fouled. Do you agree or disagree with this rule?



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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

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

Document is Restricted

20 **OPTIONS FOR OPERATING AND MAINTAINING EXISTING LEISURE FACILITIES IN ORMSKIRK, SKELMERSDALE AND BURSCOUGH.**

The Interim Head of Wellbeing and Leisure introduced his report the purpose of which was to provide Cabinet and Council with an update on the revised leisure centre operator approach following the Council meeting held 15 December 2021. The report also highlighted key information concerning the proposed alternative leisure centre operator strategies following an Officer led optional appraisal. It also contained a cost forecast for each of the alternative leisure centre operator strategies.

Members of the Committee were asked to consider the findings in the report and that any agreed comments be forwarded to Cabinet in advance of the Cabinet meeting on the 24th January 2023.

Comments and questions were raised in respect of the following:

- Generally, in favour of Option A.
- Short term contracts could be problematic.
- Struggle to get staffing on a casual basis i.e. pool attendants, life-guards
- Repair costs, current buildings have deteriorated
- Opening the centres up to groups who previously wouldn't have had the opportunities and the community connection. Crucial to engage with new clubs and bringing them on board.
- At present no swimming club operating at Nye Bevan.
- Importance of sports development.
- Implementation of a café in the Burscough Sports Centre and placed at the front for the community to see and engage with it.
- Use of the trust legacy funding for the Burscough Sports Centre. This needed to be used to buy something and not used for repairs on the Burscough Sports Centre.

In conclusion Members were keen for Officers to explore implications to set up a Local Authority Trading Company for Leisure to maximise benefits to the Council and community including savings against National Non Domestic Rates – this operating model would need to be reviewed by Leisure Management Committee initially prior to any formal report to Cabinet/Council.

RESOLVED: A. That the following agreed comment be reported back to Cabinet

"That Option A be the preferred option."

B. That the Interim Wellbeing and Leisure Manager and the Leisure Partnership Manager be thanked for all their

hard work on this.

MINUTE OF CABINET – 24 JANUARY 2023

71 LEISURE MANAGEMENT PROCUREMENT

Councillor Coughlan introduced the report of the Corporate Director of Place & Community, which provided an update on the revised leisure centre operator approach following the Council meeting dated 15th December 2021, highlighted key information concerning the proposed alternative leisure centre operator strategies following an Officer led optional appraisal and set out a cost forecast for each of the alternative leisure centre operator strategies

In reaching the decision, Cabinet considered the minute of the Leisure Procurement Committee, the report before it and the recommendations contained therein.

RESOLVED: That the recommendations to Council set out in paragraph 4 of the report be endorsed.

COUNCIL
22 FEBRUARY 2023

Addendum to Leisure report

-	Forecast	Budget	Variance
	2023/24	2023/24	2023/24
	£	£	£
Serco Forecast 6 months Apr - Oct 2023/24	511,324	345,025	166,299
	331,306		(13,719)
In House Forecast 6 months Apr - Oct 2023/24		345,025	
	£0	£0	0
	842,630		152,580
Total Forecast 2023/24		690,050	

12.6.3 It is important to note that in 2022/23 the budget for the Leisure contract of £921,050 included a growth bid of £231,000 that drops out in budget year 2023/24. The budget for 2023/24 would therefore revert to £690,050. This may therefore create a budget pressure of some £152,580 in budget year 2023/24 as shown or would increase should the Council receive an increased cost as part of any tender process.

