



Jacqui Sinnott-Lacey  
Chief Operating Officer

52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

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Wednesday, 15 February 2023

**TO: COUNCILLORS    A OWENS, J FINCH, P BURNSIDE, I ECCLES, A FOWLER,  
S GREGSON, R MOLLOY, D OWEN, E POPE, I RIGBY,  
D WESTLEY AND D WHITTINGTON**

Dear Councillor,

A meeting of the **EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE** will be held in the **CABINET AND COMMITTEE ROOM, 52 DERBY STREET, ORMSKIRK L39 2DF** on **THURSDAY, 23 FEBRUARY 2023 at 7.00 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JS', written over a faint circular stamp.

Jacqui Sinnott-Lacey  
Chief Operating Officer

**AGENDA**  
**(Open to the Public)**

- 1. APOLOGIES**
- 2. MEMBERSHIP OF THE COMMITTEE**  
To be apprised of any changes to the membership of the Committee in accordance with Council Procedure Rule 4.
- 3. URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN**  
Note: No other business is permitted unless, by reason of special circumstances, which shall be specified at the meeting, the Chairman is of the opinion that the item(s) should be considered as a matter of urgency.

- 4. DECLARATIONS OF INTEREST** 755 - 756  
 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.)
- 5. DECLARATIONS OF PARTY WHIP**  
 In accordance with Overview and Scrutiny Committee Procedure Rule 16, Members must declare the existence of any Party Whip, and the nature of it, when considering any matter in the following categories:
- The review of any decision of the Cabinet or
  - The performance of any Member of the Cabinet
- N.B. The Secretary of State believes whipping is incompatible with Overview and Scrutiny.
- 6. MINUTES**  
 To receive as a correct record the Minutes of the meeting held on 14 February 2023.  
 (To follow)
- 7. PUBLIC SPEAKING** 757 - 762  
 Residents of West Lancashire on giving notice, may address the meeting to make representations on any item on the agenda except where the public and press are to be excluded during consideration of the item. The deadline for submissions is 10.00am on Friday 17 February 2023. A copy of the public speaking protocol and form to be completed is attached.
- 8. RELEVANT MINUTES OF CABINET** 763 - 772  
 To scrutinise the Minutes of Cabinet held on 24 January 2023.
- 9. RISK MANAGEMENT FRAMEWORK UPDATE & KEY RISK REGISTER** 773 - 850  
 To consider the report of the Head of Finance, Procurement and Commercial Services.
- 10. HOUSING REGULATOR CONSUMER STANDARDS - KEY THEMES AND APPROACH** 851 - 862  
 To consider the report of the Corporate Director of Transformation, Housing and Resources.
- 11. AFFORDABLE HOME OWNERSHIP PRODUCTS** 863 - 908  
 To consider the report of the Corporate Director of Transformation, Housing and Resources.
- 12. UPDATE ON ACTIONS – DAMP AND MOULD MANAGEMENT IN COUNCIL HOUSING** 909 - 916  
 To consider the report of the Corporate Director of Transformation,

Housing and Resources.

- |     |  |           |
|-----|--|-----------|
| 13. | <b>DELEGATED AUTHORITY - SPENDING UNDER THE UK SHARED PROSPERITY FUND</b><br>(To follow)   | TO FOLLOW |
| 14. | <b>CORPORATE PERFORMANCE REPORTING 2023/24</b><br>To consider the report of the Corporate Director of Transformation, Housing and Resources. | 917 - 928 |
| 15. | <b>UPDATE ON PEER REVIEW</b><br>To consider the report of the Corporate Director of Transformation, Housing and Resources.                   | 929 - 938 |

**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:-  
Julia Brown on 01695 585065  
Or email [julia.brown@westlancs.gov.uk](mailto:julia.brown@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 4

## 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

|    | <b>General</b>  |  |  |
|----|---|--|--|
| 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 <b>because</b><br>it affects my financial position or the financial position of a connected person or, a body described in 10.1(1)(i) and (ii) <b>and</b> the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest<br><br>or<br><br>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) <b>and</b> the interest is one which a member of the public with knowledge of the relevant facts, would reasonably regard as so significant that it is likely to prejudice my judgement of the public interest                  | <input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/>   | <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i><br><br><br><br><br><br><br><br><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:<br><br>(i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease.<br><br>(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.<br><br>(iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay.<br><br>(iv) An allowance, payment or indemnity given to Members<br><br>(v) Any ceremonial honour given to Members<br><br>(vi) Setting Council tax or a precept under the LGFA 1992 | <input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/><br><br><br><br><br><br><br><br><input type="checkbox"/> | <i>You may speak and vote</i><br><br><br><br><br><br><br><br><i>You may speak and vote</i><br><br><br><br><br><br><br><br><i>You may speak and vote</i><br><br><br><br><br><br><br><br><i>You may speak and vote</i><br><br><br><br><br><br><br><br><i>You may speak and vote</i><br><br><br><br><br><br><br><br><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—<br>(a) under which goods or services are to be provided or works are to be executed; and<br>(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)—<br>(a) the landlord is the relevant authority; and<br>(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—<br>(a) that body (to M's knowledge) has a place of business or land in the area of the relevant authority; and<br>(b) either—<br>(i) the total nominal value of the securities exceeds £25,000 or one hundredth of the total issued share capital of that body; or<br>(ii) if the share capital of that body is of more than one class, the total nominal value of the shares of any one class in which the relevant person has a beneficial interest exceeds one hundredth of the total issued share capital of that class. |

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

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

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

*"relevant period" means the period of 12 months ending with the day on which M gives notice to the Monitoring Officer of a DPI;*

*"relevant person" means M or M's spouse or civil partner, a person with whom M is living as husband or wife or a person with whom M is living as if they were civil partners;*

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

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

- 10.1(1)(i) Any body of which you are a member or in a position of general control or management and to which you are appointed or nominated by your authority;
- (ii) Any body (a) exercising functions of a public nature; (b) directed to charitable purposes; or (c) one of whose principal purposes includes the influence of public opinion or policy (including any political party or trade union), of which you are a member or in a position of general control or management;
- (iii) Any easement, servitude, interest or right in or over land which does not carry with it a right for you (alone or jointly with another) to occupy the land or to receive income.
- 10.2(2) A decision in relation to that business might reasonably be regarded as affecting your well-being or financial position or the well-being or financial position of a connected person to a greater extent than the majority of other council tax payers, ratepayers or inhabitants of the ward, as the case may be, affected by the decision.

**'a connected person'** means

- (a) a member of your family or any person with whom you have a close association, or
- (b) any person or body who employs or has appointed such persons, any firm in which they are a partner, or any company of which they are directors;
- (c) any person or body in whom such persons have a beneficial interest in a class of securities exceeding the nominal value of £25,000; or
- (d) any body of a type described in sub-paragraph 10.1(1)(i) or (ii).

**'body exercising functions of a public nature'** means

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

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

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

## **PUBLIC SPEAKING – PROTOCOL**

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

### **1.0 Public Speaking**

- 1.1 Residents of West Lancashire may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.
- 1.2 A Parish Council Representative may, on giving notice, address any of the above meetings to make representations on any item on the agenda for those meetings, except where the public and press are to be excluded from the meeting during consideration of the item.
- 1.3 The form attached as an Appendix to this Protocol should be used for submitting requests.

### **2.0 Deadline for submission**

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

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

- 2.2 Completed forms will be collated by Member Services and circulated via e-mail to relevant Members and officers and published on the Council website via Modgov. Only the name of the speaker (and representative) and details of the issue to be raised will be published.
- 2.3 Groups of persons with similar views should elect a spokesperson to speak on their behalf to avoid undue repetition of similar points. Spokespersons should identify in writing on whose behalf they are speaking.

### **3.0 Scope**

- 3.1 Any matters raised must be relevant to an item on the agenda for the meeting.
- 3.2 The Legal & Democratic Services Manager may reject a submission if it:
  - (i) is defamatory, frivolous or offensive;
  - (ii) is substantially the same as representations which have already been submitted at a previous meeting; or

- (iii) discloses or requires the disclosure of confidential or exempt information.

#### **4.0 Number of items**

- 4.1 A maximum of one form per resident will be accepted for each Agenda Item.
- 4.2 There will be a maximum of 10 speakers per meeting. Where there are more than 10 forms submitted by residents, the Legal & Democratic Services Manager will prioritise the list of those allowed to speak. This will be considered having regard to all relevant matters including:
  - a. The order in which forms were received.
  - b. If one resident has asked to speak on a number of items, priority will be given to other residents who also wish to speak
  - c. Whether a request has been submitted in relation to the same issue.

No amendments will be made to the list of speakers once it has been compiled (regardless of withdrawal of a request to speak).

- 4.3 All submissions received will be published on the Council's website and circulated to Members of the relevant body and officers for consideration.

#### **5.0 At the Meeting**

- 5.1 Speakers will be shown to their seats. At the commencement of consideration of each agenda item the Leader/Chairman will invite the speakers to make their representations. Speakers will have up to 3 minutes to address the meeting. The address must reflect the issue included on the prescribed form submitted in advance.
- 5.2 Members may discuss what the speaker/s have said, along with any other information/representations submitted under this protocol, when all speakers on that item have finished and will then make a decision. Speakers should not circulate any supporting documentation at the meeting and should not enter into a debate with Councillors.
- 5.4 If residents feel nervous or uncomfortable speaking in public, then they can ask someone else to do it for them, including a Parish or Borough Councillor representative. They can also bring an interpreter if they need one. They should be aware there may be others speaking as well.

(Note: If a Resident wishes to have their Borough Councillor speak on their behalf, the Borough Councillor is not a member of the body considering the item.)

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

(Please see attached form.)







## REQUEST FOR PUBLIC SPEAKING AT MEETINGS

**MEETING & DATE** .....

**NAME** .....

**ADDRESS** .....

Post Code .....

**PHONE** .....

**Email** .....

Please indicate if you will be in attendance at the meeting

**YES/NO\***

\*delete as applicable

Please indicate if someone will be speaking on your behalf at the meeting

**YES/NO\***

\*delete as applicable

If someone is speaking on your behalf please provide their contact details:

**NAME** .....

**PHONE** .....

**Email** .....

Note: This page will not be published.

(P.T.O.)



# Agenda Item 8

## CABINET

**HELD: Tuesday, 24 January 2023**

Start: 7.00 pm

Finish: 7.25 pm

## PRESENT:

### Councillors:

### Portfolio

|                                 |   |
|---------------------------------|---|
| Councillor Yvonne Gagen         | Leader of the Council   |
| Councillor Gareth Dowling       | Deputy Leader and Portfolio Holder for Communities and Community Safety. Dementia Champion and Food Security Champion |
| Councillor Carl Coughlan        | Portfolio Holder for Leisure; and Youth Champion  |
| Councillor Vickie Cummins       | Portfolio Holder for Health & Wellbeing   |
| Councillor Anne Mary Fennell    | Portfolio Holder for Planning   |
| Councillor Nicola Pryce-Roberts | Portfolio Holder for Housing  |
| Councillor Jenny Wilkie         | Portfolio Holder for Street Scene and Green Initiatives   |
| Councillor Adam Yates           | Portfolio Holder for Finance and Economic Regeneration  |

### In attendance: Councillors

A Owens (Virtual)

### Officers:

Jacqui Sinnott-Lacey, Chief Operating Officer  
James Pierce, Head of Finance, Procurement and Commercial Services (Virtual)  
Simon Kirby, Head of Wellbeing and Place Services (Virtual)  
Kathryn Sephton, Head of Environmental Services (Virtual)  
Paul Charlson, Head of Planning & Regulatory Services (Virtual)  
Kay Lovelady, Legal & Democratic Services Manager  
Jacky Denning, Democratic Services Manager  
Helen Peek, Democratic Services Officer (Virtual)  
Nicola Bradley, Tenancy Service Manager (Virtual)  
Peter Gregory, Estates & Valuations Manager (Virtual)  
Gillian Wossick, Environmental Sustainability Manager (Virtual)

## 50 APOLOGIES

There were no apologies for absence received.

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

There were no items of special urgency.

**52 PUBLIC SPEAKING**

There were no items under this heading.

**53 DECLARATIONS OF INTEREST**

1. Councillor J Wilkie (Tenant of a Council flat/house) declared a disclosable pecuniary interest in relation to items 6(a) 'Draft Decant Policy' 6(b) 'Draft Housing Allocations Policy' and 8(a) 'Draft HRA Budget 2023/24' 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).
2. Councillor Coughlan (Tenant of a Council garage) declared a disclosable pecuniary interest in relation to items 6(c) 'Draft Garage Allocations and Management Policy' and 8(a) 'Draft HRA Budget 2023/24' 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).
3. Councillors Vicki Cummins and Yvonne Gagen declared a non-pecuniary interest in agenda items relating to Lancashire County Council (LCC) as employees of Lancashire County Council and did not enter into detailed discussions, which affected LCC.

**54 MINUTES**

RESOLVED: That the minutes of the Cabinet meeting held on Tuesday 15 November 2022 be received as a correct record and signed by the Leader.

**55 MATTERS REQUIRING DECISIONS**

Consideration was given to reports relating to the following matters requiring decisions and contained on pages 657 to 800, 865 to 908 and 913 to 920 of the Book of Reports:

**56 DRAFT DECANT POLICY**

Councillor Pryce-Roberts introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought approval of the Housing Decant Policy.

In reaching the decision below, Cabinet considered the minutes of Executive Overview & Scrutiny Committee and Landlord Services Committee (Cabinet Working Group), the report before it and the recommendations contained therein.

- RESOLVED: A. That the Decant Policy attached at Appendix 1 to the report be approved
- B. That the Head of Housing, in consultation with the relevant Portfolio Holder, be given delegated authority to make minor updates and changes as required to this policy.

57 **DRAFT HOUSING ALLOCATIONS POLICY**

Councillor Pryce-Roberts introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought approval of the Housing Allocations Policy, subject to statutory consultation.

The Portfolio Holder advise that the agreed comment from Executive Overview & Scrutiny Committee had recommended that all rural villages be added to the existing local connection areas detailed in Appendix 1 of the Policy. This proposal was put forward after a discussion around Lathom and the new build properties being developed.

She further advised that Draft Policy already allowed these areas to be adjusted as there is a delegation to the Head of Service, and Lathom would now be considered.

In reaching the decision below, Cabinet considered the minutes of Executive Overview & Scrutiny Committee and Landlord Services Committee (Cabinet Working Group), the report before it and the recommendations contained therein.

- RESOLVED: A. That the Draft Allocations Policy attached at Appendix 1 of the report be approved for consultation.
- B. That the Head of Housing, in consultation with the relevant Portfolio Holder, be given delegated authority to make minor updates and changes as required to this policy following public consultation, and to implement and deliver the policy.

58 **DRAFT GARAGE ALLOCATIONS & MANAGEMENT POLICY**

Councillor Pryce-Roberts introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought approval of the Garage Allocations & Management Policy.

Cabinet was advised that an Addendum had been circulated to insert at the end of section 13, the following words "This Policy covers requests to purchase garages from private individuals who wish to utilise a garage to store car or other permitted items only, any other requests to purchase garage sites will be dealt with outside this

policy".

In reaching the decision below, Cabinet considered the minutes of Executive Overview & Scrutiny Committee and Landlord Services Committee (Cabinet Working Group), the Addendum circulated prior to the meeting, the contents of the report and the recommendations contained therein.

- RESOLVED: A. That the Garage Allocations & Management Policy attached at Appendix 1 to the report be approved.
- B. That the Head of Housing, in consultation with the relevant Portfolio Holder, be given delegated authority to make minor updates and changes as required to this policy.

59

### **DRAFT GRA BUDGET REPORT AND MTFS UPDATE 23-24**

Councillor Yates introduced the report of the Head of Finance, Procurement & Commercial Services, which set out the updated Medium-Term Financial Forecast (MTFF) for 2023/24 to 2025/26, 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.

The report detailed the reserves position as at 31 March 2022 and forecast to 2025/26 and set out the annual budget setting process for 2023/24.

The Portfolio Holder advised that given the unavoidable delay in the preparation of reports, consideration of the budget items had not been undertaken by the Budget/Council Plan Committee or Executive Overview & Scrutiny Committee. He suggested that this report and the Capital Programme report should be referred to a Special Executive Overview & Scrutiny Committee prior to Council on 22 February 2023.

In reaching the decision below, Cabinet considered the above comments of the Portfolio Holder, report before it and the recommendations contained therein.

- 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 the Draft GRA Budget Report and MTFS Update 23-24 be considered at a special meeting of Executive Overview & Scrutiny Committee, prior to full Council on 22 February 2023.

**60 DRAFT CAPITAL STRATEGY REPORT 23-24 (WITHDRAWN - SEE AGENDA ITEM 6F)**

This item was withdrawn as it had been combined with the next item on the agenda.

**61 DRAFT GRA CAPITAL PROGRAMME 23-24 - 25-26**

Councillor Yates introduced the report of the Head of Finance, Procurement & Commercial Services, which set out the Capital Strategy and Capital Programme 2023/2026.

In reaching the decision below, Cabinet considered the Capital Strategy and Capital Programme 2023/26 document and the comments of the Portfolio Holder during consideration of the GRA Budget item.

- RESOLVED:
- A. That the Capital Strategy and Capital Programme 2023/26 be noted.
  - B. That the Capital Strategy and Capital Programme 2023/26 be considered by a special meeting of the Executive Overview & Scrutiny Committee, prior to the full Council meeting on 22 February 2023.

**62 DRAFT TREASURY MANAGEMENT STRATEGY 23-24 (WITHDRAWN)**

This item was withdrawn from the Agenda and will be considered at the full Council meeting on 22 February 2023.

**63 CLIMATE CHANGE STRATEGY AND ACTION PLAN 2030: PROGRESS UPDATE, ACHIEVEMENTS AND 2023/24 PRIORITIES**

Councillor J Wilkie introduced the report of the Corporate Director of Place & Community, which provided an update on the Council's progress towards delivering the actions set out in the Climate Change Strategy (Strategy) and Action Plan 2030, and to approve the Council's Priorities for 2023/24.

In reaching the decision below, Cabinet considered the minute of the Executive Overview & Scrutiny Committee, the report before it and the recommendations contained therein.

- RESOLVED: That the priority actions for 2023/24 be approved and a public consultation for Electric Vehicle Charging Infrastructure be undertaken as set out in section 6 of the report.

64 **RECOMMENDATIONS FROM COMMUNITY ENVIRONMENTAL IMPROVEMENTS, INCLUDING COMMUNITY ORCHARDS, TASK & FINISH GROUP**

Councillor J Wilkie introduced the joint report of the Corporate Director of Place & Community and the Legal & Democratic Services Manager, which set out the minutes of the Community Environmental Improvements, including Community Orchards, Task and Finish Group Meetings held on 18 October 2022 (at Appendix 1) and 17 November 2022 (at Appendix 2). The report highlighted areas recommended by Task & Finish Group for development of Community Orchards, and sought approval for Community Consultation around the areas identified, and for work to commence at sites which achieve 50%+ positive feedback from the consultation.

In reaching the decision below, Cabinet considered the minute of the Corporate & Environmental Overview & Scrutiny Committee, the report before it and the recommendations contained therein.

- RESOLVED: A. That the recommendations from Community Environmental Improvements, including Community Orchards, Task and Finish Group to Corporate and Environmental Overview & Scrutiny Committee, in relation to the potential development of Community Orchards at the following sites, be approved:
1. The Community Garden in Elswick, Tanhouse, Skelmersdale
  2. Pocket greenspace in Tanhouse, Skelmersdale
  3. Kiln Lane playing fields in Greenhill, Skelmersdale
  4. Manor Road Estate play park and pocket greenspace, Burscough
  5. Thompson Avenue field, Ormskirk
  6. Pocket greenspace on Brookhouse Road and Cotton Drive, Ormskirk.
- B. That a 2 week consultation be undertaken within the areas of those sites identified as potential Community Orchards.
- C. That delegated authority be given to the Corporate Director of Place & Community, to commence work on those proposed Community Orchard Sites that receive a 50%+ positive feedback following consultation, to enable Planting to commence within the appropriate season.
- D. That the principal of installing Information Boards at each of the Community Orchard sites, subject to budget provision, be approved.



**65 THE COUNCIL PERFORMANCE DELIVERY PLAN 2022/23**

Councillor Yates introduced the report of the Corporate Director of Transformation, Housing & Resources, which presented the performance monitoring data for the quarter ended 30 September 2022.

Cabinet was advised the Corporate & Environmental Overview & Scrutiny Committee has agreed that future scrutiny of the quarterly monitoring reports should be undertaken by the Budget/Council Plan Committee.

In reaching the decision below, Cabinet considered the minute of the Corporate & Environmental Overview & Scrutiny Committee, the report before it and the recommendations contained therein.

- RESOLVED: A. That the Council's performance against the Council Plan for the quarter ended 30 September 2022 be noted.
- B. That Cabinet continues to monitor the quarterly performance against the Council Plan.

**66 VOLUNTARY SECTOR GRANTS (WITHDRAWN)**

This item was deferred.

**67 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.

**68 MATTERS REQUIRING DECISIONS**

Consideration was given to the following reports relating to the following matters requiring decisions and contained on pages 801 to 864 and 907 to 912 of the Book of Reports.

**69 DRAFT HRA BUDGET REPORT 23-24**

Councillor Pryce-Roberts introduced the report of the Head of Finance, Procurement & Commercial Service, which sought feedback to enable the Council to set its Housing Revenue Account (HRA) budget and capital investment programme for the next financial year 2023/24.

In reaching the decision below, Cabinet considered the minutes of the Executive Overview & Scrutiny Committee and the Landlord Services Committee (Cabinet Working Group), the report before it and the recommendations contained therein.

- RESOLVED:
- A. That the financial position and the budget matters set out in the report be noted.
  - B. That the use of the Director of Transformation, Housing & Resources delegated authority in relation to rent and service charge changes be noted.
  - C. That the minutes of the Executive Overview & Scrutiny Committee and the Landlord Services Committee (Cabinet Working Group) be noted when finalising the HRA budget proposals to be approved by Council on 22 February 2023.
  - D. That the Housing and Landlord Services Portfolio Holder be given delegated authority to submit firm proposals to Council on 22 February 2023 to enable the budget to be set.

70 **A CORPORATE STRATEGY FOR THE MANAGEMENT OF GENERAL REVENUE ACCOUNT (GRA) PROPERTY ASSETS**

Councillor Yates introduced the report of the Corporate Director of Transformation, Housing & Resources, which set out an approach for the Council to improve the corporate management of its property assets, the requirement to procure assistance from an external provider to collect and present data and to advise on the Council's non-housing property portfolio, and sought approval, subject to funding, to advertise the project to suppliers.

In reaching the decision below, Cabinet considered the minute of the Executive Overview & Scrutiny Committee, the report before it and the recommendations contained therein.

- RESOLVED:
- A. That the report be noted and the principle to develop a strategy for the corporate management of General Revenue Account (GRA) property assets be approve, as, or broadly in line with the basic outline set out in Appendix A to the report.
  - B. That, subject to the approval of the 2023/24 budget at Council on 24 February 2023, as part of the development of a strategy the Council procures, funds and implements the work set out in the brief in Appendix B.

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.

.....  
**Leader**





**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 23<sup>rd</sup> February 2023**

**CABINET: 7<sup>th</sup> March 2023**

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**Report of: Head of Finance, Procurement & Commercial Services**

**Relevant Portfolio Holder: Councillor A Yates**

**Contact for further information: Rebecca Spicer (Extn. 5098)  
(E-mail: rebecca.spicer@westlancs.gov.uk)**

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**SUBJECT: RISK MANAGEMENT FRAMEWORK UPDATE & KEY RISK REGISTER**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To set out details of the operation of the Risk Management Framework over the last twelve months.
- 1.2 To recommend changes to the current Risk Management Policy & Strategy, and Toolkit.
- 1.3 To share the findings of an external risk review.
- 1.4 To set out details on the key risks facing the Council and how they are being managed.

## **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

- 2.1 That the continuing effective operation of the Risk Management Framework as detailed in the Risk Management Annual Report 2022 (Appendix A) be noted.
- 2.2 That the proposed amendments to the Risk Management Policy & Strategy (Appendix B) and Toolkit (Appendix C) be considered and agreed comments be forwarded to Cabinet for consideration.
- 2.3 That the findings of the external risk management review, set out in paragraph 7 of the report, be noted.
- 2.4 That the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix D) be considered and agreed comments be forwarded to Cabinet for consideration.

### **3.0 RECOMMENDATIONS TO CABINET**

- 3.1 That the continuing effective operation of the Risk Management Framework as detailed in the Annual Risk Management Report 2022 (Appendix A) be noted.
  - 3.2 That, subject to consideration of the minute of the Executive Overview & Scrutiny Committee (Appendix E), the proposed amendments to the Risk Management Policy & Strategy (Appendix B) and Toolkit (Appendix C) be approved.
  - 3.3 That the findings of the external risk management review, set out in paragraph 7, be noted.
  - 3.4 That subject to consideration of the minute of the Executive Overview & Scrutiny Committee (Appendix E), the progress made in relation to the management of the risks shown in the Key Risk Register (Appendix D) be noted and endorsed.
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### **4.0 BACKGROUND**

- 4.1 The Council continues to recognise the importance of identifying, evaluating, and managing all key and service risks that could affect the achievement of its vision, priorities, and activities. Risk management is fundamental to the Council's governance and contributes greatly to the successful delivery of services, and the key priorities.
- 4.2 Dealing with risk is very much a management activity but there is clear responsibility and accountability for Members in the operation of the Council business which directly involves issues of risk management. This report provides Members with an oversight of the effectiveness of the risk management framework and enables Members to seek assurance about the effectiveness of control arrangements.
- 4.3 Central to the operation of an effective framework are the Council's Risk Management Policy & Strategy, and Toolkit. These documents are reviewed annually, and changes made to improve the documents where appropriate. Members are requested to approve both documents on an annual basis. The external review that took place in 2022 provides recommendations as to how the framework can operate more effectively and provides assurance on the Council's risk maturity level.
- 4.4 Within this report is a summary of the management of the key risks so that Members may satisfy themselves that the risks are being adequately managed. The Key Risk Register is reported to Members on a biannual basis.

### **5.0 RISK MANAGEMENT ANNUAL REPORT**

- 5.1 The 2022 Risk Management Annual Report (Appendix A) highlights the positive improvements to risk management that have been made over the last 12 months. These include an updated policy & strategy, and toolkit, a suite of training webinars, the increase of scored internal controls, the setting of key performance indicators, setting of the Council's risk maturity level, and an increase in external risk networking.

- 5.2 The report highlights the aims and objectives for 2023/24 which include developing the Council's risk management approach to support project delivery and in our dealings with third parties, and to concentrate on embedding operational risk management practices to support the strategic risk management approach. We will focus on building the links between strategic and operational risks and engaging all staff, particularly managers, in the importance of risk management and the effectiveness that good risk management can have on achieving operational objectives.
- 5.3 The findings of the external risk management report are detailed within the Annual Report and are discussed further at section 7 of this report.

## **6.0 CHANGES TO THE RISK MANAGEMENT POLICY & STRATEGY, AND TOOLKIT**

- 6.1 The Risk Management Policy & Strategy (Appendix B) and Toolkit (Appendix C) continue to be reviewed to ensure that they reflect best practice, new developments, and organisational change.
- 6.2 Both documents have been reviewed and improvements have been made to ensure that they remain fit for purpose and "user friendly."
- 6.3 The Council's Risk Management Strategy is updated annually and contains our priorities for the following year. It outlines our aims for risk management and is supported by a detailed action plan of work.
- 6.4 The updated Policy & Strategy contains new sections on risk escalation, and risk maturity. Following Zurich's review, the Council's maturity level has been set.
- 6.5 Feedback from officers suggested that the Toolkit was too large of a document to read through, so it has been updated and split into easy-to-read sections. It now contains risk identification techniques as officers communicated that they found it difficult to know where to start with the risk identification process. New sections include how to integrate risk with projects, programmes and third parties, and how we can look to further develop the risk culture of the Council.

## **7.0 EXTERNAL RISK REVIEW**

- 7.1 Matthew Hardwick of Zurich Municipal was instructed to perform a "health check" of the Council's risk management arrangements. The findings are based on interviews with the Risk & Insurance Officer, CMT, and other key members of staff. The consultant carried out a review of current policies, procedures, and the way in which staff use Pentana.
- 7.2 The findings of the report are positive with the Council obtaining an overall risk maturity rating level of 3, Managed. Zurich comment that given the complexity of services provided and the resources often available to support risk management within the public sector, a good score is considered at level 3, Managed, whilst most local authorities would be judged to be level 2, In Development.

7.3 Against the 6 assessed categories we scored 3 level 3's – Managed, 1 level 4 – Integrated, and one level 2 – In Development. In summary the scores are detailed below:

**Risk Culture & Leadership** – Exploring the attitude that Senior Officers and Members take towards the role and priority of risk management. Level 3, Managed: Senior management & Members take the lead to apply risk management across the organisation and a register of key strategic risks is maintained.

**Risk Appetite & Strategy** – Reviewing the extent to which the policies for risk management support the organisation and how the appetite for risk is considered and utilised. Level 4, Integrated: The organisation has formalised its risk appetite, and statements exist for each principal risk category for practical use at key decision points.

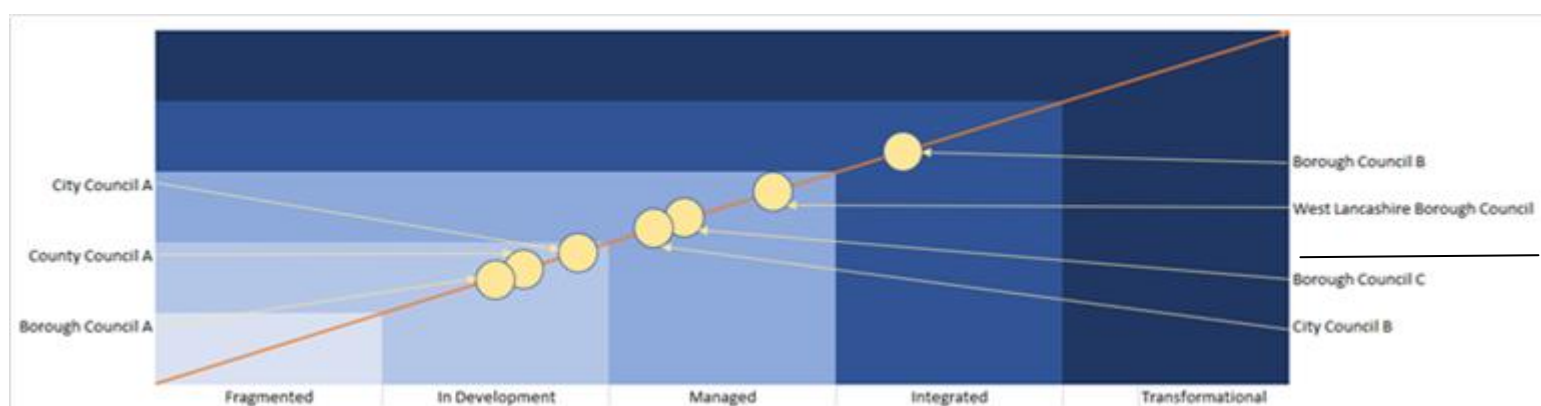
**Governance** – Establishing how assurance is provided to stakeholders, the effectiveness of reporting arrangements and how risk is managed within departmental areas. Level 3, Managed: Formal reporting and assurance arrangements for risk management exist which are delivering value to the organisation and are consistently applied.

**Methodology** – Assessing whether effective risk processes and tools are in place to support the organisation. Level 3, Managed: Risk management processes are established and effective but are not being applied consistently across the organisation.

**People & Training** – Evaluating the level of risk management skills, knowledge, and capacity across the organisation. Level 3, Managed: A core group of people have the skills, knowledge, and capacity to manage risk effectively and implement the risk framework across the organisation.

**Projects, Partnership & Supply Chain** – Determining whether there are effective arrangements for managing risks within projects and with partners and suppliers. Level 2, In Development: Approaches for managing risk in these areas exist but are currently being implemented or require development.

7.4 With regards to how we benchmark against other Councils, the diagram below which is included within the report illustrates that we have made good progress. This figure gives an indication as to where Zurich consider West Lancashire Borough Council to be amongst a small group of its peers who have undertaken a similar health check exercise with Zurich in the last 12 months. The middle line represents the maturity curve.





- 7.5 The report positively concluded that there is evidence to demonstrate that the Council takes its risk management seriously, largely driven by senior officers and strategic risks.
- 7.6 Several positives were highlighted in the report, these being;
- Strong, clear, and consistent messaging from leadership around risk management.
  - Embedded processes for corporate risks around review, escalation and monitoring from both officers and Members at the Council.
  - Use of Risk Appetite to support review and decision making.
  - A comprehensive suite of training material for staff including newsletters, webinars, and third-party delivery of training.
- 7.7 A number of development opportunities were highlighted, these being;
- Operational risk management is behind the corporate risk management; it requires further work to embed a process and ensure risks are reviewed and reported at Head of Service level.
  - Key person dependency on the Risk and Insurance Officer post holder, consider utilising a Risk Champions network within departments to support the Risk & Insurance Officer in managing the risk management process.
  - Incorporate risk management into other areas of reporting and consideration, such as performance.
- 7.8 These development opportunities are fully acknowledged, and an action plan has been put in place to strengthen our approach in these areas.

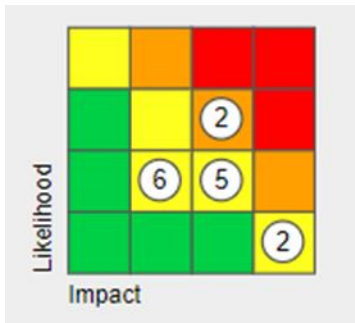
## **8.0 KEY RISK REGISTER**

- 8.1 It is considered good practice to include an update to Members periodically on progress against key risks. This monitoring should summarise general direction of travel to clearly demonstrate the progress being made on specific risk items. If all is well then no discussion may be required; if all is not well then it is easy to identify the issues to pursue. As part of the Council's risk management framework, key risks are reviewed quarterly by CMT.
- 8.2 Service risks are reviewed quarterly by Heads of Service. It is not necessary for Members to know about every risk but rather to know what the key risks are, whose job it is to deal with them, and that they are being actively managed.
- 8.3 Key risks are those risks which if they occur would have the greatest impact on the Council, the achievement of its vision, priorities, and activities. They are strategic high-level Council risks. The Key Risk Register (Appendix D) gives a summary of these risks, the residual risk score and the work that is being undertaken to mitigate them, although many of these risks will have already been the subject of separate committee reports. In addition, more detailed information regarding each of the key risks, the scoring and internal controls that mitigate the risk are contained on the Council's Pentana system.
- 8.4 The assessment methodology used to score the risks is detailed in the Risk Management Policy (Appendix B) at section 14, pages 13-14.

- 8.5 A new risk in relation to the cost-of-living crisis has been added to the register since it was last presented.
- 8.6 No risks have been removed from the register since it was last presented.
- 8.7 Unless detailed in the table below the scoring of the risks on the Key Risk Register remains unchanged from the last report presented 6 months ago.

| Title of Risk                                 | Previous Risk Score | Current Risk Score | Reasoning  |
|---|---------------------|--------------------|--|
| Landlord Compliance & Regulatory Requirements | 8 Concerned         | 4 Cautious         | Compliance has increased. Audits have completed for 2022 and recommendations from the audits have been implemented. All policies and procedures have been reviewed to incorporate current and new legislation. Risk assessment and testing programmes have been put in place.  |
| Planning Services Staff Resources             | 9 Concerned         | 4 Cautious         | The strategic planning team structure has now been fully recruited. Vacancies have also been filled in Development Management but still exist in some of the more senior planning officer posts, but this workload is currently being addressed through agency staff.  |
| Community Infrastructure Levy                 | 9 Concerned         | 4 Cautious         | Recruitment to the strategic planning team has been successful. Key posts, including CIL Officer, are now in place. The CIL process is also being supported by an additional temporary resource, until the end of the financial year, to address any shortfall. Plans are in place to address any remaining related risks.   |
| Delays in Preparation of New Local Plan       | 6 Cautious          | 4 Cautious         | The strategic planning team structure has now been fully recruited. A report was presented to CMT on 26 October 2022 outlining key risks with preparation and adoption, updating the timetable associated with the Local Plan. The Local Plan Cabinet Working Group has recommenced, the first meeting was 1 <sup>st</sup> February. Whilst there has been delay in the Local Plan timetable, work has now re-commenced and with new staff will begin to accelerate. |

- 8.8 There are currently no key risks that fall into the "critical" category. An overview of risk scoring is detailed in the diagram below.



## 9.0 SUSTAINABILITY IMPLICATIONS

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

## 10.0 FINANCIAL AND RESOURCE IMPLICATIONS

10.1 The successful management of the key risks facing the Council will ensure that resources are used effectively and efficiently.

## 11.0 RISK ASSESSMENT

11.1 The continued review of the risk management framework is essential to ensure the successful achievement of the Council's objectives, demonstrate effective provision of its services and the maximisation of opportunities. If we are unable to maintain an effective framework, we could endanger the achievement of our vision and priorities. By continually monitoring and reviewing the risk management framework it should continue to improve, develop, and meet best practice requirements.

## 12.0 HEALTH AND WELLBEING IMPLICATIONS

12.1 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 a direct impact on members of the public, employees, elected members and / or stakeholders, therefore no Equality Impact Assessment is required.

### **Appendices**

Appendix A – Risk Management Annual Report 2022  
 Appendix B – Updated Risk Management Policy & Strategy  
 Appendix C – Updated Risk Management Toolkit  
 Appendix D – Key Risk Register  
 Appendix E – Minute of the Executive Overview & Scrutiny Committee – 23 February 2023





West Lancashire  
Borough Council

# Annual Risk Management Report

Produced by Rebecca Spicer, Risk & Insurance Officer

Dated: 30<sup>th</sup> December 2022.

# Annual Risk Management Report 2022 - Summary



3 new risk key performance indicators



Updated Corporate & Service Risk Registers with detailed internal controls



Increased external networking



Positive external review of risk management



Setting of the Council's risk maturity level



Updated guidance for report writing



Linked audit assurance on Pentana



Variety of online risk training packages available



Risk identification workshops



Quarterly risk newsletter: 'Risk Round Up'

Improvements have been made to the risk management framework to ensure that there is a clear, consistent, and embedded approach to risk management across the Council. Improvements include:

- An updated risk management policy & strategy
- Linked audit assurance on Pentana in cases where Internal Audit have undertaken an audit of a service area

To strengthen the risk framework, efforts have been made to ensure that there is accessible and updated information and tools available to officers. These include:

- Updated guidance for writing about risk in reports
- An updated risk management tool kit

To develop the risk culture and maturity of the organisation, a range of mechanisms have been developed to increase risk engagement, knowledge, skills, and officer's confidence when discussing risk. These include:

- Refresher risk training sessions for all officers and Members
- Risk toolbox talks
- The continuation of the Risk Roundup newsletter
- 6 monthly "lunch and learn" sessions on different risk topics
- A range of risk identification and support workshops available to all service areas who want to review and improve their risk registers

The Risk Management Annual Report is a summary of the key risk management activities, outcomes, performance highlights and challenges which have occurred over 2022. The report draws upon key findings from the last year established through consultation activity, benchmarking activity, and review work.

# 1. External Risk Management Health Check

Zurich conducted an external review of the Council's risk management framework, positively concluding that there is evidence to demonstrate that the Council takes its risk management seriously, largely driven by senior officers and strategic risks.

## Positives Observed:

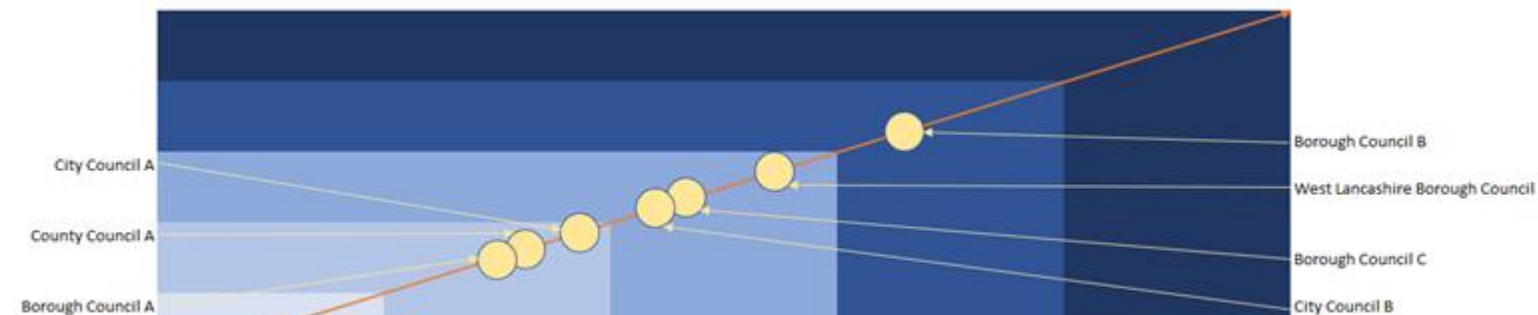
- Strong, clear, and consistent messaging from leadership around risk management.
- Embedded processes for corporate risks around review, escalation and monitoring from both officers and Members at the Council.
- Use of Risk Appetite to support review and decision making.
- A comprehensive suite of training material for staff, newsletters, webinars, including third party delivery of training.

## Development Opportunities:

- Operational risk management is behind the corporate risk management; it requires further work to embed a process and ensure risks are reviewed and reported at Head of Service level.
- Key person dependency on the Risk and Insurance Officer post holder, consider utilising a Risk Champions network within departments to support the Risk & Insurance Officer in managing the risk management process.
- Incorporate Risk Management into other areas of reporting and consideration, such as performance.

These development opportunities are fully acknowledged, and an action plan has been put in place to work strengthen our approach in these areas.

## Benchmarking against other Councils:



## 2. Risk Management Maturity

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To measure the maturity of risk management, Zurich adopt a performance model which breaks down risk management activity into six categories that contribute towards effective risk management arrangements within an organisation. Zurich comment "given the complexity of services provided and the resources often available to support risk management within the public sector, a good score is considered at level 3, Managed, whilst most local authorities would be judged to be level 2, In Development."

### Zurich's Risk Maturity Assessment

**Risk Culture & Leadership** – Exploring the attitude that Senior Officers and Members take towards the role and priority of risk management. **Level 3 Managed: Senior management & Members take the lead to apply risk management across the organisation and a register of key strategic risks is maintained**

**Risk Appetite & Strategy** – Reviewing the extent to which the policies for risk management support the organisation and how the appetite for risk is considered and utilised. **Level 4 Integrated: The organisation has formalised its risk appetite, and statements exist for each principal risk category for practical use at key decision points.**

**Governance** – Establishing how assurance is provided to stakeholders, the effectiveness of reporting arrangements and how risk is managed within departmental areas. **Level 3 Managed: Formal reporting and assurance arrangements for risk management exist which are delivering value to the organisation and are consistently applied.**

**Methodology** – Assessing whether effective risk processes and tools are in place to support the organisation. **Level 3 Managed: Risk management processes are established and effective but are not being applied consistently across the organisation.**

**People & Training** – Evaluating the level of risk management skills, knowledge, and capacity across the organisation. **Level 3 Managed: A core group of people have the skills, knowledge, and capacity to manage risk effectively and implement the risk framework across the organisation**

**Projects, Partnership & Supply Chain** – Determining whether there are effective arrangements for managing risks within projects and with partners and suppliers. **Level 2 In Development: Approaches for managing risk in these areas exist but are currently being implemented or require development.**

## 3. Risk Management Key Performance Indicators

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**Key Performance Indicators**, or KPIs, are a pertinent part of measuring the successes and failures of the risk management framework. KPIs allow the Risk & Insurance Officer, CMT, and Heads of Service to get an overview of how well the Council, or individual departments are managing risk.

- Staff who completed the risk management refresher training 2022 – 86%
- Risks with scored internal controls - 72%
- Risks assessed in the last quarter - 82%



## Risk Management Framework

- **Risk Management Policy & Strategy** This is a key document that provides a basis for a structured and coherent approach to the Council's risk management and includes its risk appetite, its methodology for identifying threats and opportunities, its strategy for developing risk maturity, and its corporate risk matrix. An updated risk management policy and strategy has been developed with the view to ensuring that officers have a clear and comprehensive document which supports risk management at all levels.
- **Corporate Governance Team** Risk management has moved from the finance team to form part of a new Corporate Governance Team along with Procurement, Audit, and Information Governance. The formation of this team has led to improved communication of key risks between the team and a more joined up approach to risk management between the Audit and Risk functions.
- **Pentana:** Improved Pentana system functionality has provided the opportunity for service managers to monitor their Service Plan Actions, Performance Indicators, Risks and Audit Actions through dedicated portals, creating a valuable management information tool that needs to be fully exploited. Pentana now provides an opportunity to enable the integration of Risk Management and Internal Audit assurance within the action planning and performance monitoring processes in support of the Council demonstrating continuous improvement
- **Risk Maturity Model:** Progress has been made regarding the implementation of a Risk Maturity Model which will continue into 2023.

## Tools and Techniques

To improve the consistency of risk management across service areas and ensure that interdependencies are identified and tracked effectively, several changes have been made throughout the year.

- **Risk Management Toolkit:** The risk management toolkit has been updated so that visually it is much easier to read. It now contains more advice on topics such as risk identification techniques, the wording of risks, and setting key performance indicators.
- **Risk Reporting:** In addition to the regular reporting of key and critical risks to CMT, a list of officers who are not updating risks every quarter is circulated.
- **Update to the Green Guide:** The entry in the Green Guide in relation to report writing has been updated so that more information regarding risks is available in reports that require decisions to be made. This includes the introduction of a visual risk matrix, scoring the risk. This will help decision makers make more informed decisions on policies and service delivery options. Decision makers need to be satisfied that the risks and opportunities related to proposals have been fully considered.

## Risk Communication & Awareness

- **Risk Training Sessions & Webinars:** Live and pre-recorded sessions have been delivered alongside bespoke team training workshops, and 6 monthly risk "lunch time learning" sessions on a variety of risk topics. Annual refresher training for Members and officers continues.
- **Risk Newsletter:** The "Risk Round Up" continues to be circulated to all Members and staff with the aim of sharing important news stories, risk trends and updates.
- **Risk Discussion at DMTs:** Risk is a mandatory agenda item at service Departmental Management Team Meetings (DMTs). The Risk & Insurance Officer is regularly invited to attend some DMT's to discuss risk.
- **Risk Management Intranet Page:** Houses all risk webinars, details of service risk management champions, newsletters, and key risk documents.
- **Networking:** Several risk networking groups have been joined, and the Risk & Insurance Officer has set up a local networking group for risk managers. The group presents an opportunity for risk managers to discuss challenges and pitfalls so that all can overcome them. New ideas on how to improve risk frameworks are brainstormed, challenged, and stress tested with these small groups of risk managers.

## 4. Key Activities & Performance Highlights

## 5. Audit Comments

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The overall assessment of risk management arrangements cited in the Head of Internal Audit's Annual Report and Opinion 2021/22 is as follows:

During the year a significant amount of work has been undertaken to further embed Risk Management in the Council. The Risk Management Policy and Toolkit was reviewed and updated during the year and presented to the Audit and Governance Committee for approval. Staff and Members have received training by the Risk and Insurance Officer and a range of training information and videos are readily available to staff and members to access on the Risk Management intranet page.

All Council risks are recorded on the Pentana Risk system, and these are routinely monitored, updated as and when required and reported on by risk owners/champions. Key risks are reported to the Executive Overview and Scrutiny Committee and Cabinet every six months which gives members the opportunity to review and if required challenge.

Work will continue into 2022/23 to build on all the good work and progress that has been made during 2021/22. This will include an external assessment of Risk Management in the Council by the Council's insurers.

## 6. Aims & Objectives for 2023-24

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There are several aims for the 2023-2024 period that the Risk & Insurance Officer is working to progress.

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- **Develop Risk Maturity:** Actions from the external review will be implemented to improve the framework and further develop the Council's risk management maturity.
- **Alignment of Risks to the Corporate Plan:** There will be detailed consideration of the risks associated with delivery of the Corporate Plan. This will ensure a clear connectivity between the achievement of the plan and strategic risks/opportunities.
- **Data and Performance Monitoring:** Where relevant, the Risk & Insurance Officer will continue to align the monitoring of risk with performance indicators to strengthen risk management.
- **Risk Culture:** We will continue to embed the importance of risk management at every level of the authority and encourage staff not to view risk management in silos, but to understand how a risk in their service area may affect other services and the Council's achievement of its overall aims, objectives, priorities, and vision.
- **Project Risk Management:** To develop the use of project risk registers and gain a better understanding of third-party risk management in the delivery of our project objectives. This is fully supported by the Business Transformation and Change Team who are working with the Risk & Insurance Officer to strengthen officer's understanding of project risk management.
- **Third Party Risk:** Risk Management is a critical and continuous process, and appropriate Risk Assessments should be undertaken, reviewed, and managed throughout the procurement journey. Risk management must become an integral part of the procurement process. It is important to understand the risks associated with contracts and the methods and tools that contractors have in place for managing risk. The Procurement Manager has outlined the same vision and both teams are fully committed to working together to strengthen third party, and contract risk management.
- **Partnership Risk:** Undertake further work to understand the shared risks within partnerships, maintaining joint risk registers with key partners to monitor key issues.
- **Embedding Operational Risk Management:** To concentrate on embedding operational risk management practices to support the strategic risk management approach. Building the links between strategic and operational risks and engaging all staff, particularly managers, in the importance of risk management and the effectiveness good risk management can have on achieving operational objectives.



# Risk Management Policy & Strategy

Version 3: January 2023

## **POLICY AUTHOR:**

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Risk & Insurance Officer

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## **Review Process:**

This Risk Management Policy & Strategy will be reviewed annually by the Risk & Insurance Officer to check efficient and effective operation, reporting any recommendations for change to the Council's Corporate Management Team, Audit & Governance Committee, Executive Overview & Scrutiny Committee, and Cabinet Members.

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## **1. Purpose & Scope of the Risk Management Policy & Strategy**

This Policy & Strategy outlines the Council's commitment to managing risk which it acknowledges is fundamental to effective corporate governance. It should be read in conjunction with the Council's Risk Management Toolkit (separate document).

We recognise risk management as a vital activity that underpins and forms part of our vision, values, and strategic objectives, as well as providing confidence to our community. Risk is present in everything we do, and it is our policy to identify, assess and manage risk on a proactive basis. We seek to embed risk management throughout the operation, and in the development of West Lancashire Borough Council.

Risk management needs to be embedded throughout all processes, projects, and strategic decisions. This includes procurement and contracting, and we will aim to ensure partnerships and third-party relationships are compliant with the risk management policy and strategy of the Council.

The aim of our risk management framework is to be fit for purpose, reflect our size and the nature of our various operations, and use our skills and capabilities to the full. Risk management is most effective as an enabling tool, so we need a consistent, communicated, and formalised process across West Lancashire Borough Council.

It is important to define the level of risk exposure that the Council considers acceptable. This creates a clear picture of which risks will threaten the ability of West Lancashire Borough Council to achieve its vision, priorities, and objectives. This results in our risk appetite.

This Policy and Strategy, and supporting documentation, form an integrated framework that supports us in managing risk effectively. In implementing our risk management framework, we provide assurance to all stakeholders that risk identification and management plays a key role in the delivery of our vision, priorities and outcomes.

We will involve, empower, and give ownership to all staff to identify and manage risk. Risk management activity will be regularly supported through discussion and appropriate action by senior management. This will include a thorough review of significant risks, evaluating mitigation controls and where required, establishing supporting actions to reduce them to an acceptable level.

Managing risks will be an integral part of both strategic and operational planning and the day to day running, monitoring, development and maintaining of the Council.

## **2. Risk Definitions**

Risk is defined as, "The effect of uncertainty on objectives. It can be positive, negative or both and can address, create, or result in opportunities and threats."

Risk management is defined as: "Co-ordinated activities to direct and control an organisation with regard to risk."

(BS ISO 31000:2018 Risk Management Guidelines)

### 3. Risk Management Strategy

The Council's risk management strategy is updated annually and contains our priorities for the following year. Our strategy will assist in the delivery of our vision, priorities and outcomes. It outlines our aims for risk management and is supported by a detailed action plan of work which includes dated milestones and targets. These are housed on the Council's Risk Management Information System, Pentana.

#### **The Council's risk management aims are to:**

- Have a robust framework in place to identify, assess and manage the risks facing the Council.
- Minimise the impact and/or likelihood of risks occurring, and to minimise the total cost of risk.
- Set the 'tone from the top' on the level of risk we are prepared to accept on our different service delivery activities and priorities.
- Have the ability to anticipate and respond to various changes.
- Make risk management an integral part of the planning and decision making processes of the Council, so that it is used as a component in all critical decisions.
- Ensure that risks are informing outcomes for service areas.
- Develop a risk aware culture ensuring that employees understand the benefits of risk management and that they have the knowledge, skills and tools to embed risk management processes.
- Develop a more integrated risk management approach by identifying risk at all levels of the Council.
- Develop the use of risk management in our dealings with third parties such as through partnerships, contracts, and other new service delivery models.
- Acknowledge that even with good risk management and our best endeavours, things can go wrong. Where this happens we want to learn lessons and put in place mitigations to try to prevent it from happening again

#### **WLBC will achieve these aims by**

- Maintaining a robust and consistent risk management approach that will:
  - identify and effectively manage strategic, operational and project risks
  - focus on those key risks that, because of their likelihood and impact, make them priorities;
- Ensuring accountabilities, roles and responsibilities for managing risks are clearly defined and communicated;
- Considering risk as an integral part of business planning, service delivery, key decision making processes, and project and partnerships;
- Communicating risk information effectively through a clear reporting framework;
- Increasing knowledge, understanding and expertise in risk management through training, providing a varied risk management training and development offer for both officers and elected Members;
- Reviewing the Council's risk appetite to ensure it remains aligned with strategic objectives, while promoting a wide understanding of how it practically applies;
- Subjecting the Council's risk management framework to regular review to determine its continued adequacy and effectiveness.

## 4. Roles & Responsibilities

### 4.1 Corporate Management Team (CMT) & Members

- Annually review and approve the risk management policy & strategy, toolkit, and risk appetite of the Council.
- Review the key risks to the Council and the controls in place to manage those risks.
- Review the key risks across the Council, consider their importance against achieving our vision and priorities, and action further controls.
- Create an environment and culture where risk management is promoted, facilitated, and appropriately undertaken.
- Champion risk management activities and raise awareness of the benefits of managing risk effectively.

### 4.2 Heads of Service

- Implement the risk management framework within their service, including ensuring that up to date risk registers are maintained.
- Review service risk registers, as a minimum, on a quarterly basis to satisfy themselves that adequate controls for risks are in place, and that risks are added to and removed from risk registers when appropriate.
- Review the risk management framework to ensure that it is functioning effectively and that any further actions required are detailed in service action plans.
- Embed the importance of risk management within their service and ensure that strategic risks are communicated to employees and that day-to-day operational risks are communicated to senior management.
- Determine the nature and extent of the principal risks we are willing to take in achieving our strategic vision and priorities.
- Determine how significant risks should be managed or mitigated to reduce the likelihood of their incidence and / or their impact.
- Carry out service risk assessments as part of service action planning.
- Monitor the key risks and associated actions in their area of responsibility.
- Allocate sufficient resources to address significant risks.
- Nominate Risk Management Champions within their service.
- Ensure risk is discussed at DMT meetings, as a minimum, on a quarterly basis.
- Discuss risk responsibilities during officers' annual performance reviews, and one to ones.

### 4.3 Senior Managers

- Manage risk effectively in their area of responsibility.
- Complete the risk management process as per the Council's framework.
- Complete, track and monitor the progress of risks, action plans and performance indicators.
- Discuss risk responsibilities during officers' annual performance reviews, and one to ones.

### 4.4 Risk Management & Insurance Officer

- Coordinate the Council's risk management activity.
- Develop and maintain the risk management framework and tools.
- Highlight any significant new or worsening risks to the Corporate Management Team for review and action.
- Assist in the delivery of the risk management process across the organisation.
- Provide risk management guidance, training, and advice.

- Provide the link between risk management and other related disciplines.
- Promote and share best practice risk management across the organisation.
- Develop the risk management culture of the Council.

#### **4.5 Risk Management Working Group (RMWG)**

Responsible for maintaining and developing the risk management framework the RMWG meets twice yearly and more frequently if required, to consider the following;

- Issues and improvements to the risk management framework
- Risk management training requirements
- Risks facing the Council
- Disseminating good practice requirements for risk management,
- How to further improve and embed risk management culture within the Council, to support its decision-making process, strategies, and operations

#### **4.6 Risk Management Champions**

- Attend meetings of the RMWG or nominate a suitable substitute when unable to attend.
- Disseminate information discussed at the RMWG to their service and feedback to the group accordingly.
- Support their Head of Service in implementing the risk management framework within their service.
- Raise any issues regarding risk management with the Risk and Insurance Officer.
- Advise the Risk and Insurance Officer if any risk management or Pentana training is required within their service.
- Give advice and guidance to managers/officers within their service on preparing risk assessments for committee reports.
- Provide advice and guidance to those updating risks on the Pentana system.
- Help to promote and embed risk management within their service to engage staff in the management of risk.
- Communicate the benefits of risk management across operational areas.

#### **4.7 Employees**

- Be familiar with, understand, accept, and implement the risk management framework.
- Report inefficient, unnecessary, or unworkable controls.
- Report loss events and near-miss incidents.
- Cooperate with management on incident investigations.
- Ensure that visitors and contractors comply with procedures.
- Monitor work on an ongoing basis to identify new and emerging risks and escalate as required.

#### **4.8 Internal Audit**

- Evaluate risk management processes continuously to provide assurance to Members and senior management that significant risks are being managed appropriately and that the risk management and internal control framework is operating effectively.

#### **4.9 Risk Owner (Officer "assigned to the risk")**

- Has day to day responsibility for the risk and for updating the risk register.
- Along with the individual risk manager is responsible for agreeing and delivering the action plan to control the risk and monitoring progress against it.



- Must update the risk on Pentana every quarter, as a minimum.

#### 4.10 Risk Manager (Designated as manager "managed by")

- The designated member of staff (or management group) who carries the ultimate responsibility for ensuring that the risk is being effectively managed by the risk owner.
- Along with the risk owner is responsible for agreeing and delivering the action plan to control the risk and monitoring progress against it.

#### 4.11 Control Owner

- Has accountability for ensuring that the control is in place and is operating effectively. The control owner does not necessarily perform the control activity, however, if not conducting the control, they should have a level of oversight of its performance.

## 5. Risk Management Process

The Council's Risk Management Process has 6 key stages:



1. **Risk / Opportunity Identification** - Officers carry out risk / opportunity identification and examine all identified risks and link them to the appropriate Council, service or project vision, priorities, or outcome.
2. **Risk Analysis** – The size of the risk is analysed according to the likelihood of the risk occurring and the impact that the risk could have if it did occur. The purpose of risk analysis is to comprehend the nature of risk and its characteristics including, where

appropriate, the level of risk. It involves a detailed consideration of uncertainties, risk sources, consequences, likelihood, events, scenarios, and control effectiveness. The Council recognises that an event can have multiple causes and consequences that can affect multiple objectives.

3. **Risk Evaluation** - Officers compare the results of the risk analysis with the Council's risk appetite to determine if and what additional action is required. This leads to a decision about treatment of the risk. The Council recognises that risk evaluation is critical to supporting decisions.
4. **Risk Treatment & Management** – Officers select and implement options for addressing risk. Risk treatment involves an iterative process of formulating and selecting risk treatment options, planning, and implementing risk treatment, assessing the effectiveness of that treatment, deciding whether the remaining risk is acceptable and if not taking further treatment.
5. **Reporting & Recording** - The risk management process and its outcomes are documented and reported through appropriate mechanisms. Monitoring reports on risks are produced on a six-monthly basis for the consideration of Cabinet and Executive Overview and Scrutiny, and on a quarterly basis for the consideration of CMT.
6. **Monitor & Review** - The purpose of monitoring and review is to assure and improve the quality and effectiveness of process design, implementation, and outcomes. It takes place in all stages of the process. Monitoring and review includes planning, gathering, and analysing information, recording results, and providing feedback.

Detailed information and guidance on each of these stages is documented in the Risk Management Toolkit.

## 6. Risk Registers

Service risk registers record operational risks which are faced in the day-to-day delivery of services. They are risks that could have an effect on the successful achievement of the service priorities, objectives, and activities.

The key risk register records those risks which if they occur, would have the greatest impact on the Council, the achievement of its vision, priorities, and activities. They are strategic high-level Council risks.

Project risk registers record risks in relation to specific projects.

## 7. Risk Escalation

The Risk Management Toolkit contains documented procedures for risk reporting/escalation.

Where appropriate service risks are elevated to key risk status and to the appropriate committee.

All services and managers are empowered to escalate risks as long as there is a sound rationale for each escalation. Issues should be escalated in timely manner to affect a swift response.

Outcomes, including agreed actions, of the escalation process should be recorded and widely communicated.

The Council's corporate risk matrix details the level of escalation that should take place dependent upon the risk scoring.

## **8. Risks and the Decision-Making Process**

Risks need to be addressed at the point at which decisions are being taken. Where Members and officers are asked to make decisions, they should be advised of the risks associated with the recommendations being made. Consequently, the Council needs to be able to demonstrate that it has taken reasonable steps to consider the risks involved in a decision.

All reports requiring key decisions, including new and amended policies and strategies, must include a section to demonstrate that risks have been addressed. This does not guarantee that decisions will always be right, but the important point is to demonstrate that risks have been considered and to have evidence that will support this.

The Council's [Green Guide](#) to report writing provides guidance to officers in relation to writing about risk in formal reports.

## **9. Skills, Expertise and Guidance**

Having established roles and accountabilities for risk management, the Council must ensure that it has the necessary skills and expertise to deliver this framework. This will be accomplished through an on-going programme of risk management training and development.

All documents relevant to risk management and training sessions are available via the Council's intranet <http://intranet.westlancsdc.local/rules-and-regulations/risk-management.aspx> which contains appropriate guidance to assist officers in carrying out their duties effectively.

The Council's Risk Management Toolkit provides practical examples of how to apply the risk management process.

Induction and annual risk management training is mandatory for all Council employees and is included in the list of 'essential/required' training for Members.

## **10. Risk Management in Partnership Working**

The Council recognises the potential for benefits and rewards from partnership working and it also recognises the risks involved. Whilst this risk can be managed by the Council through formal contracts and partnership agreements that clearly allocate risks to the appropriate parties, failure by either or any one of those parties to manage their risks can have serious consequences for the other(s).

Consequently, before entering the partnership, joint working or business contract arrangements, prospective partners and contractors should be asked to state their approach to risk management and to provide certain minimum evidence to support their response.

It is recommended that when entering partnerships, joint working, or contracts with outside agencies that a project risk register is created and is maintained on the Pentana System until all associated risks are realised.

## 11. Risk Performance Management

The Council measures risk management performance against key performance indicators, which are periodically reviewed for appropriateness. It periodically measures progress against, and deviation from, the risk management plan and reviews the effectiveness of the risk management framework.

## 12. Risk Maturity

The success of the risk management framework is measured by a review of the risk maturity of the Council, with an aim to becoming gradually more mature.

To measure the maturity of risk management a performance model has been used which breaks down risk management activity into six categories that contribute towards effective risk management arrangements. The model enables an assessment to be made around the extent to which risk management is having a positive effect on the organisation. The five levels of maturity are:

|                               |                                   |                            |                               |                                     |
|-------------------------------|-----------------------------------|----------------------------|-------------------------------|-------------------------------------|
| <b>Level 1<br/>Fragmented</b> | <b>Level 2<br/>In Development</b> | <b>Level 3<br/>Managed</b> | <b>Level 4<br/>Integrated</b> | <b>Level 5<br/>Transformational</b> |
|-------------------------------|-----------------------------------|----------------------------|-------------------------------|-------------------------------------|

Overall, the Council is assessed as being at Level 3 Managed. External verification of this assessment has been given.

## 13. Risk Appetite Statement

The Council defines risk appetite as the amount of risk it is willing to pursue or retain in pursuit of its objectives. The purpose of risk appetite is to set out the Council's attitude to risk and to provide consistency in the decision-making process. It details how much risk is acceptable and assists in identifying those risks that need to be managed.

Risk appetite levels range on a scale from low to high depending on our willingness to accept either inherent or residual risk. Inherent risk is "the exposure arising from a specific risk before any action has been taken to manage it". Residual risk is "the exposure arising from a specific risk after action has been taken to manage it and making the assumption that the action is effective". The risk appetite helps us to determine our tolerance to individual initiatives, projects, or programmes, which enable the delegation of risk management responsibilities, with clear responsibility thresholds and escalation paths.

Each risk is considered against the risk appetite for a number of categories. These appetite levels are defined in the Council's risk appetite statement.

## West Lancashire Borough Council Risk Appetite Statement

### Key

| Risk Type                             | Risk Appetite | Ratings | Risk Appetite | Meanings  |
|---------------------------------------|---------------|---------|---------------|---|
| Reputational                          | 3             | 1       | Low           | Residual risk only acceptable in extreme situations (e.g., where the risk has a very low impact and likelihood)   |
| Legislative / Regulatory / Compliance | 2             | 2       | Medium        | Residual risk is managed down on a cost-benefit basis. A medium amount of risk is acceptable however, on balance, control is weighted higher than acceptance. |
| Financial                             | 3             | 3       | Significant   | Residual risk is accepted to significant levels. Significant implies a pure cost-benefit approach.  |
| People                                | 3             | 4       | High          | Residual risk is accepted to high levels  |
| Health & Safety                       | 1             |         |               |   |
| Operational                           | 2             |         |               |   |
| Environmental                         | 3             |         |               |   |
| Physical Systems & Assets             | 3             |         |               |   |
| Political                             | 2             |         |               |   |

The Council operates within a medium to significant overall risk range. The Council's lowest risk appetite relates to health and safety risk, including employee health and safety, with a higher risk appetite towards its reputational, financial, people, environmental and physical systems, and asset risks. This means that in general risks will be considered on a cost benefit analysis unless they involve health and safety, legislation, and compliance, political or operational risks where control is weighted higher than acceptance of the risk.

### Reputational

The 'reputational' category refers to the risk of a significantly adverse or damaging perception of the Council by the public and West Lancashire Borough residents.

**Risk Appetite:** The Council has a concerned approach with regards to any project or activity that would seriously threaten its reputation. It understands however that not all stakeholders will have the same opinion on projects, programmes of work and service delivery and so each project/ programme will be considered with regards to its reputational impact.

### Legislative / Regulatory / Compliance

The "legislative / regulatory / compliance" category refers to the risk of successful legal action being taken against the Council, or of the Council breaching law in its activities and operations, and is also the risk of losses, possibly fines, and other sanctions arising from non-compliance with laws and regulations.

**Risk Appetite:** The Council is committed to a high level of compliance with relevant legislation, regulation, sector codes and standards as well as internal policies and sound corporate governance principles. Identified breaches of compliance will be remedied as

soon as practicable. The Council has no appetite for deliberate or purposeful violations of legislative or regulatory requirements.

### **Financial**

The "financial" category relates to the risk of financial pressures affecting the Council's ability to provide services.

**Risk Appetite:** The Council is willing to take calculated financial risks in order to achieve its objectives, subject to legislation being complied with.

### **People**

The "people" category relates to the risk of the Council's ability to attract and retain competent and motivated staff to achieve its objectives.

**Risk Appetite:** The Council is committed to investing in strategies to attract, manage, motivate, develop and retain competent staff to achieve its strategic goals. Activities that threaten to diminish its ability to meet this commitment require careful consideration.

### **Health & Safety**

The "health & safety" category refers to the risk of hazards that can lead to the harm, injury, death, or illness of staff or citizens.

**Risk Appetite:** The Council has zero tolerance for risk being taken with regards to health & safety.

### **Operational**

The "operational" category refers to the risk of not being able to provide Council services and the effect that this has on customer satisfaction. It also relates to the risk of fraudulent activity occurring.

**Risk Appetite:** The Council places great importance on ensuring that its activities and services operate efficiently and effectively. There is a low appetite for any business interruptions that may jeopardise its standards of services, operations or could lead to a loss of satisfaction by its citizens, customers and stakeholders.

Fraud could arise from either internal or external parties who attempt to defraud the Council by circumventing its processes and controls, including those operated by our third-party providers (e.g. within our outsourced activities).

The Council has a commitment to high ethical standards and a desire to prevent and deter harm to its stakeholders. It seeks to limit the risks associated with fraud, particularly internal fraud and has a zero appetite for any fraud.

### **Environmental**

The "environmental" category refers to the risk of an impact of any function, service, operation, project and programme upon the environment.

**Risk Appetite:** The Council has a strong interest in protecting and preserving the environment. There is a low appetite for activities which will significantly degrade the environment

### **Physical Systems & Assets**

The “physical systems and assets” category refers to the risk to physical structures (buildings, facilities, locations, equipment, etc.) and systems e.g. IT, which ultimately support the provision of services.

**Risk Appetite:** In pursuing its objectives, the Council is open to taking a moderate degree of risk, and is prepared to accept major changes, upgrades, projects and programmes where these are intended to bring significant improvements to property, assets, facilities or services.

### **Political**

The "political" category refers to the risk of disruption to objectives leading to intervention by political members and the impact of this upon political structures.

**Risk Appetite:** The Council has a low appetite to the disruption of any objective that would lead to the involvement of political members and cause political instability.

## **14. Corporate Risk Assessment**

### **Impact**

| <b>Score</b>       | <b>What is the worst that could happen?</b>   |
|--------------------|---|
| <b>Low</b>         | Minor loss, delay, inconvenience or interruption, very minor damage to reputation and very minor health & safety issues. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.   |
| <b>Medium</b>      | Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output, and quality. Minor health & safety risk, short term damage to reputation. Medium term effect which may be expensive to recover from.  |
| <b>Significant</b> | Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Significant impact on output and/or quality. Significant damage to reputation and moderate health & safety consequences. Medium to long term effect and expensive to recover from.                                     |
| <b>High</b>        | Severe / Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or sustained damage to reputation. Major health & safety issues. Very difficult to recover from and possibly requiring a long-term recovery period. |

### Likelihood

| Score           | Descriptors  |
|-----------------|--|
| <b>Certain</b>  | Almost certain, is expected to occur in most circumstances. Greater than 80% chance. |
| <b>Probable</b> | Likely, will probably occur in most circumstances. 50% - 80% chance.                 |
| <b>Possible</b> | Possible, might occur at some time. 20% - 50% chance.                                |
| <b>Unlikely</b> | Unlikely, but could occur at some time. Less than a 20% chance.                      |

### WLBC Impact / Likelihood Matrix

|            |          | Impact |        |             |      |
|------------|----------|--------|--------|-------------|------|
|            |          | Low    | Medium | Significant | High |
| Likelihood | Certain  | 4      | 8      | 12          | 16   |
|            | Probable | 3      | 6      | 9           | 12   |
|            | Possible | 2      | 4      | 6           | 8    |
|            | Unlikely | 1      | 2      | 3           | 4    |

| Level of Concern   | Action Required   |
|--------------------|---|
| <b>Critical</b>    | Urgent attention required at highest level to ensure risk is reduced to an acceptable level. Action planning should start without delay. Progress on actions should be reported to the Chief Operating Officer and / or the Leader. |
| <b>Concerned</b>   | Requires mitigation and a contingency plan. Report on progress to CMT.  |
| <b>Cautious</b>    | Acceptable level of risk however the risk requires mitigation /consideration. Reviewed at Head of Service level.  |
| <b>Comfortable</b> | Acceptable level of risk. Keep under review but no action required unless changes occur.  |





# West Lancashire Borough Council Risk Management Toolkit

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Version 3 January 2023



# Foreword



As Chief Operating Officer I am responsible for enabling the efficient and effective governance of significant risks, and related opportunities across West Lancashire Borough Council.

As we face increasing uncertainty and challenging times it is of increasing importance that we have robust management and can make difficult decisions over resource priorities. It is important that the maximum amount of resources can be channelled into achieving the Council's vision and priorities for West Lancashire.

Central to the ability to do this is the need for efficient and effective risk management which allows us to take advantage of more opportunities and make decisions that pay full regard to risk consideration.

The Council is risk aware not risk averse, it needs to take full advantage of opportunities for improving services. Therefore, it needs to be pro-active and prepared in the way that it manages risk.

Risk Management is recognised as a key element in the management of the Council. By all staff having a better understanding of the importance and implementation of risk management it will make a huge contribution to improving overall corporate governance. In addition, it will assist in ensuring that mandatory rules, regulations, and obligations are complied with.

Better identification of risks and their management will result in better use of resources. If we all use the resources available to us more efficiently and effectively then the service to our customers can only improve.

Risk Management needs to be embedded in all our activities and it's important that we align risk management activities with other policies, procedures, and strategies to ensure effective operations and service delivery.

This toolkit has been developed to allow officers to identify risks which would prevent them from achieving their objectives (including failing to take advantage of opportunities) and to provide information and guidance on how these risks can be managed.

**Jacqui Sinnott-Lacey**  
**Chief Operating Officer**  
**West Lancashire Borough Council**



## Section One: Introduction

- 1.1 Guidance & toolkit
- 1.2 Definitions
- 1.3 The business case
- 1.4 Principals & landscape
- 1.5 Risk maturity

## Section Two: Implementing the Council's Risk Management Approach

- 2.1 Governance & infrastructure
- 2.2 Risk management process
- 2.3 Integration of risk management
- 2.4 Risk management culture

## A

- Appendices
- A - Work Plan

# Section 1: Introduction

# 1.1 Guidance & toolkit

## 1.1.1 Purpose and use

Risk management is about making the most of opportunities by making informed decisions and about achieving objectives once those decisions are made. It is about being risk aware and not risk averse.

The Council accepts that some level of risk is inevitable if it is going to achieve its objectives. It is important, however, that these risks are actively controlled, managed, and monitored. One of the biggest risks that could face WLBC would be to not identify the risk in the first place and take no action at all.

The risk management process has been made as simple as possible, and jargon has been kept to a minimum. There may be some terms that you may not be familiar with; therefore, a list of the more common terms has been included at 1.2 for your guidance.

This toolkit should be read in conjunction with the Council's Risk Management Policy & Strategy.

## 1.1.2 Audience

This toolkit is a working document for managers and staff to use in maintaining the documentation required to support their service and the Council's key risk register. Although risk owners will be tasked with updating risk registers and managing risks, risk management is the responsibility of all Council employees.

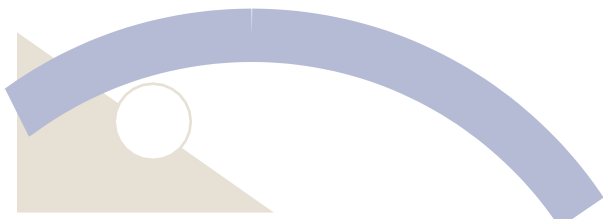
## 1.1.3 How to use this toolkit

Section 1 introduces the toolkit, provides some definitions, outlines the importance of risk management, discusses risk management principals and landscape, and introduces the concept of risk management maturity.

Section 2 outlines the considerations and steps that need to be taken to implement the Council's risk management framework, including:

- governance and infrastructure
- our risk management process
- integration of risk management
- risk management culture

The appendices provide additional support materials.



# 1.2 Definitions

|   |  |
|---|--|
| <b>Accept</b>                           | A risk response that accepts the risk and its likelihood and impact if it does occur.  |
| <b>Avoid</b>                            | A risk response that seeks to eliminate a threat by terminating the risk.  |
| <b>Control owner</b>                    | A control owner is the individual assigned for the implementation of the measures to mitigate the risk. They support and take direction from the risk owner.                                   |
| <b>Frequency</b>                        | A measure of likelihood expressed as the number of occurrences of an event in a given time.  |
| <b>Impact</b>                           | Impact to the organisation should the risk materialise.  |
| <b>Inherent Risk</b>                    | The exposure arising from a specific risk before any action has been taken to manage it  |
| <b>Key Performance Indicator (KPIs)</b> | A measure of performance that is used to grade and monitor progress towards an objective / goal.   |
| <b>Key Risk Indicator (KRIs)</b>        | An early warning indicator that can be used to monitor a change in the likelihood or impact of a risk and assist in the decision-making process for risk mitigation.                           |
| <b>Key Risk Register</b>                | Records those risks which if they occur would have the greatest impact on the Council, the achievement of its vision, priorities, and activities. They are strategic high-level Council risks. |
| <b>Likelihood</b>                       | A qualitative description of the probability or frequency of that risk materialising.  |
| <b>Maturity level</b>                   | A well-defined evolutionary plateau towards achieving a mature process.  |
| <b>Partnerships (Third parties)</b>     | Contractual relationship between two or more persons carrying out a joint venture, each incurring liability for losses and the right to share in the outcome.                                  |
| <b>Pentana</b>                          | The Council's risk management information system. It records risks, service action plans and performance indicators.   |
| <b>Project</b>                          | A temporary organisation that is created for the purpose of delivering one or more products according to a specified business case.  |
| <b>RAG Analysis</b>                     | 'RAG Analysis' describes a process whereby complex data can be displayed in 'traffic light' or Red-Amber-Green (RAG) format.   |
| <b>Residual Risk</b>                    | The exposure arising from a specific risk after action has been taken to manage it and assuming that the action is effective   |

|   |   |
|---|---|
| <b>Risk</b>                                 | ISO 31000: Effect of uncertainty on objectives.   |
| <b>Risk Analysis</b>                        | A systematic use of available information to determine how often specified events may occur and likelihood and impact of the risk occurring.  |
| <b>Risk Appetite</b>                        | The amount of risk that the Council is willing to pursue or retain in pursuit of its objectives.  |
| <b>Risk Assessment Criteria</b>             | The terms of reference by which the significance of risk is assessed.   |
| <b>Risk Category</b>                        | Represents a collection or group of risk types with a common denominator (e.g., strategic, operational, people, legal / regulatory, financial, reputational).   |
| <b>Risk Cause</b>                           | A description of the source of the risk, i.e., the event or situation that gives rise to the risk.  |
| <b>Risk Management / Management of Risk</b> | ISO 31000: Coordinated activities to direct and control an organisation with regards to risk. The culture, processes and structures that are directed towards the effective management of potential opportunities and threats to the organisation achieving its objectives. |
| <b>Risk Map</b>                             | A model that visually displays the relationship between the likelihood and impact of specific risks.  |
| <b>Risk Owner</b>                           | A single individual who is nominated and responsible for the monitoring and updating of a risk. They are the officer "assigned to the risk".  |
| <b>Risk Perception</b>                      | An individual's subjective view of risk, based on a set of values and / or concerns.  |
| <b>Risk Prioritisation</b>                  | The process that allows risks to be ranked into a logical order by establishing how significant they are in terms of likelihood and impact.   |
| <b>Risk Register</b>                        | A basic, ongoing working document that records the risk identification, assessment and sometimes action planning process. Stored on Pentana   |
| <b>Risk Response</b>                        | Actions that may be taken to bring the risk to a level that is acceptable to the organisation. These responses fall into one of several risk response options.  |
| <b>Risk Universe</b>                        | Consists of all the risks that potentially have an impact on an organisation at any level. The risk universe within this document has been tailored to local government.  |
| <b>Service Risk Register</b>                | Records operational risks which are faced in the day-to-day delivery of services. Service risks are those that could have an effect on the successful achievement of the service priorities, objectives, and activities   |
| <b>Stakeholder</b>                          | Any individual, group or organisation that can affect, be affected by, or perceive itself to be affected by a risk.   |
| <b>Uncertainty</b>                          | A condition where the outcome can only be estimated.  |



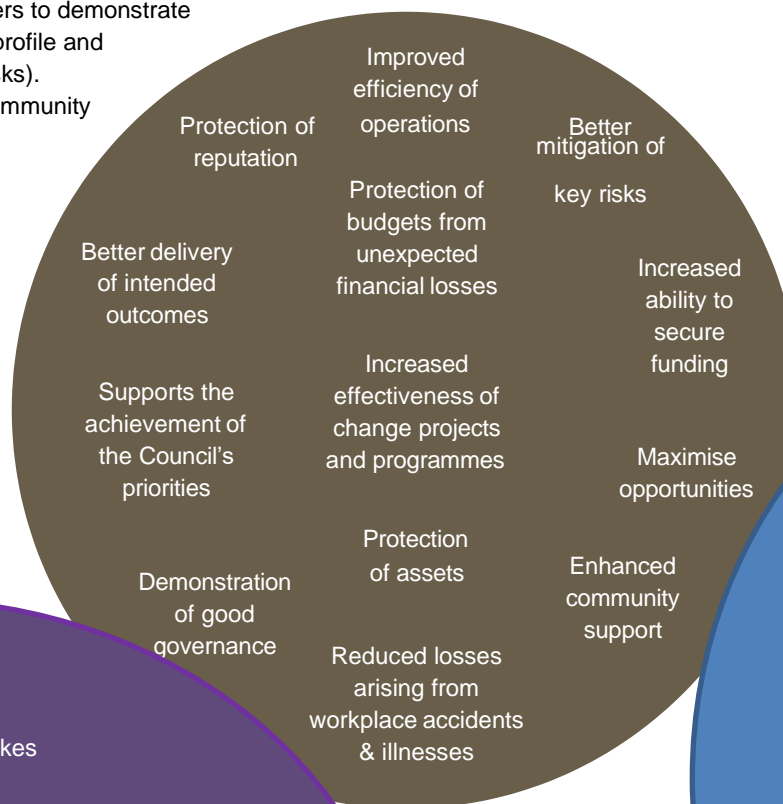
# 1.3 The business case

Risk management is a management tool and forms part of the governance system of every public service organisation. When applied appropriately risk management can bring the Council multiple benefits.

It can help us to achieve our vision, priorities, objectives, and better deliver on intended outcomes. It can also help managers to demonstrate good governance, better understand their risk profile and better mitigate risks (particularly uninsurable risks). Externally it can help the Council to enhance community support.

Some of the benefits that risk management can provide have been listed within the circles on this page.

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These benefits make quite an impressive list.

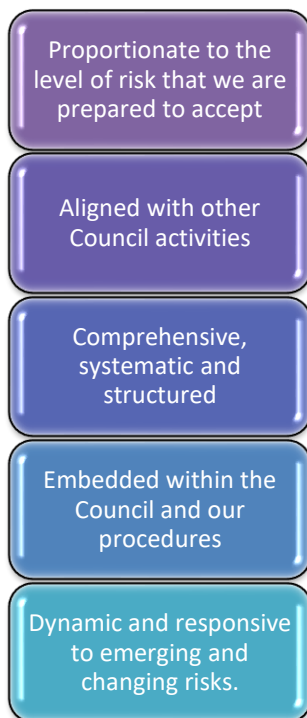
- Are they achievable? Yes
- Are they guaranteed? No

The list is not exhaustive, and all these benefits are achievable if we all embrace our risk management responsibilities.

# 1.4 Principals & landscape

## 1.4.1 Risk management principals

The approach adopted to risk management ensures that our risk management is



## 1.4.2 The landscape of risk management

Public service organisations are undergoing a significant period of change and as a result new risk profiles need to be managed. Outlined below are factors contributing to this change:

- a difficult economic and financial climate
- increased pressure to develop effective partnerships with other public, private and third sector organisations to deliver outcomes and critical operations
- changing political agendas
- changing roles and responsibilities for public service organisations
- new technologies
- greater pressure for public service organisations to be creative / innovative to increase efficiencies.

Over the past few years public service organisations have been associated with large IT and infrastructure project failures, huge fines resulting from breaches of data protection and high-profile supplier failures.

Recognising the need to increase community confidence and effectively manage these new risk profiles, over recent years public service organisations have implemented a more structured approach to the management of risk.

Governance structures aim to ensure better anticipation of risk, especially across delivery partners, and focus on embedding risk management processes and creating a risk aware culture.



# 1.5 Risk maturity

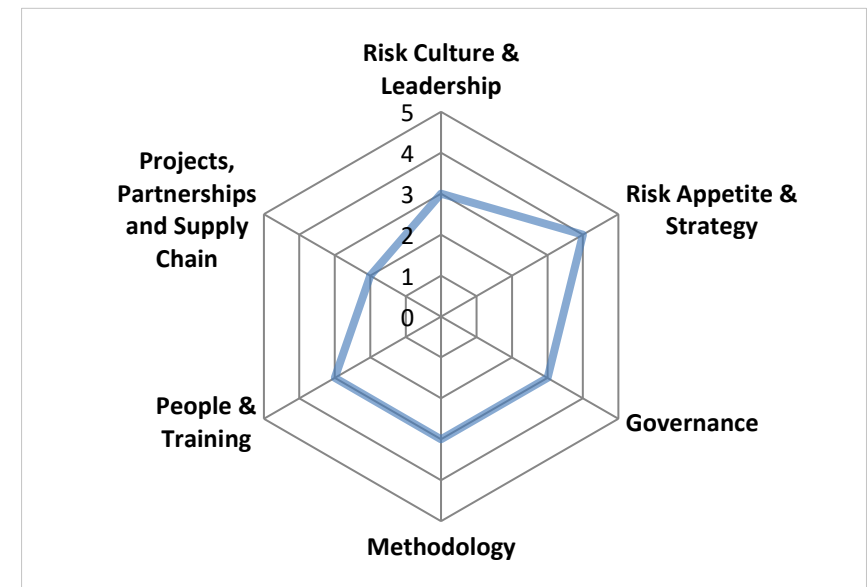
Across all industries, sectors and organisations different levels of risk management maturity exists. Risk management maturity refers to the journey an organisation goes through when managing risk.

Undertaking a risk maturity assessment enables the Council to benchmark its current risk management capability and identify how and where improvements can be made.

To measure the maturity of risk management a performance model has been used which breaks down risk management activity into six categories that contribute towards effective risk management arrangements.

|                              |                                  |                           |                              |                                    |
|------------------------------|----------------------------------|---------------------------|------------------------------|------------------------------------|
| <b>Level 1</b><br>Fragmented | <b>Level 2</b><br>In Development | <b>Level 3</b><br>Managed | <b>Level 4</b><br>Integrated | <b>Level 5</b><br>Transformational |
|------------------------------|----------------------------------|---------------------------|------------------------------|------------------------------------|

|  |  |
|--|--|
| <b>Risk Culture &amp; Leadership</b>             | Exploring the attitude that Senior Officers and Members take towards the role and priority of risk management  |
| <b>Risk Appetite &amp; Strategy</b>              | Reviewing the extent to which the policies for risk management support the organisation and how the appetite for risk is considered and utilised       |
| <b>Governance</b>                                | Establishing how assurance is provided to stakeholders, the effectiveness of reporting arrangements and how risk is managed within departmental areas. |
| <b>Methodology</b>                               | Assessing whether effective risk processes and tools are in place to support the organisation  |
| <b>People &amp; Training</b>                     | Evaluating the level of risk management skills, knowledge, and capacity across the organisation  |
| <b>Projects, Partnerships &amp; Supply Chain</b> | Determining whether there are effective arrangements for managing risks within projects and with partners and suppliers                                |



The above figure indicates where West Lancashire Borough Council is judged to be based on the last external review which concluded in September 2022.

The model enables an assessment to be made around the extent to which risk management is having a positive effect on the Council. The five levels of maturity are as follows:

## Maturity Assessment

The green highlighted section denotes where the Council scored on its last assessment in 2022. Further work in the 6 areas detailed below will ensure that the Council becomes more mature in its approach to Risk Management.

|                                     | Risk Culture & Leadership  | Risk Appetite & Strategy   | Governance  | Methodology  | People & Training  | Projects, Partnerships & Supply Chain   |
|-------------------------------------|--|--|---|--|--|---|
| <b>Level 5<br/>Transformational</b> | Risk Management is actively championed by the CEO, Senior management and Members. There is a strong consideration of risk in all decision-making processes | Risk appetite is reviewed at least annually and is taken into account in key decision points including day-to-day operational, as well as strategic, decisions   | There is active oversight of risk management from Members and senior management   | Management of risk and uncertainty is well integrated with all key business processes and shown to be a key driver in business success | Staff are empowered to be responsible for risk management and the organisation has a good record of well managed risk taking                       | Risk management is a collaborative activity amongst all parties and shown to be a key driver in success delivery    |
| <b>Level 4<br/>Integrated</b>       | Senior Management & Members constructively challenge risk information and consider risk within decision making processes                                   | The organisation has formalised its risk appetite and statements exist for each principal risk category for practical use at key decision points   | Governance arrangements are effective and aligned with other processes within the organisation  | Risk management processes are used to support key business processes and service delivery  | Suitable guidance is available, and a training programme has been implemented to ensure the continuation of risk management capability             | Sound governance frameworks are established in these areas and common risk goals are identified amongst all parties |
| <b>Level 3<br/>Managed</b>          | Senior management & Members take the lead to apply risk management across the organisation and a register of key strategic risks is maintained             | The concepts of risk appetite and tolerance are understood and utilised by senior management when discussing strategic risks   | Formal reporting and assurance arrangements for risk management exist which are delivering value to the organisation and are consistently applied | Risk management processes are established and effective but are not being applied consistently across the organisation                 | A core group of people have the skills, knowledge and capacity to manage risk effectively and implement the risk framework across the organisation | Risk Managed in these areas is effective, appropriately resourced   |
| <b>Level 2<br/>In Development</b>   | Senior management & Members are actively building the organisation's risk culture and a senior level 'risk champion' has been appointed                    | Risk Management strategies & policies are drawn up, communicated and being acted upon but Risk Appetite is not a concept actively used within the organisation, even if it is mentioned within the policy / strategy | Reporting and assurance exist but are currently being implemented or require development  | Risk management processes exist but are currently being implemented or require development   | The organisation is taking steps to increase the capacity and competency of individuals with risk management roles and responsibilities            | Approaches for managing risk in these areas exist but are currently being implemented or require development        |
| <b>Level 1<br/>Fragmented</b>       | Senior management & Members are aware of the need to manage risks  | Risk Management is sporadic and unstructured within the organisation   | The monitoring and reporting of risks is limited and only done when requested by senior management or Members                                     | No formal process exists for risk management within the organisation   | Key people are aware of the need to understand risk principles but there is a skills gap across the organisation                                   | Key people are aware of potential risks factors in these areas  |

# Section 2:

## Implementing the Council's Risk Management Approach

# 2.1 Governance & infrastructure

## 2.1.1 Risk Management Policy & Strategy

Our risk management policy & strategy links with decision making to ensure it is completely aligned with what we are trying to achieve and how we are delivering this.

The risk management policy & strategy is accessible to all employees and is introduced as part of the induction process. It is reviewed annually.

It can be accessed via the [risk management page](#) of the intranet.

The purpose of our risk management policy is to concisely communicate why and how risk management will be implemented throughout the Council to support the achievement of priorities, objectives, and activities.

It is a formal acknowledgement of our commitment to managing risk. It includes

- the rationale for risk management
- details of roles and responsibilities
- WLBC's risk management process
- WLBC's risk appetite statement
- WLBC's corporate risk matrix
- Information on risk escalation

The purpose of the Council's risk management strategy is to provide a comprehensive overview of our risk management framework and to act as a reference point for those responsible for the execution of the risk management process.

## 2.1.2 Three Lines of Defence

The Council operates a three lines of defence model which provides assurance that risks are being actively managed and controlled. By having the three lines of defence in operation it allows us to safeguard against breakdowns in risk management. It also emphasises that risk management is everyone's responsibility.

The three lines of defence model distinguishes among three groups (lines) involved in effective risk management:

1. Functions that own and manage risks.
2. Functions that oversee risks.
3. Functions that provide independent assurance.

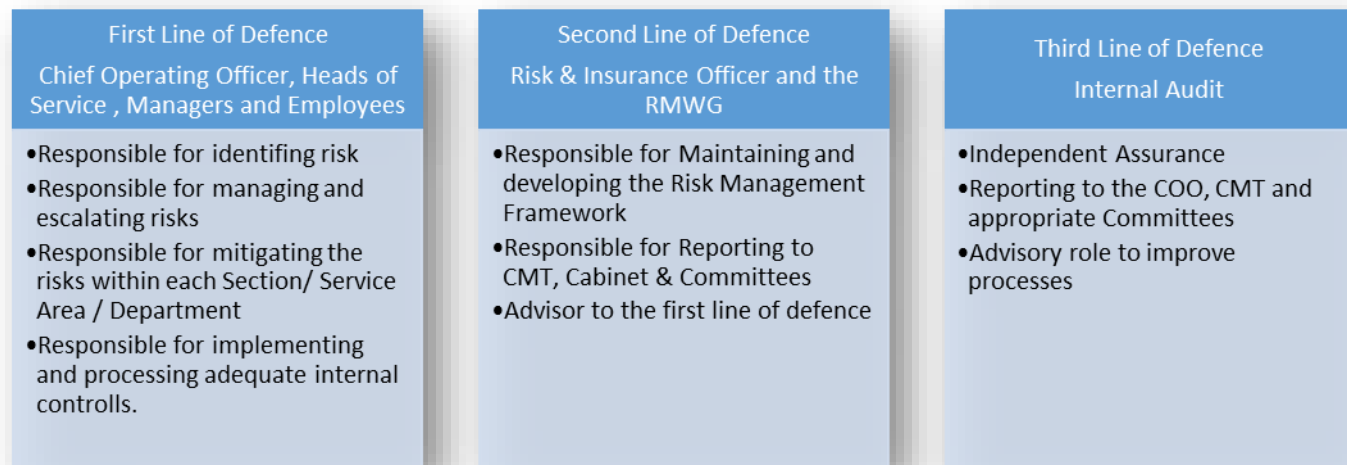
In addition to the three lines of defence there are then a further two functions:

4th Line of Defence - External auditors will be required to confirm and attest to the accuracy of financial records.

5th Line of Defence – Certain regulators will require compliance with the rules and regulations within their scope.

Our risk and control processes are structured effectively in accordance with the three lines of defence model in that;

- Each line of defence is supported by appropriate policies, role definition and training.
- There is coordination among the separate lines of defence to foster efficiency and effectiveness.
- Risk and control functions operating at the different lines share knowledge and information to assist all functions in better accomplishing their roles in an efficient manner.
- Lines of defence are not combined or coordinated in a manner that compromises their effectiveness.



## 2.1.3 Risk management roles & responsibilities

### Heads of Service

- Implement the risk management framework within their Service, including ensuring that up to date risk registers are maintained.
- Review service risk registers, as a minimum, on a quarterly basis to satisfy themselves that adequate controls for risks are in place, and that risks are added to and removed from risk registers when appropriate.
- Review the risk management framework to ensure that it is functioning effectively and that any further actions required are detailed in service action plans.
- Embed the importance of risk management within their Service and ensure that strategic risks are communicated to employees, and that day-to-day operational risks are communicated to senior management.
- Determine the nature and extent of the principal risks we are willing to take in achieving our strategic vision and priorities.
- Determine how significant risks should be managed or mitigated to reduce the likelihood of their incidence and / or their impact.
- Carry out service risk assessments as part of service action planning.
- Monitor the key risks and associated actions in their area of responsibility.
- Allocate sufficient resources to address significant risks.
- Nominate Risk Management Champions within their Service.
- Ensure risk is discussed at DMT meetings, as a minimum, on a quarterly basis.
- Discuss risk responsibilities during officers' annual performance reviews, and one to ones.

### Corporate Management Team (CMT) & Members

- Annually review and approve the risk management policy & strategy, toolkit, and risk appetite of the Council.
- Review the key risks to the Council and the controls in place to manage those risks.
- Review the key risks across the Council, consider their importance against achieving our vision and priorities, and action further controls.
- Create an environment and culture where risk management is promoted, facilitated, and appropriately undertaken.
- Champion risk management activities and raise awareness of the benefits of managing risk effectively.

### Senior Managers

- Manage risk effectively in their area of responsibility.
- Complete the risk management process as per the Council's framework.
- Complete, track and monitor the progress of risks, action plans and performance indicators.
- Discuss risk responsibilities during officers' annual performance reviews, and one to ones.

### Employees

- Be familiar with, understand, accept, and implement the risk management framework.
- Report inefficient, unnecessary, or unworkable controls.
- Report loss events and near-miss incidents.
- Cooperate with management on incident investigations.
- Ensure that visitors and contractors comply with procedures.
- Monitor work on an ongoing basis to identify new and emerging risks and escalate as required.

### Internal Audit

Evaluate risk management processes continuously to provide assurance to Members and senior management that significant risks are being managed appropriately and that the risk management and internal control framework is operating effectively.



### Risk Management & Insurance Officer

- Coordinate the Council's risk management activity.
- Develop and maintain the risk management framework and tools.
- Highlight any significant new or worsening risks to the Corporate Management Team for review and action.
- Assist in the delivery of the risk management process across the organisation.
- Provide risk management guidance, training, and advice.
- Provide the link between risk management and other related disciplines.
- Promote and share best practice risk management across the organisation.
- Develop the risk management culture of the Council.

### Risk Management Working Group (RMWG)

Responsible for maintaining and developing the Risk Management Framework the RMWG meets twice yearly and more frequently if required, to consider the following;

- Issues and improvements to the risk management framework
- Risk management training requirements
- Risks facing the Council
- Disseminating good practice requirements for risk management,
- How to further improve and embed risk management culture within the Council, to support its decision-making process, strategies, and operations

### Risk Management Champions

- Attend meetings of the Risk Management Working Group (RMWG) or nominate a suitable substitute when unable to attend.
- Disseminate information discussed at the RMWG to their service and feedback to the group accordingly.
- Support their Head of Service in implementing the risk management framework within their service.
- Raise any issues regarding risk management with the Risk and Insurance Officer.
- Advise the Risk and Insurance Officer if any risk management or Pentana training is required within their service.
- Give advice and guidance to managers/officers within their service on preparing risk assessments for committee reports.
- Provide advice and guidance to those updating risks on the Pentana system.
- Help to promote and embed Risk Management within their service to engage staff in the management of risk.
- Communicate the benefits of risk management across operational areas.

### Risk Owner (Officer "assigned to the risk")

- Has day to day responsibility for the risk and for updating the risk register.
- Along with the individual risk manager the risk owner is responsible for agreeing and delivering the action plan to control the risk and monitoring progress against it.
- Must update the risk on Pentana every quarter, as a minimum.

### Risk Manager (Designated as manager "managed by")

- The designated member of staff (or management group) who carries the ultimate responsibility for ensuring that the risk is being effectively managed by the risk owner.
- Along with the risk owner is responsible for agreeing and delivering the action plan to control the risk and monitoring progress against it.

### Control Owner

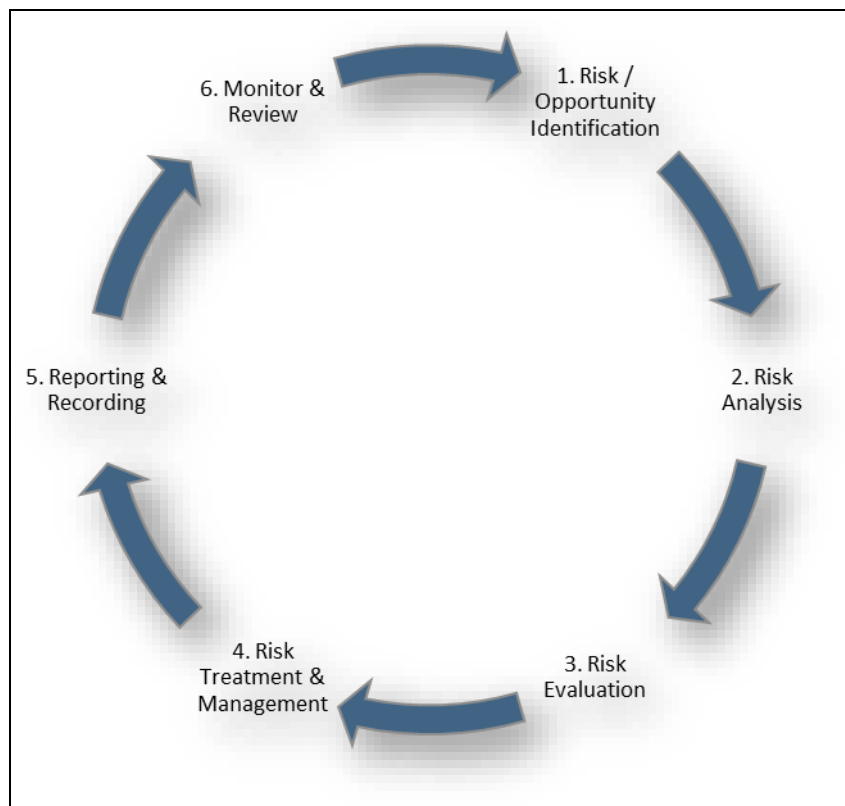
Has accountability for ensuring that the control is in place and is operating effectively. The control owner does not necessarily perform the control activity, however, if not conducting the control, they should have a level of oversight of its performance.



## 2.2 Risk management process

The Councils risk management process is a continuous process involving the identification of risks, prioritisation of these risks and the implementation of actions to further mitigate risks.

Our risk management processes has 6 key stages:



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The risk management process outlined in this toolkit is broken down into the 6 steps in the diagram.



## 2.2.1 Step 1: risk/ opportunity identification

The purpose of risk identification is to generate a comprehensive inventory of risks based on events that might create, prevent, accelerate, or delay the achievement of our vision, priorities, and objectives. It is important that all risks are identified at each level of the Council e.g., CMT, services, departments, and teams.

The starting point for the identification of risks and opportunities should be to examine the Councils, directorate, service, or project's vision, priorities, and required outcomes. It is important that officers carry out risk identification and examine all identified risks and link them to the appropriate Council, service or project vision, priority, and outcomes where possible.

It is mandatory that risk management features on the agenda of quarterly DMT meetings and therefore senior managers should be aware of emerging risks or changing risk context.

It is important that all members of staff are involved in the risk management process. Managers should ensure that there is a process in place for employees to actively report any risks as and when they arise, and for them to report when the extent of the risk changes.

Officers assigned to risks i.e., risk owners should update Pentana with new risks that have been identified and continue to keep risks updated with real time updates.

Some risks will be identified on an on-going basis but will be rectified almost immediately and will therefore not form part of the formal risk register e.g., a missing sign on an emergency exit should not be included but should be rectified as soon as possible.

### Risk Identification Techniques

There are a variety of techniques and methodologies that can be used to identify risks and it is essential the method selected works for your team. The important point to remember is that the technique(s) adopted should ensure a variety of officers can input to the process. This will ensure that all risks are identified.

Start the process by reviewing the existing risk registers and asking 3 questions:

1. Have any of the risks recorded changed significantly in terms of impact or likelihood?
2. Are any risks missing from the risk register?
3. Is anything planned over the next 12 months that will give rise to a significant risk?

This should not be limited to a review of existing risk registers; it must also include some fresh thinking on what new and emerging risks need to be considered. Techniques for this include:

- Analyse previous losses, events, incidents, or lessons learnt. All of these can be reviewed to identify the common causes which will allow related risks to be considered.
- Technical briefings, national reports, and networking. Access to relevant national reports, technical briefings, specialists (including internal experts) and guidance is a good way of disseminating and highlighting relevant risk issues.
- Checklists can be a good way of collecting a lot of risk information quickly.
- Experience
- Horizon scanning
- Inspections of premises
- Audits (internal audit, health & safety or external)
- Equality analysis
- Directorate / service / team meetings
- Workshops and brainstorming
- Internal control processes
- Day to day operations
- Local / national or social media
- Alterations to legislation
- Insurance claims / losses information





## Risk Identification Techniques

- **SWOT analysis:** this represents Strengths, Weaknesses, Opportunities and Threats. A SWOT analysis is a strategic planning method for an organisation and its environment that focuses on identifying the strengths and weaknesses of the organisation (internal) as well as the opportunities and threats (external) to the organisation.
- **Facilitated Workshop:** this is a useful technique to bring together a number of stakeholders who will all have differing perceptions of risk and the potential consequences if those risks were to materialise

- **PESTLEC analysis:** this is a useful technique to understand the 'big picture' of the environment in which you are operating. It considers the organisation/ project from a Political, Economic, Sociological, Technological, Legal, Environmental and Cultural point of view.



### Running a Risk Identification Workshop

There are many ways of designing and facilitating a risk workshop. One method is shown here – which is based on risk identification only.

#### Before the workshop be clear about:

- what the specific service / team / project priorities or objectives are that you will be considering
- the structure and content of the session, including what you will and will not be discussing
- the roles of the facilitator and participants
- who needs to attend
- any material which will be circulated in advance and who is responsible for circulating it.

#### During the Workshop

- Introduction / scene setting
  - agenda
  - the objectives or priorities that risks are being considered in relation to
  - details on how you will describe risks as well the different types of risk categories

- for small groups (up to 6), you could use post-it notes to capture risks. The facilitator can then group them into risk categories before sharing them with the group.
- for larger numbers you may wish to split the participants into syndicate groups (average 3-6 per group) get them to focus on one or two risk areas and use flipchart paper to write down the risks.

#### Output

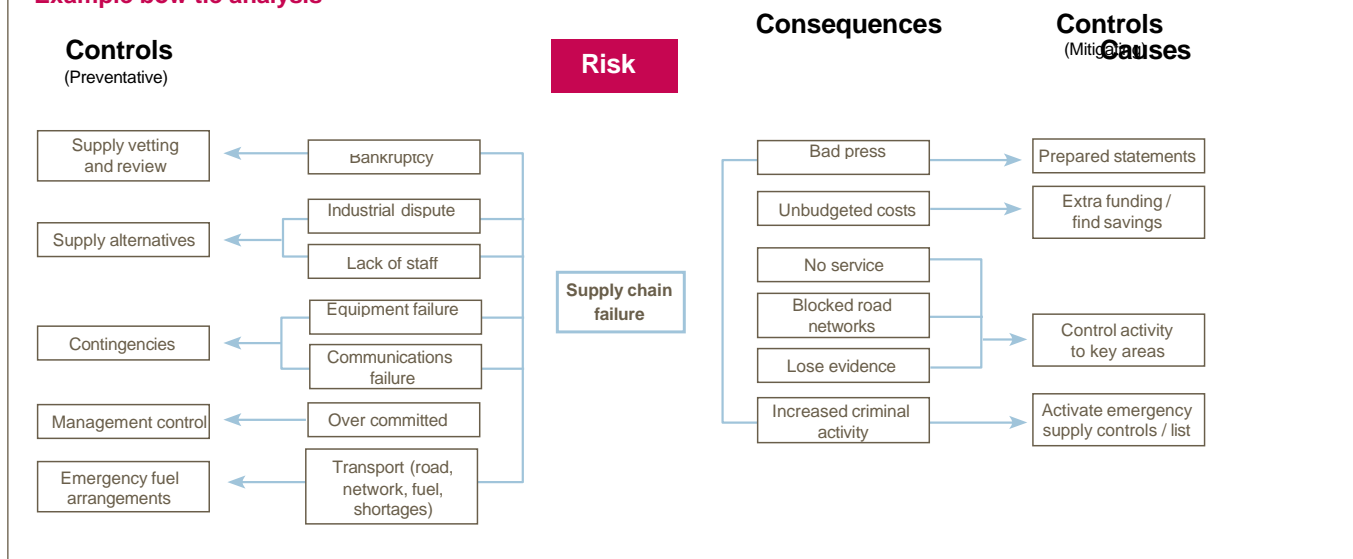
- Your output report could cover
  - the aims and objectives of the workshop
  - the process used to identify the risks
  - a list of those who attended
  - the risks identified
- The report should be circulated to interested stakeholders requesting comments / feedback. A further workshop could be organised to complete the task of scoring and indicating new and existing controls etc.
- The risks should be entered onto Pentana.



- **Bow tie analysis / illustration:** a visual illustration of the identified risk, its causes, consequences, proactive controls, and reactive mitigation. The bow tie is easy to interpret and is a good way to engage officers at all levels in the risk identification process.



### Example bow tie analysis



- These risk identification techniques are not mutually exclusive – use whichever one / combination works best for you.

The Risk & Insurance Officer is happy to facilitate any risk identification sessions so please consider inviting them along.



This following Risk Universe supports the risk identification stage of the risk management process. It can be used as a prompt as to the type of risks you should be considering during the risk identification process. The list that follows is provided as a guide and is not designed to be all encompassing but is useful as a starting point to identify risk(s). The risk identification stage should be repeated regularly to ensure that new risks arising are identified and brought into the risk profile as appropriate.

|   |   |
|---|---|
| <p><b>Cultural</b></p> <p>The cultural environment in which the Council is operating</p>  | <ul style="list-style-type: none"> <li>• Cultural diversity of the local area and the Council's ability to ensure everyone is catered for.</li> <li>• Services are no longer in demand due to changing behaviours.</li> </ul>   |
| <p><b>Environmental</b></p> <p>Environmental events as well as increased environmental awareness or regulation can all impact public service organisations</p>                      | <ul style="list-style-type: none"> <li>• Nature of environment</li> <li>• Waste disposal and recycling issues</li> <li>• Pollution issues, e.g., fly tipping,</li> <li>• Growing environmental, social and governance agenda</li> <li>• Severe weather or public health emergency increases demand on services</li> <li>• Flooding and other severe weather and the need for investment in counter measures</li> </ul>  |
| <p><b>Financial risks</b></p> <p>Issues arising from the budgetary, financial planning and control framework</p> <p>Page 19</p>   | <ul style="list-style-type: none"> <li>• Financial situations such as areas of significant over or under spending</li> <li>• Flexibility to allocate budgets to address areas where control weakness is identified</li> <li>• Level of reserves and budgetary control</li> <li>• Monitoring and reporting systems</li> <li>• Fraud / mal-administration and corruption</li> <li>• Changes in government priorities and fiscal policies that can influence the need for alternative revenue streams</li> <li>• Changing international economic relationships that can impact local businesses and the support they require</li> <li>• Push towards engaging partnering/ outsourcing to the private sector</li> </ul> |
| <p><b>Health &amp; Safety Risks</b></p> <p>The need to provide a safe environment for staff, citizens, and all stakeholders</p>   | <ul style="list-style-type: none"> <li>• Commitment to health, safety and well-being of staff, partners, and the community.</li> <li>• Potential physical hazards such as monitoring the condition of trees on WLBC owned land or pathways, and slips and trips on WLBC owned land</li> </ul>   |
| <p><b>Legislative / Regulatory/ Compliance</b></p> <p>The legal and regulatory framework in which the Council exists</p>  | <ul style="list-style-type: none"> <li>• Preparedness for new, and compliance with existing, legislation and regulations including European law / regulations</li> <li>• Exposure to regulators - e.g., auditors / inspectors</li> <li>• Changes to the litigation environment</li> </ul>   |
| <p><b>Operational risks</b></p> <p>The need to effectively deliver services which meet the needs and expectations of customers and residents</p>                                    | <ul style="list-style-type: none"> <li>• Why is service delivery not effective?</li> <li>• Do residents, taxpayers, businesses, and partners receive the services they require when they need them? Are expectations being managed?</li> <li>• Extent and nature of consultation with / involvement of community, e.g., community groups, local businesses, focus groups, resident's panels, etc.</li> </ul>  |
| <p><b>Partnership / Contractual</b></p> <p>Key strategic partners from public, private and third sectors, County strategic partnerships, joint ventures and outsourced services</p> | <ul style="list-style-type: none"> <li>• The delivery of services</li> <li>• Investment of time, money and expertise</li> <li>• Meeting organisational objectives</li> <li>• Fair procurement</li> <li>• Risk of financial and reputational risk.</li> </ul>  |
| <p><b>People</b></p> <p>The need to be managerially and professionally competent and for staff to be satisfied</p>  | <ul style="list-style-type: none"> <li>• Professional / managerial standing of key officers</li> <li>• Stability of officer structure - particularly at the top</li> <li>• Turnover, absence, stress levels, illness</li> <li>• Workforce planning</li> <li>• Equalities issues</li> <li>• Managing major changes</li> </ul>  |

|   |   |
|---|---|
| <p><b>Physical risks to Systems &amp; Assets</b></p> <p>Physical hazards associated with systems, property, vehicles, plant, and equipment.</p>     | <ul style="list-style-type: none"> <li>• Nature and condition of assets e.g., buildings and other property owned, dilapidation of leased property</li> <li>• Testing of systems to ensure efficiency</li> </ul>   |
| <p><b>Political</b></p> <p>Political decisions can impact on many areas in public service organisations.</p>  | <ul style="list-style-type: none"> <li>• Central Government initiatives impacting on Local Government</li> <li>• Changes to devolution and powers of Councils</li> <li>• Political uncertainty and changing priorities of local and national groups</li> <li>• Pressure to become more commercial and provide support for local businesses</li> </ul> |
| <p><b>Sociological</b></p> <p>Changes in social trends can dramatically impact public service organisations, both on service demand and supply.</p> | <ul style="list-style-type: none"> <li>• An ageing population increases pressure on certain services</li> <li>• The impact of social media on patient or public activism is a potential opportunity as well as a threat</li> <li>• Changing expectations of the local community</li> </ul>  |
| <p><b>Technological</b></p> <p>New technologies create new products and new processes that can impact service providers and end users.</p>          | <ul style="list-style-type: none"> <li>• Impact on reputation and services of not implementing new technologies</li> <li>• Need to invest in provision of quality telecommunications to all communities</li> <li>• Effective communication is essential.</li> </ul>   |

## Categories of Risk

When identifying risks all categories of risk should be considered. The risk universe above provides examples of the types of risk that may occur across the Council, some of which are aligned to the risk categories. This can be used to guide the identification process, although it is not an exhaustive list of all the potential areas of risk and you may have to think beyond these risks to ensure the unique risk profile is captured. You may also wish to add more categories / amend some of the category titles to align better to your service/ team or project.

## Articulation of Risk

It is important to ensure risk descriptions are brief but fully communicate the risk in question. The following wording groups are often used to begin the process of articulating risk:

|                     |                      |
|---------------------|----------------------|
| Failure to ...      | Reduction of ...     |
| Loss of ...         | Disruption to ...    |
| Inability to ...    | Increase in ...      |
| Inappropriate ...   | Lack of ...          |
| Exploitation of ... | Realisation that ... |
| Enhancement of ...  | Empowerment of ...   |



### Example of a well worded risk

- **Risk:** failure to retain key employees.
- **Cause:** uncompetitive compensation packages, work overload of staff.
- **Potential Effect:** disruptions to services, increase in temporary staffing costs, increased pressure on recruitment team.

Opportunity risk management is discussed later. An example of a well worded opportunity is provided below:

- **Risk:** enhancement of the pricing terms with key contractors for labour / material.
- **Cause:** ongoing effects of the current economic climate are putting downward pressure on the price of labour and materials.
- **Potential Effect:** procurement savings, reduction in the cost of key projects.





## Recording Risks

It is imperative that risks are recorded on the appropriate risk registers on the Pentana Risk System. Risks must continue to be regularly monitored and actively managed until they are realised.

Every risk should be assigned to a risk owner who is identified on the risk register. The risk owner (the officer named in the "assigned to" category) is the designated member of staff who, along with the risk manager, carries the ultimate responsibility for mitigating, controlling, and monitoring the risk.

It is the responsibility of the risk owner to ensure that their risk is on Pentana, that it is kept updated, and that the risk is escalated through the appropriate channels when necessary. It is also their responsibility to make sure that their risk is linked to their service action plan and performance indicators if appropriate.

The Council's risk registers have several key elements to them, and officers are expected to record those elements detailed below on their service risk register. Whilst the following information summarises the steps that need to be taken, all officers using Pentana risk should watch the [Pentana Risk Webinar](#) available on the intranet before

inputting any risks into Pentana

Officers should also consult the flowchart for permissions required to add a risk to service and key risk registers.

During the risk identification process you should aim to complete the following columns in the risk register:

- **Code:** unique risk number / letter that will follow the risk for the duration of the process to enable mentoring and reporting.
- **Risk title:** a brief articulation of the risk. This needs to be specific so as not to over complicate your risk register but also needs to fully articulate the risk in question to ensure it is clearly understood by the reader.
- **Risk Cause:** What the cause of the risk may be.

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### Risk Owners & Profile Tab

|                           |   |
|---------------------------|---|
| <b>Risk Ownerships</b>    | <p>Ensure that <b>all</b> ownerships in the section are assigned.</p> <p>Assigned to - Assign the risk to the risk owner, i.e., the officer who has day to day responsibility for managing the risk. The risk owner should be someone with knowledge of the risk area and be senior enough to insist mitigations are completed. The risk owner must carry out a quarterly review of the risk register.</p> <p>Managed by - The person ultimately responsible for managing the risk, agreeing, and delivering mitigations to control the risk.</p> <p>Risk Champion – Allocate to the Risk Management Champion for your area. A list of Risk Champions is available on the <a href="#">risk management page</a> of the intranet.</p> |
| <b>Corporate Priority</b> | Select the appropriate priority from the dropdown box.  |
| <b>Potential Effect</b>   | The consequence to the Council / service / team should the risk materialise. More than one consequence can be recorded for each risk.   |
| <b>Year Identified</b>    | The year that you first became aware of the risk.   |
| <b>Notes</b>              | <p>Note any details that you wish to note in this section. Examples include:</p> <ul style="list-style-type: none"> <li>• Why a risk category was not scored</li> <li>• Reasons for changes in scoring</li> <li>• Detail briefly the current position of the risk e.g., has a report gone to Cabinet / Council, has a report been approved, is a periodic review about to take place, has a project manager been appointed, is the risk being audited.</li> </ul>   |



## 2.2.2 Step 2: Risk Analysis

In the risk analysis phase, we analyse the size of risk based on the likelihood of the risk occurring and the impact that the risk may have if it did occur. The risks that have been identified need to be assessed so that we can prioritise mitigation actions towards better controlling those risk areas that are most likely to prevent or hinder the achievement of our vision, priorities, and outcomes.

We do this through the application of assessment criteria that evaluates risk from two perspectives; impact (severity) and likelihood (probability) and calculates a risk score. Risk impact refers to the impact to the Council should the risk materialise, whereas likelihood refers to the chance of that risk materialising.

The risk score is then calculated as follows

$$\text{Impact Score} \times \text{Likelihood Score} = \text{Risk Score}$$

The first time that a risk is assessed the likelihood and impact of the risk against the Council's risk impact categories will need to be considered as if no controls exist; this will give the inherent risk.

The likelihood and impact of the current risk is then assessed, this is an assessment of the risk with all current controls in place. This step is then repeated for all future assessments.

There will need to be consideration of what the target risk is. This is the level of risk that you are aiming to manage the risk down to, over time. This will need to be considered at each future assessment.

### Measures of Likelihood

| Score           | Descriptors  |
|-----------------|--|
| <b>Certain</b>  | Almost certain, is expected to occur in most circumstances. Greater than 80% chance. |
| <b>Probable</b> | Likely, will probably occur in most circumstances. 50% - 80% chance.                 |
| <b>Possible</b> | Possible, might occur at some time. 20% - 50% chance.                                |
| <b>Unlikely</b> | Unlikely, but could occur at some time. Less than a 20% chance.                      |

### Measures of Impact

| Score              | What is the worst that could happen?  |
|--------------------|---|
| <b>Low</b>         | Minor loss, delay, inconvenience or interruption, very minor damage to reputation and very minor health & safety issues. Opportunity to innovate/make minor improvements to performance missed/wasted. Short to medium term effect.   |
| <b>Medium</b>      | Waste of time and resources. Good opportunity to innovate/improve performance missed/wasted. Moderate impact on operational efficiency, output and quality. Minor health & safety risk, short term damage to reputation. Medium term effect which may be expensive to recover from.   |
| <b>Significant</b> | Major impact on costs and objectives. Substantial opportunity to innovate/improve performance missed/wasted. Significant impact on output and/or quality. Significant damage to reputation and moderate health & safety consequences. Medium to long term effect and expensive to recover from.                                     |
| <b>High</b>        | Severe / Critical impact on the achievement of objectives and overall performance. Critical opportunity to innovate/improve performance missed/wasted. Huge impact on costs and/or sustained damage to reputation. Major health & safety issues. Very difficult to recover from and possibly requiring a long term recovery period. |





**Risks must be assessed against each appropriate impact category.**

The following table gives examples of how the **impact** score can be determined for each category. This impact chart will appear on Pentana when you are scoring your risk.

| Risk Type/ Category                          | Low  | Medium   | Significant   | High  |
|--|--|--|---|---|
| <b>Reputational</b>                          | Single adverse article in local media or specific professional journal that is not recirculated (e.g.: through social media). WLBC may be one of a number of agencies referred to. | A number of adverse articles in regional media mentioning WLBC. Some circulation via social media. Single request for senior officer / Member to be interviewed on local TV or radio. Adverse reaction by West Lancs residents in social media / online forums. Short term reduction in public confidence. | Series of front page / news headlines in regional or national media. Wider recirculation via social media. Sustained adverse reaction by West Lancs residents in social media. Repeated requests for senior officer / Member to be interviewed on local TV or radio. Long term reduction in public confidence | Sustained adverse publicity in regional media and / or national media coverage. Extensive / prolonged recirculation via social media channels. Repeated requests for Leader / Chief Operating Officer to be interviewed on national TV or radio. Possible resignation of senior officers and or elected members. Total loss of public confidence. |
| <b>Legislative / Regulatory / Compliance</b> | Failure to meet internal standards.  | Minor breach of statutory legislation / regulation. Breach of best practice requirements.  | Single breach in statutory duty. Challenging external recommendations / improvement notice.   | Several breaches in statutory duty. Enforcement action and improvement notices. Critical report. Censure by regulator; breach of legal or contractual obligation.   |
| <b>Financial</b>                             | Impact on in year budget pressures to be resolved within Service.  | On-going financial pressures which require corporate resolution and should be addressed through the budget setting process.  | Significant financial pressures leading to alternative approaches to service delivery.  | Inability to continue as a going concern and leading to potential external intervention.  |
| <b>People</b>                                | Short term low staffing level that temporarily reduces service quality. Some minor staff dissatisfaction   | Medium term low level / insufficient experienced staff to deliver quality service. Low staff morale.   | Late delivery of key objective / service due to lack of experienced staff. Very low staff morale.   | None delivery of key objective / service due to lack of experienced staff.  |
| <b>Health &amp; Safety</b>                   | Minor injury requiring no first aid treatment or medication.   | Short lived / minor injury or illness that may require first aid or medication. No overnight hospitalisation.  | Injury that requires short term hospitalisation. Small number of workdays lost.   | Injury that requires medium to long term hospitalisation. Fatalities and / or incidences of permanent disability or ill health. Risk of prosecution from enforcement agencies.  |
| <b>Operational</b>                           | Some short term disruptions to a non-critical service to citizens / customers. No significant effect on customer satisfaction. Low chance of fraudulent activity occurring.        | Short term disruption to a critical service or prolonged disruption to a non-critical service. Noticeable to customers and affecting their satisfaction with the service provided. Medium chance of fraudulent activity occurring.   | Sustained disruption to a critical service or more than one noncritical service. Circumstances defined in the Business Continuity Plan as requiring notification of the Emergency Planning Officer. Customer satisfaction seriously affected. High chance of fraudulent activity occurring.                   | Inability to perform critical services. Events leading to Central Government intervention in running of a WLBC Service. Very High chance of fraudulent activity occurring.  |



| Risk Type/Category                   | Low  | Medium  | Significant  | High   |
|--------------------------------------|--|---|--|--|
| <b>Environmental</b>                 | Superficial impact on environment with cosmetic remediation.   | Environmental damage with short term remediation. Less than 3 months.   | Environmental damage with medium term remediation.   | Major environmental damage, reversible with long-term remediation.   |
| <b>Physical Systems &amp; Assets</b> | Minor property, asset or facilities damage and minor disruption to systems.                          | Significant but temporary damage or disruption to assets, property, facilities or systems.  | Sustained damage to property, assets, facilities or systems. Repair or replacements lasting more than 1 month.   | Long term or permanent loss or disruption to critical property, assets, facilities and systems.  |
| <b>Political</b>                     | Minor disruption to service provision which leads to need to notify political members for awareness. | Moderate disruption to service provision and / or objective delivery, leading to regular involvement of political member responsible for the Service. | Major impact on costs and objectives of service delivery, leading to regular review by Members Committee and constant updates to Lead Member for the Service | Critical disruption to delivery of objectives leading to resignation of political members elected position within the Council leading to elections process, delay in achievement of objectives whilst vacant roles filled. |

Pentana risk impact categories must be considered but there will be few, perhaps no, risks you identify that will have a quantifiable impact across all categories. You need only consider against those categories where the risk may impact.

Carrying out risk assessments using agreed risk impact categories will allow us to identify accumulations and interdependencies of risk.

Once the likelihood and impact for each appropriate category is scored on Pentana an overall risk score will be generated.

If for example you have a risk with a potential high environmental risk, but only a low financial impact this does not mean that Pentana will average the overall impact to medium. There can be no trade-off of impacts. The Council has decided that each of the risk impact categories is individually scored independently of how they affect others. For example, a high reputational impact is not made more acceptable by the Council not having suffered a financial loss to get to that point. Your impact score will be equivalent to the highest score you have assessed in any single domain, which will then also act as a guide to where you may best focus your risk treatment

To determine the likelihood, you could:

- look at past records
- consider personal relevant experience (and intuition)
- look at industry-relevant experience of the risk
- consult published literature on the risk
- do some testing or experiments (for example, market research)
- use economic or statistical models to make forecasts
- use experts in the area of the risk to make judgements.

#### Record the following on Pentana

|                                 |  |
|---------------------------------|--|
| <b>Current Risk Review Date</b> | The date that you reviewed the risk. Even if no change is required to the risk this date should be updated so that those looking at the register can see that the risk has recently been considered and remains unchanged.         |
| <b>Inherent Risk Matrix</b>     | This will be completed the first time you score a risk. Consider the Council's risk matrix and where the inherent risk sits in relation to likelihood and the impact of all categories.  |
| <b>Current Risk Matrix</b>      | Consider the Council's risk matrix and where the residual risk i.e., the current risk, sits in relation to likelihood and the impact of all categories. The score should illustrate how the risk scored at the time of the review. |
| <b>Target Risk Matrix</b>       | What can we do further to reduce the risk down to an acceptable level? Use the Council's risk assessment to calculate the likelihood and impact score.   |



## 2.2.3 Step 3: Risk Evaluation

The purpose of risk evaluation is to support decision making. Risk evaluation involves comparing the results of the risk analysis with the Council's risk appetite to determine where additional action is required. This can lead to a decision to:

- Do nothing further
- Consider risk treatment options
- Undertake further analysis to better understand the risk
- Maintain existing controls
- Reconsider priorities and objectives

The Council's full risk appetite statement is set out in the Risk Management Policy & Strategy and summarised in the following chart.

| Risk Type                             | Risk Appetite |
|---------------------------------------|---------------|
| Reputational                          | 3             |
| Legislative / Regulatory / Compliance | 2             |
| Financial                             | 3             |
| People                                | 3             |
| Health & Safety                       | 1             |
| Operational                           | 2             |
| Environmental                         | 3             |
| Physical Systems & Assets             | 3             |
| Political                             | 2             |

### Key

| Ratings | Risk Appetite | Meanings  |
|---------|---------------|---|
| 1       | Low           | Residual risk only acceptable in extreme situations (e.g. where the risk has a very low impact and likelihood)  |
| 2       | Medium        | Residual risk is managed down on a cost-benefit basis. A medium amount of risk is acceptable however, on balance, control is weighted higher than acceptance. |
| 3       | Significant   | Residual risk is accepted to significant levels. Significant implies a pure cost-benefit approach.  |
| 4       | High          | Residual risk is accepted to high levels  |





## Risk Map

Producing a risk score not only allows you to easily prioritise the risks identified, it also enables their presentation on a risk map. This is a visual tool that illustrates the Council's risk profile.

The positioning of the risk on the risk map will guide the control response, for example a score in the red zone (critical zone) would be very severe and call for immediate action, whereas one in the green zone (comfortable) is likely to be relatively unimportant and viewed as manageable.

Once the inherent risk has been classified it is mapped onto the Council's corporate risk matrix. The colours are a "traffic light" system that denotes the risk appetite of the Council.

The mapping is repeated to record the current risk as this will show how controls in place have influenced the level of risk e.g., the inherent risk could place a risk within the red zone as a critical risk, but because controls in place are evaluated as being effective and consistently applied the current risk could fall within the green (comfortable) zone. The mapping should be repeated to record the target risk to provide a view of how much further it is aimed to reduce the level of risk to.

We are more concerned with whether the current risk is within our risk appetite than how it scores. What really matters is that we can clearly identify what else we need to do to reduce the risk so that it falls within our accepted risk appetite level. Ask yourself is the current risk tolerable? Evaluation of the risk will lead to decisions regarding the treatment of risk.

| Level of Concern   | Action Required   |
|--------------------|---|
| <b>Critical</b>    | Urgent attention required at highest level to ensure risk is reduced to an acceptable level. Action planning should start without delay. Progress on actions should be reported to the Chief Operating Officer and / or the Leader. |
| <b>Concerned</b>   | Requires mitigation and a contingency plan. Report on progress to CMT.  |
| <b>Cautious</b>    | Acceptable level of risk however the risk requires mitigation /consideration. Reviewed at Head of Service level.  |
| <b>Comfortable</b> | Acceptable level of risk. Keep under review but no action required unless changes occur.  |

|            |          | Impact |        |             |      |
|------------|----------|--------|--------|-------------|------|
|            |          | Low    | Medium | Significant | High |
| Likelihood | Certain  | 4      | 8      | 12          | 16   |
|            | Probable | 3      | 6      | 9           | 12   |
|            | Possible | 2      | 4      | 6           | 8    |
|            | Unlikely | 1      | 2      | 3           | 4    |



## 2.2.4 Step 4: Risk Treatment & Management

The purpose of risk treatment is to select and implement options for addressing risk.

Risk treatment involves an iterative process of:

- Formulating and selecting risk treatment options
- Planning and implementing risk treatment and controls
- Assessing the effectiveness of that treatment / control
- Deciding whether the remaining risk is acceptable
- If not acceptable, taking further treatment

Controls are methods used by managers to assure them that they are achieving their aims, meeting service objectives, and delivering the outcomes required, and that the service is being provided in the most efficient and effective way. The cost and robustness of existing or additional controls is a key consideration and needs to be balanced against the potential consequences if the event occurred. The cost of implementing and operating a control should not normally exceed the maximum potential benefit.

Risk action planning or risk treatment should only address those risks considered to be at an unacceptably high level, so requiring additional treatment.

### Determining the nature of risk treatment

For those risks which require additional treatment, there are four primary responses; terminate, transfer, treat or tolerate:

1. **Tolerating** risks means that you intend to manage the risk within your existing management routines. Risks should only be accepted where officers believe that the current risk is tolerable i.e., the risk falls within the green (comfortable) or yellow (cautious) category of the matrix. Risks may also have to be tolerated where there is no option but to tolerate a risk associated with delivering an essential public service. In this case it is recommended that a contingency plan is put in place to deal with the risk should it occur.
2. **Treating** risk means that you identify additional action(s) to be taken that will reduce the likelihood and / or impact if the event occurs. Controls can be:
  - **Preventative** which are designed to limit the possibility of an undesirable outcome being realised. Examples include,

physically restricting access to hazardous chemicals, insisting on two signatories, ensuring segregation of duties exist within a system, implementing authorisation limits, or restricting levels of access on IT systems. These controls will help reduce risk levels from the outset.

- **Corrective** which are designed to limit the scope for loss and reduce any undesirable outcomes that have been realised. They may also provide a route of recourse to achieve some recovery against loss or damage. Examples include barriers should hazardous chemicals escape, rotation of staff, passwords, and other access controls.
  - **Directive** which are designed to ensure that a particular outcome is achieved. They are based on giving directions to people on how to ensure that losses do not occur. Examples include procedure manuals, guidance notes, instructions, and training. Such controls advise on how to carry out processes safely but if they are not adhered to, they will not prevent risk events occurring. Insurance and contracts are also examples of directive controls.
  - **Detective** which are designed to identify occasions when undesirable outcomes have been realised. Their effect is, by definition, 'after the event' so they are only appropriate when it is possible to accept that the loss or damage has occurred. Examples include health monitoring and screening, audit reviews, and reconciliations.
3. **Transferring** risk means using an insurer or other third party to cover all or part of the cost or losses should a risk materialise. However, care needs to be taken to accurately specify the risks to be covered. Making arrangements with others such as joint working, partnerships or contracting out to provide services could also be used to transfer/ share risks. However, other risks can arise from these arrangements and the

responsibility of providing the service could remain with the Council. When transferring or sharing risks with other parties, ensure that risk registers detail the apportionment of liability and accountability between parties.

4. **Terminating** risk means ceasing to carry out the activity because modifying it or controlling it would not reduce the risk to an acceptable level.

It may however be impossible to terminate some risks i.e., the delivery of essential public services.

In this case the action you need to take is to ensure that we have a contingency plan in place so that should the risk occur, we can deal effectively with the consequences.

### Opportunities

If dealing with opportunities, opportunity responses will need to be considered e.g., exploit, share, enhance and accept.



When evaluating what treatment options to employ the following should be considered:

- existing best practices to treat the risk
- those critical few controls that will achieve the level of risk reduction required as part of the risk treatment / mitigation plan
- the costs associated with the different treatment options against the associated benefits
- how other organisations mitigate the risk.

## Control Effectiveness

| Scale | Description         | Control type   |
|-------|---------------------|--|
| 1     | Fully effective     | Full compliance with statutory requirements; comprehensive procedures in place; no other controls considered necessary; ongoing monitoring only    |
| 2     | Partially effective | Reasonable compliance with statutory requirements; reasonable standards established; some preventative measures in place; controls can be improved |
| 3     | Not effective       | Insufficient controls; weak procedures; limited attempt made to implement preventative measures  |

## Action Plans

The risk owner then may wish to develop an action plan in collaboration with relevant stakeholders. Action plans can be used as a tool for assigning and monitoring additional actions that have been identified to mitigate the risk further. These are not internal controls that have already been put in place but are further actions that could be put in place to mitigate the risk further e.g., if the risk was not having a fit for purpose risk management framework, internal controls already in place may be all staff have been trained in risk management. An action may be a 3-year programme of work to develop risk management with milestones such as develop a commercial risk appetite, draft guidance on project risk management etc. Action Plans can be detailed on Pentana with milestones and associated performance indicators. The remainder of the Pentana screens should be completed at this point.

## Internal Controls Tab

|                          |   |
|--------------------------|---|
| <b>Internal Controls</b> | <p>Detail the controls that are in place to reduce the inherent risk score to the current risk score and detail who the controls are assigned to, i.e., the control owner.</p> <p>Record the further controls that are required to reach the target risk and detail who the controls will be assigned to. Controls must be allocated to a control owner to enable us to identify the responsibility for a control.</p> <p>Individual controls should be scored as not effective, partially effective, or fully effective. (Guidance above)</p> <p>The control should state whether it reduces the impact and / or likelihood of the risk.</p> <p>Enter a description to detail more information about the specific control and a note to explain why the internal control has been scored at its current level of effectiveness. If appropriate record where the evidence that the controls are operating effectively can be found.</p> <p>As actions are taken to move a control from not effective to partially or fully effective, remember to refresh the control detail.</p> <p>Once internal controls are entered summarise them in the summary section and tick the "internal controls ok" box if you believe that adequate controls are in place.</p> |
|--------------------------|---|



### Related To Tab

|  |  |
|--|--|
| <b>Actions</b>   | <p>Once risks have been updated on Pentana consider whether your service action plan needs to be amended to take account of the work that still needs to be carried out to bring the risk down to an acceptable level. The aim is to shift the risk from critical to comfortable in the prioritisation matrix, at a reasonable cost.</p> <p>Is appropriate action plans and risks should be linked on the Pentana system, and it is recommended that where appropriate, or where the risk is a key risk that it is linked to an action and vice versa. Key risks should include the risks that will stop the achievement of the Council vision, priorities and outcomes.</p> |
| <b>Performance Indicators</b>                              | <p>Performance indicators can assist in providing feedback for the risk management process. This has the advantage of helping to prioritise actions.</p> <p>Linking risk management to performance indicators assists in ensuring risk management is embedded in the Council.</p> <p>Performance indicators that fall short of expectations or target can indicate the effect of risk events or slowly operating control failures.</p>   |
| <b>Risks</b>   | <p>Link to any other appropriate risks</p>   |
| <b>Assignment of a risk to a risk category</b><br>Page 829 | <p>Key Risks should be allocated to the key risk register by assigning them to category "KR Key Risks".</p> <p>You should discuss the risk with your Head of Service to ensure that they agree with allocating the risk to the Key Risk Register.</p> <p>Project Risks should be assigned to a specific project risk register.</p> <p>If you require a new risk category to be set up, then please contact the Risk and Insurance Officer</p>  |

### More Tab

|                           |   |
|---------------------------|---|
| <b>Management</b>         | <p>Select how controlled the risk is</p> <ul style="list-style-type: none"> <li>• <b>Uncontrolled</b> - no controls in place that reduce the impact or likelihood of the risk occurring</li> <li>• <b>Control Pending</b> - controls considered but action not yet taken to implement them</li> <li>• <b>Controlled</b> – controls in place are reducing the impact and/ or likelihood of the risk occurring.</li> <li>• <b>Over Controlled</b> – the controls in place are disproportionate to the level of risk.</li> </ul> |
| <b>Approach</b>           | <p>For risks requiring additional treatment, there are four primary responses, these are known as the 4T's    Select one of the 4Ts of risk management: tolerate, terminate, treat, and transfer.</p>   |
| <b>External Assurance</b> | <p>If external assurance has been received that the controls are effective then tick the "External Assurance Given" box and in the External Assurance comments box explain what the external assurance is e.g., an external review of health &amp; safety procedures, an external audit of council procedures.</p>  |



## 2.2.5 Step 5: Reporting & Recording

The Council has in place a risk reporting process.

- The risk management framework is reported to Audit & Governance, Executive Overview & Scrutiny Committee, and Cabinet on an annual basis.
- Key risks are reported to CMT on a quarterly basis
- Key risks are reported to Executive Overview & Scrutiny Committee, and Cabinet on a 6 monthly basis
- Critical risks are reported to CMT on a quarterly basis.

The risk tab on your portal on Pentana will display all your service risks in addition to the risks that have been determined key risks to the Council.

Key risks are also reported on the Corporate Reporting tab on your home portal.

Risk reporting is necessary

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- for decision making and to provide assurance
- to compare risk levels with risk appetite
- to enable a thorough review of key, service, and project risk registers

## Annual Report & Annual Governance Statement

There is an Annual Report & Annual Governance Statement (which includes a statement on internal control) signed off by the Leader of the Council and the Chief Operating Officer. These are published by July following the financial year end. The Annual Governance Statement is included within the Council's Financial Accounts.

Directors and Service Heads are specifically asked about risk management within the assurance statements they complete which provide supporting evidence for the Annual Governance Statement. Using risk management will assist Directors in completing other aspects of their directorate assurance statements.

Although the arrangements for preparing the directorate assurance statements are well established, it is imperative that the process continues to be driven down the organisation.

It is important that we encourage and where necessary demand the wider use of statements across directorates, to assist in demonstrating compliance and accountability.

## The Reporting of Key Risks

Our Key Risks are those risks which if they occur would have the greatest impact on the Council, the achievement of its the achievement of its vision, priorities, and activities. They are strategic high-level Council risks.

If you are assigned to a risk that has been assessed as a key risk, it will appear on your home portal as a key risk. It will also appear on the corporate reporting tab of your home portal. It will be assigned to the key risk code "KR Key Risks" and will have the word KEY in the title.

If your risk is a **key risk** then you will also have to complete the reporting information section on the Notes, Owner & Profile Tab of Pentana. This reporting information contains the Internal Controls Summary and Notes Summary that will be used to update Members on the progress of the risk. The reporting information section only needs to be completed for key risks.



## 2.2.6 Step 6: Monitor & Review

The purpose of monitoring and review is to assure and improve the quality and effectiveness of the risk management process design, implementation, and outcomes. Ongoing monitoring and periodic review of the risk management process and its outcomes takes place, and the results are incorporated in our performance management, measurement, and reporting activities.

Few risks and risk action plans remain static; risks change, priorities change, actions get completed, risk responses that were once effective may become irrelevant, etc. Therefore, there are two elements to monitoring that need to be addressed:

- monitoring risk response effectiveness
- monitoring the risk profile.

### Monitoring risk response effectiveness

As the Council will be constantly changing, we need to constantly determine whether risk controls are still effective and adapt them as required.

In addition, monitoring and review should take place in all individual stages of the process. It is necessary to monitor the risks, controls, and any documented actions and to regularly report on the progress being made in managing risks, or taking advantage of opportunities, so that the achievement of the Council's vision, priorities and objectives is maximised, and losses are minimised.

There needs to be an assessment of the effectiveness of risk management actions and controls put in place to reduce the likelihood / impact of adverse risk events occurring. Alternative action/ controls will need to be taken if the initial action /control has proved ineffective.

Reviews of risk registers to ensure they remain up-to-date and relevant should also be carried out as;

- Few risks and risk action plans remain static; risks change, priorities change, actions are completed, risk responses that were once effective may become irrelevant.
- Some may become less of a hazard, for example once all the affected staff have been trained. Others may become more likely if a key milestone is approaching, such as the end of a funding stream.

- It may become necessary to escalate a risk if the situation has changed or the initial assessment has proven to be inaccurate. Conversely it may be possible to downgrade a risk.
- New risks identified or opportunities arising will need to be added.
- It may be appropriate to deactivate risks.

Monitoring progress and reviewing the risk registers should take place on at least a quarterly basis, and more frequently if there are many changes or the project is progressing rapidly.

Documenting the review of the risk register, service action plans and performance indicators is also necessary, but need not be onerous. The fact that the review has been carried out should be recorded on Pentana along with a note of any changes made. The corporate risk matrix provides a mechanism for escalating risks or highlighting changes that more senior management needs to be aware of.

### Monitoring risk profile

The risk profile of the Council will constantly change in line with the organisation, strategy, government decisions, service models, new initiatives, and projects. To ensure senior management is effectively managing this changing risk profile it is important to ensure the management of risk process is continuous.

Any significant changes to the risk profile noted during the formal risk management process should be recorded in the relevant risk register and reported as required.

### Metrics

Key Performance Indicators (KPIs) and Key Risk Indicators (KRIs) can be developed to assist the monitoring process.

**Key Performance Indicators (KPIs)** measure the effectiveness of functions and processes.

**Key Risk Indicators (KRIs)** measure how much risk the organisation faces and which risk treatments to apply.

KRIs can be used as early warning indicators to monitor the risk causes to ensure that the monitoring of risks is proactive rather than reactive. They can be an indicator of change in the likelihood or impact of a risk and assist in the decision-making process for risk mitigation.



**Examples of KRIs include:**

- complaints
- service user numbers
- employee turnover rates
- budget over or under spend
- public liability claims
- incidents of vandalism
- helpdesk responsiveness.

**Risk at DMT Meetings**

It is a mandatory requirement that risks are discussed at least quarterly at DMT meetings. Although the exact process used will differ between management teams, the following questions can be used as a guide to promote discussion.

1. Are there any risks missing from the risk register that should be included?
2. Have we included all the risks that may hinder the achievement of the Council's vision and priorities?
3. Have any of the risks in the risk register changed significantly in terms of impact and/ or likelihood and require additional mitigation efforts?
4. Do any of the risks now require escalation?
5. Are controls, any related action plans, and performance indicators still appropriate for the risks?

6. Is there anything planned in the next 12 months that may give rise to service or key risks?
7. Can any risks be removed from the register?
8. How might the risks on the key risk register impact the service?

**Deactivating and adding risks to service and key risk registers.**

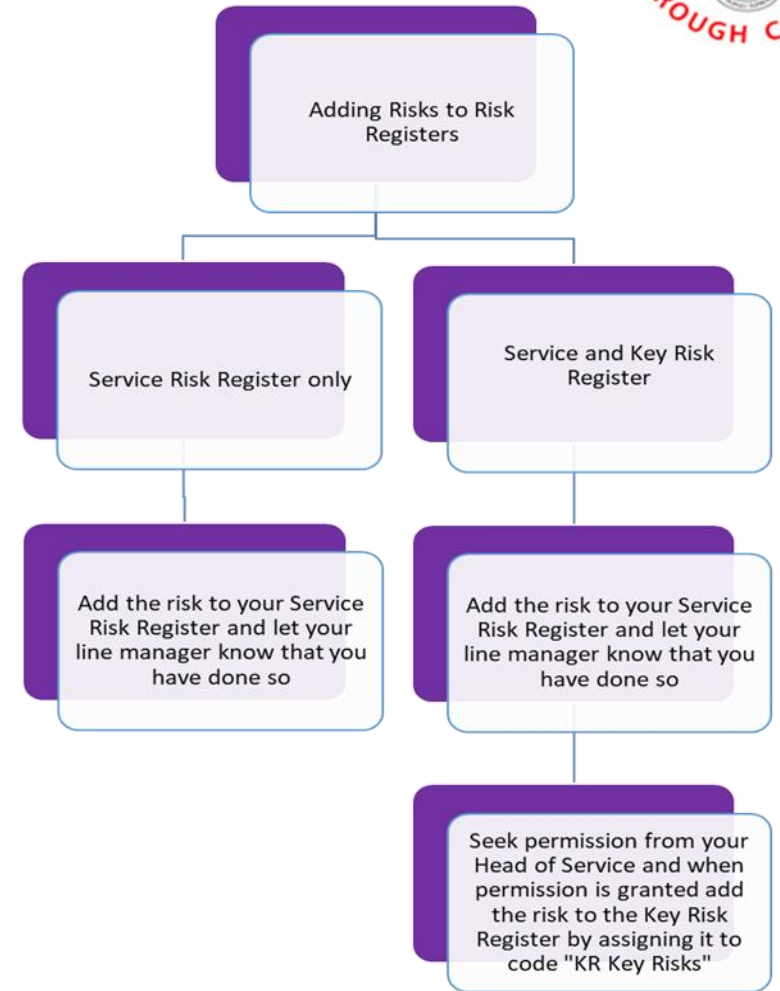
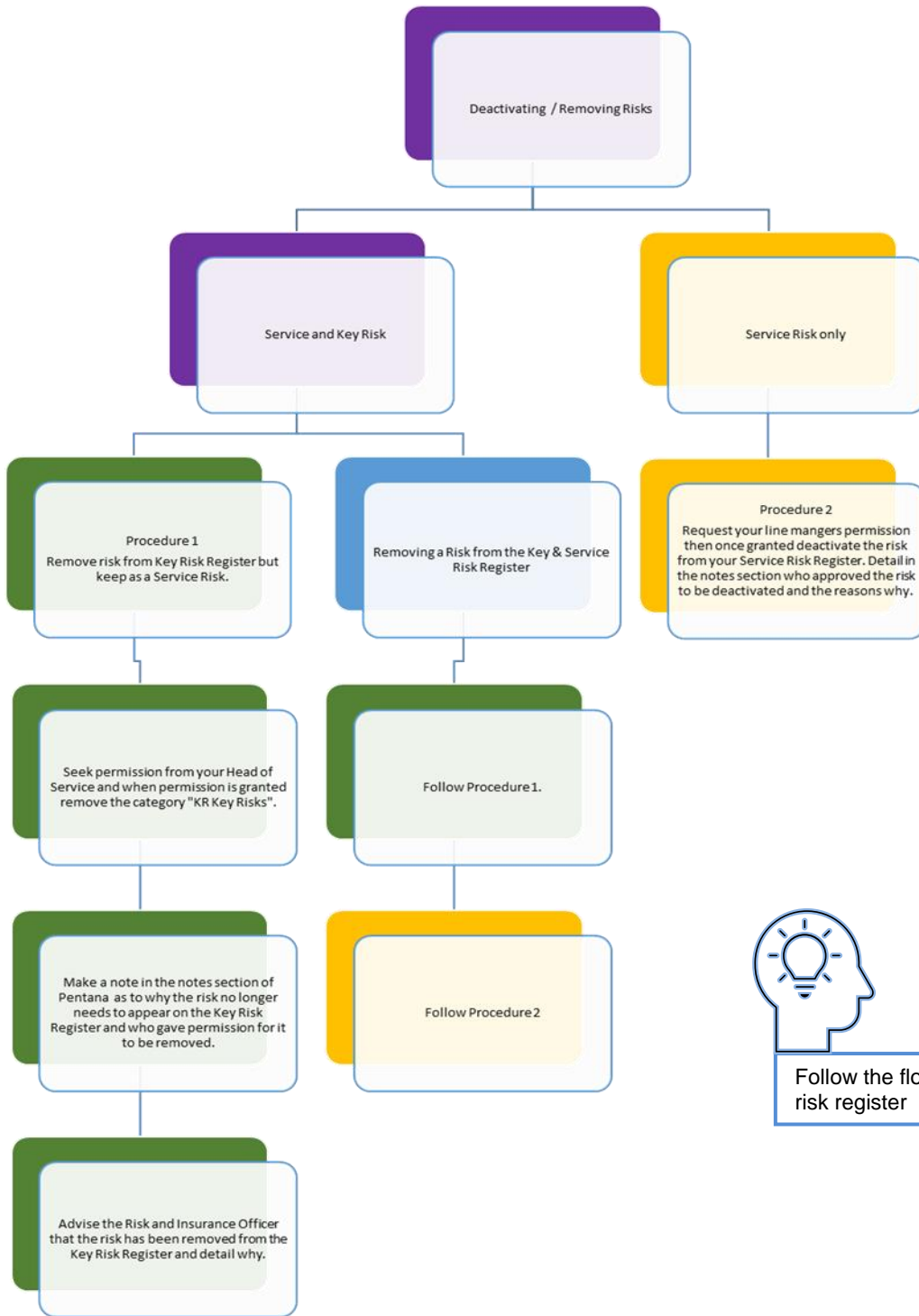
When a risk is realised, it may be deactivated from the Pentana system however risks should never be deleted so that an audit trail of the management of the risk exists. It is important that risks are not deactivated until we are satisfied that the risk no longer presents.

Before risks are deactivated from service risk registers the risk owner must obtain their line managers permission to deactivate the risk. Text should be entered into the notes section advising who deactivated the risk, who approved the risk for deactivation and the reason(s) why the risk was deactivated.

Before risks are deactivated from the key risk register the risk owner must obtain permission from their Head of Service to deactivate the risk. Risk owners must also make the Risk and Insurance Officer aware that the risk is being deactivated so that this can be reported to the appropriate Cabinet and Committees. Text should be entered into the notes section advising who deactivated the risk, who approved the risk for deactivation and the reason(s) why the risk was deactivated.







Follow the flowcharts when adding or removing a risk from service or the key risk register

## 2.3 Integration of risk management

### 2.3.1 Integration with projects and programmes

Projects and programmes form a large part of the operations of the Council. Risk is present in all projects and programmes and therefore these risks require recording, managing, and monitoring through the Council's process. Some of the benefits of project / programme risk management include:

- improved stakeholder relations
- less time, on quality and on budget programme / project completion
- early allocation of risk and risk mitigation responsibility to the most appropriate owner
- risk mitigation is focused on the biggest risks to achieving the project / programme objectives
- greater certainty around decisions
- demonstration to stakeholders that the project / programme is being managed effectively.

When dealing with the management of risk across projects and programmes the risk management process outlined in Section 2.2 of this toolkit should be applied.

The basic process will remain the same but there are some additional considerations:

- Risk identification:
  - should focus on the risks that may impact the achievement of the project or programme objectives
  - should be completed by key project / programme team members
- Prioritisation:
  - risk assessment scales can be developed based on the parameters of the project / programme e.g. the likelihood scale should be aligned to the duration of the programme / project.
- Controls:
  - the cost / benefit of proposed additional controls should be considered within the parameters of the project
  - risk ownership should be allocated across the project / programme team.
- Monitoring and reporting
  - risk reporting should be integrated with established project / programme reporting lines
  - risks should be monitored at the beginning of each stage of the project.



- Ask the Council's risk function to be involved at the very beginning of the project.

#### The golden rules of project risk management

1. Make risk management part of the project
2. Identify risks early
3. Communicate about risks
4. Consider both threats and opportunities
5. Clarify ownership issues
6. Prioritise risks
7. Analyse risks
8. Plan and implement risk responses
9. Register project risks
10. Track risks, associated actions, and performance indicators.

## 2.3.2 Partnerships and third parties

Reduced public service funding is leading to more public services and community projects being delivered through different forms of partnership, involving the public, private and third sectors. These partnerships range from small, local initiatives to much larger agendas, such as issues of obesity and ill-health in the community, or anti-social behaviour.

Examples of partnership risks:



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**Ask to view partners risk policies and ask them to demonstrate the approach that they have to risk management as part of any procurement process.**

To ensure a successful outcome, all the risks need to be evaluated, including those relating to the partner organisations themselves, and their relationships with one another. It is also important to ensure a common risk language is agreed between the parties and an understanding reached on the risk appetite of each partner organisation, at the outset.

In this toolkit Partners are defined as:

**Organisations with which a department works to deliver their objectives, with a formal agreement of roles, contract, funding agreement, Service Level Agreement, etc.**

The risk management process for partnerships is similar to that outlined in Section 2.2, with the following considerations:

### Risk identification

- Focus on risks that may impact achieving partnership objectives.
- Involve all key partners.
- Use a partnership risk register to record this information. Pentana may be used for this and to generate risk reports to share with partners.

### Prioritisation

- Develop risk assessment criteria based on the parameters of the partnership. For example, the likelihood scale should reflect the partnership timeframe.

### Controls

- Allocate risk ownership and responsibility for actioning controls to an individual partner within the partnership.
- Agree risk mitigation that requires input from multiple partners with the partnership.

### Monitoring and reporting

- The process for ongoing monitoring of the risk profile and progress of the action plan should be agreed by the partnership.
- The frequency and content of risk reports should be agreed by the partnership, with allocated responsibility all key partners should be involved

## 2.4 Risk management culture

Assimilation of risk management into the culture of the Council is central in contributing to its long-term success. Risk management culture refers to people embracing the risk management policy, strategy and process as well as creating a culture that is willing to talk about mistakes and lessons learned without consequence.

Training and communication are two factors that positively influence risk management culture; each is outlined below.

### 2.4.1 Training

The Council acknowledges that risk management training for staff and Members is crucial to the effectiveness of embedding risk management. It strives to ensure that all employees have a basic understanding of risk management and how the Council's risk management framework operates.

Employees undertake risk management training as a mandatory part of the induction process. Two presentations are available, one for Senior Management and Risk Champions and one for all staff. New employees should watch the appropriate presentation. If appropriate they should also watch the presentation on how to use the Pentana Risk System. These presentations may also be watched by any member of staff who requires refresher training.

A risk management toolbox talk should be given to those members of staff who do not have intranet access.

Additional refresher training for Officers is arranged and provided annually by the Council's Risk and Insurance Officer. Outsourced training will also be provided periodically.

Training for Members will be arranged and provided annually by the Council's Risk and Insurance Officer. In addition, a risk management webinar is available and forms part of Members essential induction training. This webinar can also be viewed as refresher training.

Frequent "lunch and learn" sessions are run on a variety of risk management topics. These are recorded and are made available on the [risk management page](#) of the intranet for all officers to view.

The quarterly risk newsletter "The Risk Round Up" is a good source of risk information and is circulated to all staff and Members. It highlights training sessions that are available, digests risk disasters and lessons that can be learnt from other organisations, and covers appropriate risk management topics.

The Risk & Insurance Officer welcomes the opportunity to attend DMT and service meetings to discuss risk and to act as a critical friend in reviewing the service risk register.

Please contact the Risk and Insurance Officer if any risk management training needs are identified within your department and training will be provided.

### 2.4.2 Communication

Effective risk management requires engagement from staff across the organisation. Communication on the risk management strategy, policy and processes is essential to ensure a consistent approach to risk management. Managers need to ensure that there is a risk escalation procedure in place so that officers can report any risks that they encounter or when the profile of a risk changes. Officers also have a duty to communicate any risks that they encounter in their role. The reporting of risk is in job descriptions of officers.

Concerns about risks can also be reported to Heads of Service, any CMT member or the Risk & Insurance Officer.

The Council also wishes to learn lessons from failings of near misses, so an open and honest culture needs to be developed within teams. Losses and near misses need to be reported and lessons learnt to ensure that future risks are mitigated.

# Appendices

# A: Risk Management Work Cycle

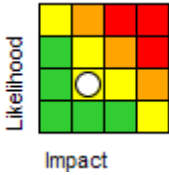


|                  | <i>Risk Management Policy (including Strategy &amp; Risk Appetite Statement) &amp; Toolkit</i> | <i>Service Action Planning</i> | <i>"Real Time" Review of Service Risk Registers by Heads of Service</i> | <i>Risk Monitoring by CMT</i>                                | <i>Cabinet Report / Update</i>        | <i>Executive Overview &amp; Scrutiny</i>    | <i>Training</i>   | <i>Risk Management Working Group Meetings</i> |
|------------------|--|--------------------------------|---|--|---------------------------------------|---|---|---|
| <b>April</b>     |  | SAPs agreed and implemented    |   | Risk Reporting to CMT  |                                       |   | Annual Risk Management refresher training for Officers. |   |
| <b>May</b>       |  |                                |   |  |                                       |   |   |   |
| <b>June</b>      |  |                                | Service Registers reviewed  |  |                                       |   |   | RMWG Meeting                                  |
| <b>July</b>      |  |                                |   | Risk Reporting to CMT (approval prior to Cabinet & Exec O&S) |                                       |   | Annual Training for Members                             |   |
| <b>August</b>    |  |                                |   |  |                                       |   |   |   |
| <b>September</b> |  |                                | Service Registers reviewed  |  | Key Risk Register reported to Cabinet | Key Risk Register reported to Executive O&S |   |   |
| <b>October</b>   | Reviewed and updated if required. Endorsed by CMT  |                                |   | Risk Reporting to CMT  |                                       |   |   |   |
| <b>November</b>  |  | SAP guidance Issued            |   |  |                                       |   |   |   |
| <b>December</b>  |  |                                | Service Registers reviewed  |  |                                       |   |   | RMWG Meeting                                  |
| <b>January</b>   | Reported to Audit & Governance and Executive Overview & Scrutiny                               |                                |   | Risk Reporting to CMT (approval prior to Cabinet & Exec O&S) |                                       |   |   |   |
| <b>February</b>  |  |                                |   |  |                                       | Key Risk Register reported to Executive O&S |   |   |
| <b>March</b>     | Approval by Cabinet  | Proposed SAPs finalised        | Service Registers reviewed  |  | Key Risk Register reported to Cabinet |   | Review & Update On Line Training Sessions               |   |

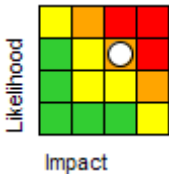
# Cabinet Key Risk Report

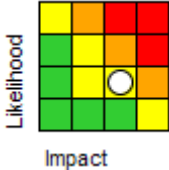


| Service Area    | Head of Service | Title                 | Potential Effect   | 6 Monthly Controls Summary   | 6 Monthly Notes Summary   | Current Risk Matrix | Current Risk Assessment and Score |
|-----------------|-----------------|-----------------------|--|--|---|---------------------|-----------------------------------|
| Page 839<br>All | CMT             | Cost of Living Crisis | <p>The cost-of-living crisis will impact on all areas of the Council and our stakeholders (e.g., citizens, suppliers, staff etc).</p> <ul style="list-style-type: none"> <li>• It will increase demand for certain services e.g., money advice</li> <li>• It will impact on the ability to pay Council Tax/Rent/other charges</li> <li>• The financial issues around inflation, the weak pound and increased interest rates may impact service delivery/growth/achievement of the Council priorities</li> <li>• Our contractors/suppliers be unable to maintain current service delivery</li> <li>• Staff may leave the organisation to take up higher paid jobs or take on second jobs which may lead to burnout.</li> <li>• The rising costs of fuel, food and other essentials are combining with existing disadvantage and vulnerability within our</li> </ul> | <p>A review of fraud arrangements for the Council is taking place.</p> <p>Procurement are carrying out increased due diligence with regards to financial checks on suppliers.</p> <p>Human Resources have offered lunchtime learning sessions on the financial inclusion services that could benefit employees. External webinars are being offered to staff in relation to pre-retirement and financial awareness in February and March 2023.</p> <p>We have social media campaigns aimed at directing residents towards support services.</p> <p>Our housing benefit team are processing household support fund applications.</p> <p>We have set up a cost-of-living support hub, we have gathered a range of support across the Council and are signposting residents to these.</p> <p>We currently have a residential money advisor who is supporting residents with any financial issues, debt issues, and mental health support.</p> <p>In addition to supporting Council Tax Bands A – D we have put together a</p> | <p>There are various initiatives in place to support staff and residents through the cost-of-living crisis. In addition, increased checks on the financial stability of contractors reduces the risk of service delivery being disrupted. The council will continue to develop initiatives to provide support to residents and staff where appropriate.</p> |                     | 6 Cautious                        |

| Service Area | Head of Service         | Title                | Potential Effect  | 6 Monthly Controls Summary   | 6 Monthly Notes Summary   | Current Risk Matrix   | Current Risk Assessment and Score   |
|--------------|-------------------------|----------------------|---|--|---|---|---|
| Page 840     |                         |                      | <p>communities to put many households at greater risk of both immediate hardship and reduced opportunity and wellbeing.</p> <ul style="list-style-type: none"> <li>• Demand for services is continuing to rise just as the price of providing them is also escalating dramatically.</li> <li>• An increase in Fraud &amp; Corruption caused by the Current Economic Environment.</li> </ul> | <p>reserve fund of 260k to support residents in council tax bands E-H. We also have an additional £260k that we have allocated towards supporting any resident struggling with energy costs.</p> <p>We have set a funding scheme with citizens advice for all residents of West Lancs to assist with payment of credit utility meters.</p> <p>Food banks continue to operate.</p> <p>We are working with multiple charities in relation to replacement of essential items.</p> <p>We are working with charities in relation to baby clothes and baby items.</p> <p>We have a hardship fund set up for tenants. This will support tenants though one-off life events.</p> |   |   |   |
|              | Chief Operating Officer | Jacqui Sinnott-Lacey | Tawd Valley Developments operating without an agreed business plan  | <p>Tawd Valley Developments offers opportunities for regeneration and generating income from developments however, volatility in development / financial markets can create risks on investments, which means there is the potential of financial losses.</p>  | <p>Approval of the annual business plan. Council review and approve the company's annual business plan. Any changes during the year to this will require Council approval. Company risk management strategy. The Company Directors have an agreed risk management strategy which is reviewed at board meetings</p> <p>Company Directors monitor delivery of the business plan. Performance against the delivery of the business plan is overseen by the Company Directors</p> | <p>The business plan has been revised in line with the recommendations of the Committee and was presented to Council in December 2022 for approval to progress. The last TVDL shareholder committee took place on the 25<sup>th</sup> of January where approval for the revised business plan was sought.</p> |  |



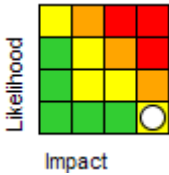
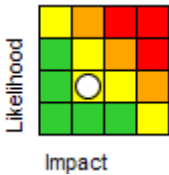
| Service Area | Head of Service               | Title       | Potential Effect                   | 6 Monthly Controls Summary  | 6 Monthly Notes Summary  | Current Risk Matrix  | Current Risk Assessment and Score   |
|--------------|-------------------------------|-------------|------------------------------------|---|--|--|---|
| Page 841     |                               |             |                                    | <p>TVD Shareholder Committee established to monitor performance against the business plan and make recommendations to the COO on the exercise of her delegation as Shareholder for the Company.</p> <p>Quarterly members update. Member's update reported to Corporate Overview &amp; Scrutiny.</p> <p>Gateway approval process. TVD carry out site appraisals and detailed analysis to determine viable schemes. Company directors approve scheme progression at various stages using gateway approval process.</p> <p>Change tenure. The Council can change the scheme tenure to mitigate risk of market sale.</p> <p>Reserved matters. Reserved matters are signed by Company Directors and set out decisions and matters which are reserved for the Council as shareholder.</p> |  |  |   |
|              | Corporate & Customer Services | Lisa Windle | Recruitment and Retention of Staff | <p>Adverse impact on services unable to meet key priorities.</p> <p>Additional pressure on existing staff covering workloads in the absence of a replacement</p>  | <p>Exit Interviews to identify trends where action can be taken to improve retention.</p> <p>Utilising annual appraisals to identify issues and support personal and team development.</p> <p>Developing Coaching Apprenticeships to increases the level of management coaching available to build internal talent and strengthen leadership skills.</p> <p>Development of Manager and aspiring manager apprenticeships to</p> | <p>The risk remains of concern. Post Covid recruitment has become increasingly challenging at all levels and is experience nationally. Professional and management posts are key risks if we are unable to recruit suitable candidates, but we are reviewing the recruitment trends on this level of post to ensure we have the right tools in place.</p> <p>The Council continues to review its recruitment and retention initiatives</p> |  |

| Service Area | Head of Service               | Title       | Potential Effect                       | 6 Monthly Controls Summary   | 6 Monthly Notes Summary   | Current Risk Matrix  | Current Risk Assessment and Score   |
|--------------|-------------------------------|-------------|--|--|---|--|---|
| Page 842     |                               |             |  | <p>assist with growing our own talent. Use of Agency staff through neutral vendor agency provider Matrix. Workforce planning is integrated into the annual service business planning process.</p> <p>Vacant and new posts are advertised promptly following a robust approval process. Utilising on-line recruitment methods for ease of application and reduction of cost.</p> <p>Monitoring timescales and addressing blockages to reduce recruitment timescales</p> <p>Developing a new induction process to support new employees settle into the authority and understand it's visions and objectives.</p> <p>Effective probation to establish areas of support for new employees.</p> <p>Development of Mandatory training to ensure all new employees receive the initial training they need to become effective in their role.</p> | <p>to address any difficulties. We are also exploring the enhancement of personal development opportunities to help retain staff.</p> <p>We are also promoting our offer flexible working arrangements to help attract candidates who may not be local to the West Lancs area.</p>  |  |   |
|              | Corporate & Customer Services | Lisa Windle | Effective Management of Cyber Security | <p>The Council controls a large amount of sensitive data and assets of value to cyber criminals, although given the nature of the Council's work unlikely to be a specific primary target in comparison with other organisations. This gives the potential for harm via unauthorised access, destruction, disclosure, modification of</p>  | <p>LCC Digital has a robust infrastructure to prevent cyber-attacks that is updated on a frequent basis.</p> <p>LCC Digital has a specialist team trained and certified to implement and maintain this infrastructure.</p> <p>Staff are trained to identify threats and are educated in the basics of cyber security.</p> | <p>LCC Digital shared service are proactively managing all systems relating to cyber security. Training and refresher training for WLBC staff in relation to changing threats remains ongoing.</p> |  <p>Likelihood</p> <p>Impact</p> |

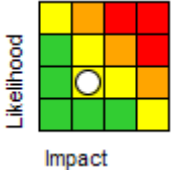
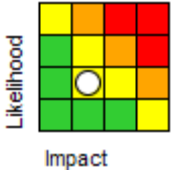
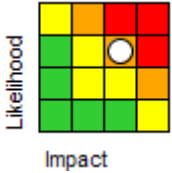
| Service Area                  | Head of Service | Title                            | Potential Effect  | 6 Monthly Controls Summary  | 6 Monthly Notes Summary   | Current Risk Matrix | Current Risk Assessment and Score |
|-------------------------------|-----------------|----------------------------------|---|---|---|---------------------|-----------------------------------|
|                               |                 |                                  | information and/or denial of service.   |   |   |                     |                                   |
| Corporate & Customer Services | Lisa Windle     | Failure or Prolonged Loss of ICT | <ul style="list-style-type: none"> <li>• Data Integrity Issues with one or more systems</li> <li>• Security Breaches including System Attack (hacking, malware and virus injection)</li> <li>• Infrastructure Failure (hardware or software)</li> <li>• Inadequate Resilience (Infrastructure Hardware or Systems)</li> <li>• Inadequate Measures against theft or unauthorised removal of ICT equipment</li> <li>• Lack of Resource (Staffing) due to high absence levels</li> <li>• Possible consequences of any of the above</li> <li>• Loss of ICT (Systems, Data, Access, or Connectivity)</li> <li>• Inability to provide business critical systems or services (i.e. contact centre, planning) etc.</li> <li>• Loss of reputation</li> <li>• Loss of productivity</li> </ul> | <p>Corporate sign-off of critical systems</p> <p>Business Continuity arrangements for Services (WLBC)</p> <p>Failover testing of power and infrastructure (LCC Digital)</p> <p>Formal ICT change management process (LCC Digital)</p> <p>Strategic (LCC Digital) roadmap for system upgrades and replacement to deliver a more robust infrastructure. Strategic move from on-premises to hosted infrastructure.</p> | <p>We are currently in the process of reviewing ICT systems to ensure they are at the latest level. This is in relation to hardware and software. Those systems that can be updated will be and others will require replacement or decommissioning.</p> |                     | 4 Cautious                        |

| Service Area                               | Head of Service | Title   | Potential Effect   | 6 Monthly Controls Summary   | 6 Monthly Notes Summary   | Current Risk Matrix | Current Risk Assessment and Score |
|--|-----------------|---|--|--|---|---------------------|-----------------------------------|
| Corporate & Customer Services              | Lisa Windle     | Ability to transform into a digital Council and deliver technological changes in line with customer expectation due to the investment required to upgrade an ageing ICT estate. | Lack of progress in the Council achieving its digital ambition and driving customers to a self-serve first approach.<br><br>Investments in ICT not realised due to changes in systems suppliers. | Strategic application and platform roadmap being developed with assistance from suppliers and LCC Digital.<br><br>Service Action Plan (SAP) Processes to capture and identify opportunities. Linking similar projects will deliver efficiencies in project management.   | Revised Service Action Plan (SAP) Process to include new SAP Form linked to return on investment via cost benefit analysis. Project prioritisation matrix being established.  |                     | 6 Cautious                        |
| Finance, Procurement & Commercial Services | James Pierce    | Achieving a balanced General Revenue Account budget position  | On-going reductions in Government funding and other financial pressures will need to be addressed to meet the statutory requirement to set a balanced budget.                                    | Regular Review and update of medium-term financial forecast. Review of any savings requirement & delivery in order to close any budget gap. Provision of regular monthly financial monitoring. This is conducted by the finance team to budget holders. Quarterly reporting to Members. Regular review and update of reserves. CMT are actively managing the pressures identified within the MTFs. Weekly finance update meetings are held with the COO, Corporate Directors, and the S151 officer and Deputy. | The latest iteration of the Medium-Term Financial Strategy indicates a budget gap of c£500k in 23/24 rising to £2.9m in 25/26. It is clear that the current economic conditions are adversely impacting on the Council's finances generally. A savings plan to address the budget gap has been drawn up for consideration by Members.   |                     | 6 Cautious                        |
| Finance, Procurement & Commercial Services | James Pierce    | Potential Treasury Management Investment Losses.  | Volatility in financial markets can create risks on investments, which means there is the potential that significant sums of money could be lost.  | Treasury management policy and strategy in place. Well trained staff make investments with the guidance of brokers and treasury advisors. Investments can only be made in top rated UK based institutions or other local Authorities.  | The GRA and HRA yearend position show there are material shortfalls in investment returns. The increase in interest rates in response to the inflationary situation in the UK in anticipated to have a favourable impact upon Treasury Management returns in 22-23. Treasury management training has been provided by the Council's TM advisors, Link, on the 26th of October 2022. |                     | 4 Cautious                        |

| Service Area   | Head of Service | Title  | Potential Effect  | 6 Monthly Controls Summary  | 6 Monthly Notes Summary   | Current Risk Matrix             | Current Risk Assessment and Score |
|--|-----------------|--|---|---|---|---------------------------------|-----------------------------------|
| Finance, Procurement & Commercial Services             | James Pierce    | External Funding Uncertainty   | Impact on delivery of strategic projects and priorities   | Medium Term Financial Strategy in Place. Regularly updated with changes and assumptions revisited. Ensure commercial strategy is fit for purpose. Ensure that all our investments generate a positive financial return for the Council To manage and grow our development company. To ensure our development company continues to generate a profit through its business activities. Regular review of fees and charges.  | The commercial strategy has been updated to reflect changes in the PWLB rules (the inability to invest purely for yield purposes). This does not affect development within the Borough. Close attention is being paid to the impact of interest rate rises on proposed capital schemes.   | <p>Likelihood</p> <p>Impact</p> | 6 Cautious                        |
| Page 845<br>Finance, Procurement & Commercial Services | James Pierce    | Significant failure to comply with General Data Protection Regulation (GDPR and Data Protection Act 2018). | The GDPR and Data Protection Act 2018 brought considerable changes to the current data protection framework and the Council must deliver its services in accordance with it. There are substantial enhancements to the current requirements as well as some new elements. Compliance had significant resource implications in terms of budget, IT, Governance and communications. There are a range of sanctions for breaches including fines and damages. Failure to report a breach would result in a fine as well as a fine for the breach itself. | 23 controls have been recorded against the risk to evidence the various elements of compliance. All controls have been scored as to their current adequacy and effectiveness. 3 have been scored as fully effective where system enforced controls are in place i.e., system access controls, corporate mobile device security features and system back up. 18 have been scored as partially effective as there is an element of manual intervention i.e., E Learning modules (generic for all staff and bespoke for Information Asset Owners) Policies and Procedures, Corporate Privacy Notice, Record of Processing Activities, Retention and Disposal Schedules, Data Protection Impact Assessments and Data Sharing Agreements. 3 areas have been scored as not effective with work either underway or in the pipeline to address. All control elements will continue to be examined and enhanced as work continues to strengthen our GDPR compliance. | There is a clear organisational structure for managing Data Protection and Information Governance, which provides strong leadership and oversight, clear reporting lines, responsibilities and effective information flows i.e. Senior Information Risk Officer (SIRO) Data Protection Officer (DPO) Information Governance Officer, Information Asset Owners and Information Governance Link Officers within each service area who also attend the bi monthly Information Governance Committee from which key information is disseminated down to individual service areas and acted upon where necessary. Following the Effective Data Management (EDM) project significant work has been undertaken to strengthen the controls we have in place and the education of our staff. This work will continue through future data workstreams and the coordination of those activities via the bimonthly | <p>Likelihood</p> <p>Impact</p> | 4 Cautious                        |





| Service Area                  | Head of Service | Title   | Potential Effect  | 6 Monthly Controls Summary  | 6 Monthly Notes Summary  | Current Risk Matrix   | Current Risk Assessment and Score |
|-------------------------------|-----------------|---|---|---|--|---|-----------------------------------|
|                               |                 |   |   |   | Information Governance Committee. To reflect this work, controls have been added to the risk and scored as to their adequacy and effectiveness which has resulted in the risk being re assessed as 4 Cautious.   |   |                                   |
| Page 846<br>Using Services    | Alan Leicester  | Landlord Compliance & Regulatory Requirements (Health & Safety) | Injury or death to tenants, resident, or visitors. Significant adverse publicity. Regulatory impact.  | <p>Following a compliance audit conducted by an external consultant, all key areas of compliance including gas, electrical, fire risk, water hygiene, lifting equipment &amp; asbestos management were checked and have now been validated. Following the external audit all policies, processes and procedures were revised and updated and will continue to be reviewed regularly. Compliance will continue to be monitored and reviewed by internal Audit in line with required Audit programmes. We enforce a no access and escalation procedure with legal intervention where possible to ensure all properties are inspected within the appropriate timescales.</p> | <p>Work continues to ensure all Audit actions are completed within timeframes and weekly compliance meetings ensure a continued focus on compliance. We continue to work closely with Pennington Choices to support effective compliance and we are in the process of agreeing a follow up wider compliance check.</p> |    | 4 Cautious                        |
| Planning & Regulatory Service | Paul Charlson   | Delays In Preparation of new Local Plan                         | The preparation of a Local Plan is a complicated and lengthy process involving various different parties and so a number of factors can potentially cause delay. Should the preparation of a new Local Plan be delayed, the existing adopted Local Plan becomes more out-of-date over | <p>Set a realistic timetable considering resources, constraints, and linked timetables (e.g., Committee cycles).</p> <p>Project management. Ensure strong programme / project management.</p> <p>Communication - Statutory Consultees. Advise necessary bodies (e.g., Planning Inspectorate) of intentions at the earliest possible time.</p> <p>Member engagement. Engage with</p>   | <p>Recruitment to the strategic planning team has been successful. However, risks still endure as the local plan process is reinvigorated. Where necessary we will consider identifying relevant issues as sub-risks.</p>  |  | 4 Cautious                        |

| Service Area | Head of Service | Title | Potential Effect  | 6 Monthly Controls Summary   | 6 Monthly Notes Summary | Current Risk Matrix | Current Risk Assessment and Score |
|--------------|-----------------|-------|---|--|-------------------------|---------------------|-----------------------------------|
| Page 847     |                 |       | time, potentially weakening the ability of the Council to defend decisions based upon it. New opportunities for development may be restricted and may come forward on an ad hoc, unplanned basis. | <p>Members (e.g., via Cabinet Working Group) to seek cross-party consensus</p> <p>Communication – Members. Share information early with Members to reduce the likelihood of late amendments</p> <p>Budgetary provision. Obtain adequate budgetary provision for required consultancy support</p> <p>Staffing. Maximise flexibility across the Service so that planning officers from other teams can help with workload. Ensure quick replacement of any vacant posts.</p> <p>Joint working. Explore opportunities for joint working and service sharing. Liaise with external bodies and seek their agreement early. Establish clear working arrangements with partners when working jointly. Legal / policy compliance. Ensure procedures, Acts and Regulations are complied with. Closely monitor and follow national policy and guidance.</p> <p>Follow best practice. Monitor key planning decisions nationwide to ascertain correct and best practice. Make use of such resources as the PAS Local Plan toolkit and 'Critical Friend'.</p> |                         |                     |                                   |

| Service Area                              | Head of Service | Title   | Potential Effect  | 6 Monthly Controls Summary  | 6 Monthly Notes Summary  | Current Risk Matrix   | Current Risk Assessment and Score |
|---|-----------------|---|---|---|--|---|-----------------------------------|
| Planning & Regulatory Service             | Paul Charlson   | Planning Services staff resources   | Sufficient staff resources are fundamental in ensuring a productive and efficient service. Recruitment continues to be challenging, but any current resource gaps are being mitigated with temporary resource to improve application processing times and feedback to developers.   | A recent recruitment drive has delivered some success and allowed the risk profile to be reduced. There are still remaining vacancies in the structure, and we will continue to actively recruit to these positions.    | Despite recent success, recruitment continues to be challenging particularly within development control, which is reflected across the profession. Any current resource gaps are being addressed through temporary staffing, pending permanent recruitment. We are exploring all available recruitment options.            |    | 4 Cautious                        |
| Page 848<br>Planning & Regulatory Service | Paul Charlson   | Community Infrastructure Levy (CIL)   | Improvements in staffing have led to a reducing risk. Increased proactive CIL work, such as enforcement action, checking monies allocated to Parish Councils is being completed, in addition to reactive work. Risks will endure as new staff settle into these positions, and plans are in place to address any remaining related risks. | Staff are now in post and able to better mitigate this risk. Additional temporary staffing is in place to provide interim support to ensure CIL processes are fully brought back into line during the next 6-12 months. | Recruitment to the strategic planning team has been successful. Key posts, including CIL Officer, are now in place. The CIL process is also being supported by an additional temporary resource, until the end of the financial year, to address any shortfall. Plans are in place to address any remaining related risks. |   | 4 Cautious                        |
| Wellbeing & Place Services                | Simon Kirby     | Not agreeing on and delivering a sustainable and affordable leisure provision | If we are not able to deliver this there will be a continued need to subsidise existing buildings and the inability to develop new provision.   | Project Governance.<br>Internal project team meetings in place comprising financial, procurement and legal representatives.<br>Regular meetings with CMT and Cabinet.   | The contract will be extended to enable the procurement exercise to be undertaken in a full and detailed manner – which in the long term should offer value for money for the Council.<br><br>The record of decision does enable the Council to extend for an  |  | 9 Concerned                       |



| Service Area | Head of Service | Title | Potential Effect | 6 Monthly Controls Summary                                     | 6 Monthly Notes Summary   | Current Risk Matrix | Current Risk Assessment and Score |
|--------------|-----------------|-------|------------------|--|---|---------------------|-----------------------------------|
|              |                 |       |                  | Working Groups to progress sustainable and affordable options. | additional six months although the new contract start date we will be working to is at the latest October 2023. Officers will continue to review the timescale throughout the procurement process and make amendments as necessary in the interests of the Council. |                     |                                   |

| Risk Status  |             |
|--|-------------|
| Page 849  | Critical    |
|           | Concerned   |
|           | Cautious    |
|           | Comfortable |





**EXECUTIVE OVERVIEW SCRUTINY: 23 February 2023**

**LANDLORD SERVICES: 1 March 2023**

**CABINET: 7 March 2023**

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

**Relevant Portfolio Holder: Councillor N Pryce-Roberts**

**Contact for further information: Jane Maguire (Extn. 5003)**  
**([jane.maguire@westlancs.gov.uk](mailto:jane.maguire@westlancs.gov.uk))**

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**SUBJECT : Housing Regulator Consumer standards - Key themes and approach**

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Wards Affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To provide a progress report on the action taken so far to review WLBC services to ensure that the Council continues to operate within the Housing Regulators Consumer standards.

1.2 For Cabinet to endorse key themes and approach

## **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE AND LANDLORD SERVICES CABINET WORKING GROUP COMMITTEE**

2.1 That the Committee consider the report and note the updates and that the agreed comments of Executive Overview and Scrutiny Committee be passed to Cabinet for their consideration

2.2 That the Committee consider the report and note the updates and that the agreed comments of Landlord Services Cabinet Working Group Committee be passed to Cabinet for their consideration

## **3.0 RECOMMENDATIONS TO CABINET**

3.1 That Cabinet endorse the current position as it relates to Housing Regulation and the Consumer standards.

## 4.0 BACKGROUND

- 4.1 On 17<sup>th</sup> November 2020 the Government announced the social housing white paper. The paper proposed changes to the Consumer Regulation of Social Housing to strengthen the accountability of Landlords for the provision of safe homes, quality services and treating residents with respect.
- 4.2 Once the legislation is passed (expected in the coming months) this will change the purpose and legal powers of the Regulator for Social Housing. Some of the proposals will also be taken forward by the Housing Ombudsman and the Building Safety Regulator.
- 4.3 To be prepared for the changes of the Regulators remit, there is a requirement that those responsible for social housing look at how they can continue to identify and address how they improve services and engagement with tenants. The key areas of focus are customer feedback, stock investment, building safety, energy efficiency improvements, alongside delivering homes to meet housing needs of the borough.
- 4.3 Once enacted the Regulators extended powers will require them to regulate in a proactive rather than reactive way. For Local Authority housing providers, the regulation of Governance or Financial viability remains outside scope. However, whilst inspections of local authority landlords will focus on consumer issues, the inspections will have the same focus on service outcomes and accountability as for all housing providers. In line with all registered providers any breaches may result in the issue of a regulatory notice of findings, enforcement of Improvement plans, fines and a referral to Chief Officers and the Lead Members.
- 4.4 The outcomes and key objectives that providers will be measured against are:
- ✚ Social housing is well managed
  - ✚ Tenants' complaints are dealt with efficiently and effectively.
  - ✚ Tenants are treated with fairness and respect, and diverse needs are taken into account.
  - ✚ Social housing stock meets the decent homes standard.
  - ✚ Landlords ensure social housing meets health and safety requirements and consider safety in the management of housing.
  - ✚ Landlords comply with tenancy law and regulations and avoid unnecessary evictions.
  - ✚ Tenants have access to information to hold their landlords to account.
  - ✚ Tenants have opportunities to influence the decisions and priorities of their landlords with respect to their housing.
  - ✚ Landlords take account of the views of tenants in the management of their homes.
  - ✚ Landlords work with other agencies to contribute to the safety and well-being of the areas in which the homes they are responsible for are situated.

- 4.5 The Regulator has already issued guidance on standards and definitions that will be used to measure tenants' satisfaction called Tenant Satisfaction Measures (TSM). The new measures come into effect in April 2023 landlords will need to start to collect this data and findings will be provided to the Regulator in Summer 2023. The standard questions and data measures are to be carried out annually and we will be required to make these available and published from Summer 2024.
- 4.6 There are 12 tenant perception questions and 10 measures provided from Landlord management information. (**see appendix A**) To ensure that we understand customers perception and in preparation for the formal submission to the regulator the TSM survey has been prepared and will take place in February 2023.
- 4.7 In January 2023 the Regulator announced a full implementation plan in preparation for April 2024, when it is expected that the new consumer regulation standards will be implemented

## 5.0 CURRENT POSITION

- 5.1 The broad themes that the Regulator expects to set standards for are
- Safety
  - Quality
  - Transparency
  - Engagement and accountability
  - Neighbourhood
  - Tenancy
- 5.2 The Regulator intends to consult in summer 2023 on the standards and themes taking account of an additional power which has been included in the bill for competency and conduct of those delivering housing services.
- 5.3 In preparation for the new standards Officers have:
- ✓ Reviewed and implemented a new customer feedback policy which meets the Housing Ombudsman's complaint handling code and requirements of the Regulator.
  - ✓ Prepared the Tenant Satisfaction Measures survey which will go out to a sample of tenants on the 10 February 2023 for 6 weeks. Interim feedback will be available early April and final report mid- April
  - ✓ Set up a specific damp and mould working group
  - ✓ Carried out a stock condition survey covering 4839 our of properties so far.
  - ✓ On track to review and update a comprehensive suite of policies
  - ✓ Reviewed housing services against the existing 4 consumer standards themes and the 2021/22 Consumer Regulation review and identified the main service areas of focus for service improvement activity in 2023/24
  - ✓ Worked in collaboration across services with Customer Engagement Customer Services, Business Transformation & Change, Wellbeing & Place to review services

- ✓ Worked with HR to develop a training matrix and plan for competency and skills training for those in Housing in addition to the Councils core behaviour standards

5.5 In addition to themes that have been identified customer insight from the tenant satisfaction measures will be used to recognise what we do well and areas for improvement. This will form the basis of the priorities of work to be undertaken to ensure that we are meeting the requirements of the consumer regulatory standards.

## **6 KEY THEMES**

6.1 The review of current services against the Consumer standards has identified the main themes of work to be focused on in preparation for the changes:

- ❖ Have accurate and reliable data on stock, standards in our homes and assurance on compliance
- ❖ Customer profiling and insight linked to wider health and wellbeing, managing feedback and refresh of service standards
- ❖ Further develop tenancy support for vulnerable tenants
- ❖ Develop a wider range of tenant engagement options and access for tenants
- ❖ Review policy's and process across the service

## **7 NEXT STEPS**

7.1 The Regulator will start pilot inspections over the coming months with 8 organisations Bernicia Homes, Brunelcare, Peaks & Plains Housing Trust, The Guinness Partnership, Torus, and Eastbourne, Folkestone & Hythe councils and use this to inform the implementation plans. It is expected that the main methods for inspection will be :

- ✓ Consumer inspection - planned approach or in response to information that a standard has not been met.
- ✓ Reactive engagement - if there is a requirement to follow up on a breach of standards raised by the Housing Ombudsman
- ✓ Desk top reviews – using performance data from the TSM and a range of other sources
- ✓ Data returns

7.2 Officers will work to ensure services meet requirements of emerging guidance and will continue to review updates from the Regulator, and the outcomes of the pilot areas

## **8.0 STATUTORY REQUIREMENT**

8.1 There is a legislative requirement to comply with the standards as set out by the Housing Regulator. These powers will be strengthened when the Social Housing White paper is enacted in parliament this year

## **8.0 SUSTAINABILITY IMPLICATIONS**

8.1 There are no sustainability issues

## **9.0 FINANCIAL AND RESOURCE IMPLICATIONS**

9.1 There will be a requirement to conduct a one- off data profiling exercise when the housing management systems are upgraded so that there is a full profile of all customers. This will be financed through existing budgets

## **10.0 RISK ASSESSMENT**

10.1 Failure to comply with the regulations and consumer standards has a risk of causing serious detriment to tenants or potential tenants and the Regulator issuing a Regulatory Notice to Comply, or a performance improvement plan. Going forward the Regulator will have the cap on fines removed and the role will be strengthened as they will be able to act without applying the serious detriment test.

10.2 The risks have been identified in the risk register and current work and plans that are in place will mitigate against risks of non- compliance

## **11.0 HEALTH AND WELLBEING IMPLICATIONS**

11.1 By meeting the consumer standards we will ensure that as a landlord, we are providing quality accommodation that is safe and well managed in neighbourhoods that are well managed and that our customers have a voice in the services that are delivered.

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### **Background Documents**

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

### **Equality Impact Assessment**

There is a direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, an Equality Impact Assessment is required. A formal Equality Impact Assessment is attached as an Appendix B to this report.

### **Appendices**

Appendix A – TSM questions

Appendix B - Equality Impact Assessment





## **Appendices A**

The main summary of the measures are listed below

### **TSMs collected from tenant perception surveys**

- TP01 Overall satisfaction
- TP02 Satisfaction with repairs
- TP03 Satisfaction with time taken to complete most recent repair
- TP04 Satisfaction that the home is well maintained
- TP05 Satisfaction that the home is safe
- TP06 Satisfaction that the landlord listens to tenant views and acts upon them
- TP07 Satisfaction that the landlord keeps tenants informed about things that matter to them
- TP08 Agreement that the landlord treats tenants fairly and with respect
- TP09 Satisfaction with the landlord's approach to handling complaints
- TP10 Satisfaction that the landlord keeps communal areas clean and well maintained
- TP11 Satisfaction that the landlord makes a positive contribution to neighbourhoods
- TP12 Satisfaction with the landlord's approach to handling anti-social behaviour

### **TSMs generated from management information**

- CH01 Complaints relative to the size of the landlord
- CH02 Complaints responded to within Complaint Handling Code timescales
- NM01 Anti-social behaviour cases relative to the size of the landlord
- RP01 Homes that do not meet the Decent Homes Standard
- RP02 Repairs completed within target timescale
- BS01 Gas safety checks
- BS02 Fire safety checks
- BS03 Asbestos safety checks
- BS04 Water safety checks
- BS05 Lift safety checks



# Equality Impact Assessment Form



|  |  |
|--|--|
| <b>Directorate: Transformation, Housing and Resources</b>  | <b>Service: Housing Regulatory &amp; Quality</b>   |
| <b>Completed by: Jane Maguire</b>  | <b>Date: 30/01/23</b>  |
| <b>Subject Title: Housing Regulator Consumer Standards – Key themes and approach</b>   |  |
| <b>1. DESCRIPTION</b>  |  |
| 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:  | No   |
| Is a programme or project being planned:   | No   |
| Are recommendations being presented to senior managers and/or Councillors:   | No   |
| Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ): | Yes  |
| Details of the matter under consideration:   | Progress of review to meet Housing Regulatory standards  |
| <p><i>If you answered <b>Yes</b> to any of the above <b>go straight to Section 3</b></i><br/> <i>If you answered <b>No</b> to all the above <b>please complete Section 2</b></i></p>   |  |
| <b>2. RELEVANCE</b>  |  |
| Does the work being carried out impact on service users, staff or Councillors (stakeholders):  | <i>*delete as appropriate</i>  |
| If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders):<br><i>If you answered <b>Yes</b> go to <b>Section 3</b></i>   | The work we propose will provide enhanced approach for customer engagement and involvement for service users |
| If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups:  |  |
| <b>3. EVIDENCE COLLECTION</b>  |  |
| Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?   | Tenants and potential tenants of West Lancashire.  |

|   |  |
|---|--|
| <p>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)?</p>  | <p>The work is universal to all current and new tenants, and will take full account of the individual needs of each tenant and any vulnerabilities due to age, health, mental health, and disabilities, and those responsible for providing care or have young dependent children.</p>   |
| <p>Which of the protected characteristics are most relevant to the work being carried out?</p> <p>Age<br/>Gender<br/>Disability<br/>Race and Culture<br/>Sexual Orientation<br/>Religion or Belief<br/>Gender Reassignment<br/>Marriage and Civil Partnership<br/>Pregnancy and Maternity</p> | <p>Yes<br/>Yes<br/>Yes<br/>Yes<br/>Yes<br/>Yes<br/>Yes<br/>Yes<br/>Yes</p>   |
| <p><b>4. DATA ANALYSIS</b></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>All services provided by the Housing team to tenants will be regulated and the work will ensure we comply with the regulator's requirement. This means that we will ensure no serious detriment to any tenants</p>  |
| <p>What will the impact of the work being carried out be on usage/the stakeholders?</p>   | <p>The work has a positive impact as it ensures a fair consistent approach, that we continue to listen and tailor services to meet the needs of our tenants based on data insight and customer profiles. The plans ensure we deliver on safety, quality, transparency, that we engage and are accountable in our neighbourhoods and across all tenancys</p> <p>The plans recognise different needs of the protected characteristics and ensures that we have full insight and that services support this</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>We are conducting a Tenant Satisfaction Survey (TSM) and the feedback will be used to address any perceived service gaps. The Landlord Service Committee are aware of the details of the consultation.</p>  |
| <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?</p>  | <p>Data extracted from management records, previous STAR survey and analysis from the TSM where we have asked those involved to provide details of any protected characteristics.</p>  |
| <p>If any further data/consultation is needed and is to be gathered, please specify:</p>  | <p>Requirement to review current customer profile data records to ensure accurate. This will be carried out as a one off and then become an annual requirement as part of service improvements</p>   |

|   |  |
|---|--|
| <b>5. IMPACT OF DECISIONS</b>   |  |
| In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?   | The plans will have a positive impact providing alternative ways of contacting, getting involved and accessing services. |
| <b>6. CONSIDERING THE IMPACT</b>  |  |
| 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 has been found. If any negative impact is identified, the work will be revised to mitigate.           |
| What actions do you plan to take to address any other issues above?   | No actions planned   |
| <b>7. MONITORING AND REVIEWING</b>  |  |
| When will this assessment be reviewed and who will review it?   | This EIA will be reviewed by officers as and when changes are made and reported to Members                               |





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

**Relevant Portfolio Holder: Councillor N Pryce-Roberts**

**Contact for further information: Mr J. Mitchell (Ext. 5244)**

**(Email: [Jonathan.mitchell@westlancs.gov.uk](mailto:Jonathan.mitchell@westlancs.gov.uk) )**

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## **SUBJECT: AFFORDABLE HOME OWNERSHIP PRODUCTS**

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Wards affected: Borough wide

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

1.1 To seek approval for the publication of Rent to Buy and Shared Ownership policies.

### **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

2.1 That the contents of the Rent to Buy and Shared Ownership policies be considered by the committee and that the agreed comments of the Executive Overview and Scrutiny Committee be passed to Cabinet for their consideration

### **3.0 RECOMMENDATIONS TO CABINET**

3.1 That Cabinet approve the Rent to Buy and Shared Ownership policies attached at Appendix A and B, taking into consideration the minute of the Executive Overview & Scrutiny Committee attached at Appendix D.

3.2 That the Corporate Director of Transformation, Housing and Resources in consultation with the relevant Portfolio Holder, be given delegated authority to make changes to each policy to ensure compliance with Homes England requirements, to reflect changes to regulation, legislation, local operational procedures and make any minor / inconsequential changes as required.

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### **4.0 BACKGROUND**

- 4.1 Homes England is the Governments housing delivery agency. They operate a range of programmes intended to help increase the delivery of housing including affordable housing.
- 4.2 One programme is known as the Affordable Homes Programme 2021 to 2026 which provides grant to Homes England Investment Partners to help support affordable housing development.
- 4.3 The Council has been an Investment Partner with Homes England since 2020. Since then, it has successfully bid for affordable housing grant.
- 4.4 To receive grant, the Council is required to enter into a non-negotiable Grant Agreement with Homes England. The Agreement requires the Council to fulfil its obligations under that agreement but also references other documents that the Council must comply with, namely:
- Homes England Capital Funding Guide
  - Homes England Audit compliance requirements
  - Lease Agreements
    - *The above is not a full list*
- 4.5 Homes England obligations influence how the Council can shape its policies for the grant funded affordable housing units it delivers as it relates to a range of matters e.g., the eligibility/ priority of applicants, rent setting / service charges, repairs obligations, the type of lease we can use and decisions regarding sustainability and affordability.

## **5.0 CURRENT POSITION**

- 5.1 There is an expectation from Homes England that in addition to Affordable Rent delivery, its Investment Partners will deliver affordable home ownership products particularly on sites with the capacity to deliver more than 30 units. The products being:
- Rent to Buy
  - Shared Ownership
- 5.2 The Council has already identified some potential development sites that would provide more than 30 units and so this means to maximise grant support from Homes England, the Council needs to deliver one or more of the home ownership products as part of its affordable housing tenure offer on those larger sites.
- 5.3 Fairlie in Skelmersdale has capacity to deliver 50 units. The Councils grant application to Homes England based on 13 units of Rent to Buy and 37 units of Affordable Rent proved successful. The Rent to Buy units are projected to be complete in November 2023.
- 5.4 The former Hope High School in Skelmersdale, if viable for development will include one or both home ownership products. It has an indicative practical completion date of November 2025 and capacity of up to 47 units.



- 5.5 In recognition of the need to incorporate home ownership products into the Councils affordable tenure offer, the Council needs to develop supporting policies for each product it intends to deliver.
- 5.6 The introduction and operation of the Rent to Buy and Shared Ownership affordable homeownership products will fall under the existing delegation contained in the Constitution 4.2C, (viii) Housing (Operational), paragraph 1 – To administer, manage and maintain the Council's Housing in accordance with the Relevant Legislation and Policies of the Council.

## **6.0 AFFORDABLE HOME OWNERSHIP POLICIES**

- 6.1 This report introduces two policies for Cabinet consideration:
- Rent to Buy Policy at Appendix A
  - Shared Ownership Policy at Appendix B
- 6.2 Each policy has been shaped to take account of Homes England specific requirements. Those requirements limit the scope for changes to the policy as each home ownership product must be delivered in accordance with criteria and processes set by Homes England as a condition of receiving grant.
- 6.3 The policy documents are intended for use by members of the public who are interested in understanding the affordable home ownership tenures available on a development site where they are offered by the Council.
- 6.4 The policy documents set out the eligibility criteria that applies to each home ownership product and that any applications received from interested parties will require the Council to determine if they meet the eligibility criteria. Further information is also provided which describes how the tenure operates in practice at different stages as well as providing a summary of Council and tenant/ leaseholder responsibilities.
- 6.5 It is not intended for this report to replicate the policies in their entirety as each policy should be read in isolation, however sections 7 and 8 of this report provide summary information describing each affordable home ownership product.

## **7.0 RENT TO BUY**

- 7.1 Rent to Buy is an affordable home ownership product aimed at helping people who want to buy a home but are unable to save a deposit. It allows eligible working households to rent a home at an Intermediate Rent providing them the opportunity to save for a deposit which may enable them to purchase their rented home in the future.
- 7.2 An Intermediate Rent is a rent which is at a value above social rent but below market rent levels. It must not exceed 80% of the current market rent (inclusive of service charges).
- 7.3 Rent to Buy homes will be let at an Intermediate Rent for a minimum of five years during which it is expected that tenants will save for the deposit to purchase their rented home.

7.4 After the initial five-year letting period the Council may:

- continue offering the property as Rent to Buy
- sell the home on an outright basis with the tenant being given the right of first refusal or
- retain and convert the home to rented housing, on either an affordable or market rent basis
- allow the tenant to purchase the property on shared ownership terms

7.5 A tenant can also purchase their property before the end of the initial five-year rental period but at the discretion of the Council.

## 8.0 SHARED OWNERSHIP

8.1 Shared Ownership is an affordable home ownership product through which households can purchase a share, as low as 10% in a new home and pay a regulated rent via a lease arrangement on the remaining unsold share.

8.2 By purchasing a share, households can benefit from the stability of home ownership without having to meet the deposit and borrowing requirements of purchasing 100% of the property.

8.3 From the point of initial purchase, householders have the option of buying extra shares in the home, known as staircasing. This means householders can, "staircase" to full ownership over time dependant on their financial circumstances.

8.4 Staircasing can take place in tranches as low as 1%, but this is limited to the first 15 years of the lease, or the first 15 years of ownership for a new tenant if the lease is assigned. Thereafter staircasing will need to take place at no less than 5% tranches.

8.5 Homes England set financial eligibility criteria for shared ownership. A household can be considered for shared ownership if both of the following apply:

- their **gross** household income is £80,000 a year or less
- they are unable to afford all the deposit and mortgage payments for a home on the open market that meets their needs

One of the following must also apply:

- they are a first-time buyer
- they used to own a home, but cannot afford to buy one now
- they own a home and want to move but cannot afford a new home suitable for their needs
- they are forming a new household - for example, after a relationship breakdown
- they are an existing shared owner and want to move

8.6 The Council will be responsible for essential external and structural repairs in the first 10 years to:

- the load bearing framework of the premises

- the external fabric of the premises; and/or
- the Service Media forming part of (but not exclusively serving) the premises
- all other structural parts of the premises, the roof, foundations, joists and external walls of the premises

8.7 This applies to new-build properties only and will be effective from the date it is built (i.e. Practical Completion) and will last until the end of the first 10 years or the date the shared ownership leaseholder staircases to 100%, whichever is the earlier. If a property is resold in the first 10 years, the next shared owner will be entitled to benefit from the remaining external and structural repair period.

8.8 Additionally shared owners benefit from a general repairs and maintenance allowance, in which they can claim up to a maximum of £500 in costs per year with no more than one years' worth of unspent allowance be rolled over into the following year

8.9 When assessing the viability of a site in which to deliver shared ownership, the repairs obligations as outlined in paragraphs 8.6-8.9 are also factored into the viability appraisal so that the financial liability of those obligations is captured.

## **9.0 CONSULTATION**

9.1 It is usual to undertake consultation with a range of stakeholders when introducing new policies. In this instance wider consultation outside of the Council is not appropriate.

9.2 This is because each policy has been shaped to take account of Homes England specific requirements. Those requirements limit the scope for changes to the policy as each home ownership product must be delivered in accordance with eligibility criteria and processes set by Homes England as a condition of receiving grant.

## **10.0 SUSTAINABILITY IMPLICATIONS**

10.1 At this time there are no significant sustainability impacts associated with this report

## **11.0 FINANCIAL AND RESOURCE IMPLICATIONS**

11.1 There are no financial and resource impacts by virtue of producing Shared Ownership and Rent to Buy Policies.

11.2 It is expected that the resource implications of supporting the required operational processes will initially be met using existing resources, however as the number of units increase across each home ownership product, there may be a need to increase staffing resources to ensure appropriate management of the home ownership property portfolio. Any increase in staffing resource is expected to be met using management fees.

11.4 While this report seeks approval for the publication of Rent to Buy and Shared Ownership policies as the operational process to support delivery of each home ownership product take shape, there may be a need to seek and pay for the

provision of outside support, e.g. to undertake financial assessments. Where this is the case, the support costs will be factored in the fee charged to the applicant.

## **12.0 RISK ASSESSMENT**

- 12.1 There are no risk issues by virtue of the publication of the Shared Ownership and Rent to Buy policy.
- 12.2 The affordable home ownership products are new to the Council and relatively complex therefore operational risk will need to be identified and managed, particularly while the Council and its officers become experienced and proficient in operating each product.

## **13.0 HEALTH AND WELLBEING IMPLICATIONS**

- 13.1 The development of the Rent to Buy and Shared Ownership policies aims to support the delivery of affordable home ownership tenures for those households who are in affordable housing need.
- 13.2 It is known that the provision of affordable, good quality housing coupled with a sense of stability can have a range of positive impacts on households being able to achieve their potential and improve their sense of wellbeing.
- 13.3 Good quality housing also has physical health benefits as those homes are not subject to damp or other defects which may adversely impact occupants' health.

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### **Background Documents**

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

### **Equality Impact Assessment**

There is a significant direct impact on members of the public, employees, elected members and / or stakeholders. Therefore an Equality Impact Assessment is required.

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

### **Appendices**

- Appendix A – Rent to Buy Policy
- Appendix B – Shared Ownership Policy
- Appendix C – Equality Impact Assessment

**Appendix A**

**WEST LANCASHIRE BOROUGH COUNCIL**

**RENT TO BUY**



**December 2022**

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## 1.0 POLICY OVERVIEW

### Introduction

- 1.1 West Lancashire Borough Council is committed to providing a range of affordable housing options that meet the housing needs and aspirations of the Boroughs' existing residents and those households who may wish to relocate to the Borough.
- 1.2 It is widely recognised that there is a shortage of affordable housing nationally and locally.
- 1.3 In West Lancashire, our housing needs study indicates a requirement for affordable rented housing as well as a need from newly forming and existing households who wish to be able to get a step on the property-owning ladder by accessing affordable home ownership products.
- 1.4 This policy aims to set out the broad framework to enable the Council to deliver a home ownership product called Rent to Buy. It should be read in conjunction with the requirements of the Homes England Capital Funding Guide - <https://www.gov.uk/guidance/capital-funding-guide/2-rent-to-buy>

### Policy Aims

- 1.5 The aims of this policy are to:
- support residents to meet their housing needs and aspirations
  - ensure the Council's Rent to Buy homes are purchased fairly and transparently
  - rent to households who at the point of letting are assessed as likely to be able to save for a deposit
  - ensure that households who purchase a Rent to Buy property can afford it at point of purchase
  - offer purchase terms that are compatible with mortgage lender requirements
  - ensure that the rental period, subsequent purchase or change in tenure approach is compliant with the regulatory requirements of Homes England
  - set out how the Council will manage its Rent to Buy properties

### Links to the Council's Corporate Priority

- 1.6 This policy supports the Council Priority of:
- ***A clean, safe environment with affordable homes to buy or rent for everyone in West Lancashire***



## **Equalities**

- 1.7 We are committed to ensuring that this Rent to Buy policy does not impact disproportionately on different equality groups.

## **2.0 RENT TO BUY**

### **What is Rent to Buy?**

- 2.1 Rent to Buy is an affordable home ownership product aimed at helping people who want to buy a home but are unable to save a deposit. It allows eligible working households to rent a home at an Intermediate Rent providing them the opportunity to save for a deposit which may enable them to purchase their rented home in the future.
- 2.2 An Intermediate Rent is a rent which is at a value above social rent but below market rent levels. It must not exceed 80% of the current market rent (inclusive of service charges).

### **Main Features of Rent to Buy**

- 2.3 Rent to Buy homes will be let at an Intermediate Rent for a minimum of five years during which it is expected tenants will save the deposit to purchase their rented home.
- 2.4 After the initial five-year letting period the Council may:
- continue offering the property as Rent to Buy
  - sell the home on an outright basis with the tenant being given the right of first refusal or
  - retain and convert the home to rented housing, on either an affordable or market rent basis
  - allow the tenant to purchase the property on shared ownership terms
- 2.5 While the initial letting period is set at a minimum of five years a tenant may request to purchase their property before the end of that period. Any decision to allow the purchase will be at the discretion of the Corporate Director of Transformation, Housing and Resources.

### **Development of Rent to Buy**

- 2.6 Development of Rent to Buy home ownership properties by the Council will be dependent on securing grant from Homes England, the Governments Housing Accelerator - <https://www.gov.uk/government/organisations/homes-england>
- 2.7 Schemes developed using grant fund must comply with specific requirements as set out in Homes England Capital Funding Guide.

## **Rent to Buy Marketing**

2.8 Those interested in Rent to Buy need to establish if there are any schemes available in their area.

2.9 In the case of new Rent to Buy schemes developed by the Council, various approaches may be used to advertise the availability of a scheme such as:

- the Council's website
- West Lancs Homefinder
- estate agents
- property lettings companies
- Help to Buy Agent 1 - <https://www.helptobuyagent1.org.uk/>

2.10 Site signage will also be erected, which is a requirement of Homes England. This will provide details of the new development including information about registering interest in a Rent to Buy home.

2.11 The extent of any marketing will depend on the level of expected demand; however, the Council will always seek to make information available as soon as is practicable ensuring that marketing takes place in advance of a new development's completion.

## **External Agent / Company**

2.12 The Council may enter into an agreement with an external agent/company, to manage the marketing of Council built Rent to Buy homes.

2.13 The appointed marketing company will be required by the Council to ensure it acts in accordance with the Consumer Protection and Unfair Trading Regulations (2008) and any other relevant regulatory guidance when marketing the Council's Rent to Buy homes.

2.14 All prospective Rent to Buy tenants / purchasers will be provided with clear and accurate information, which will have been approved by the Council in respect of the relevant Rent to Buy development.

## **3.0 FINANCIAL ELIGIBILITY & QUALIFICATION**

### **Financial Eligibility**

3.1 Rent to Buy is aimed at helping people in housing need who are unable to buy a property on the open market.

3.2 A household can be considered eligible for Rent to Buy if they satisfy all the following:

- first time buyers having not previously owned their own home

- *An exception to this is where an applicant is looking to return to home ownership following a relationship breakdown*
- they are working with the intention of buying their own home in the future (at the time of letting) who have income sufficient to be able to make the required rental payments and save for a deposit (see Affordability Assessment) for outright purchase
- taking account of their income, savings, and any other assets it is demonstrated that the household does not have financial capacity to be able to afford a mortgage deposit for a home suitable for the households needs, on the open market or be able to purchase outright at the point of their Rent to Buy application

### **Qualification**

3.3 Interested applicants will need to complete a Rent to Buy application form so that the Council or its agent can undertake an affordability assessment and verify financial and household eligibility details.

### **Affordability Assessment**

3.4 The affordability assessment will seek to confirm if the applicant can afford to sustain rent payments and other household costs, whilst having capacity to save towards a deposit at the point of their Rent to Buy application.

3.5 The applicant will not be able to proceed if it is anticipated that 40% or above of their net income will be spent on rent payments. Generally the Council would expect the ratio to be closer to 30%.

3.6 The percentages mentioned in paragraph 3.5 may be subject to change to reflect the housing market and broader cost of living factors at the time a rent to buy home is made available.

3.7 In considering the issue of affordability the Council or its agent will need to fully understand the applicants income and expenditure in order to reach a decision on the application. The Council may require further information from the applicant in order to make that decision

3.8 Credit checks may also be undertaken to ensure that there is no adverse credit history, at point of application, which may jeopardise obtaining a mortgage in the future.

## **4.0 HOUSEHOLD ELIGIBILITY**

### **Age**

4.1 All applicants must be 18 or over.

### **Joint Applicants**

- 4.2 Joint applicants for a Rent to Buy home can only proceed on the condition that both applicants become the joint legal owners of the home should they progress to purchase. Income, capital, and any other assets owned by each of the joint applicants will be considered when assessing the application.

### **Citizenship**

- 4.3 In most cases residents must be a British or EU/EEA citizen with a Settled Status or have indefinite leave to remain in the UK.
- 4.4 Where an applicant is not a British or EU/EEA citizen with a Settled Status or have indefinite leave to remain in the UK, the Council or its agent will undertake checks to establish if the applicants status means they are ineligible for the Rent to Buy product because they are unable to fulfil its requirements, by renting for five years and then progressing to obtaining a UK mortgage.

### **Elected members, staff and their relatives**

- 4.5 Elected members, staff and their relatives are eligible to apply for Council Rent to Buy properties. All applications will be assessed in line with the process set out in this policy. The Head of Housing will give a final approval for any allocations to elected members and their relatives. The Head of Housing will give a final approval to any allocations to staff and their relatives.

### **Bedroom Eligibility**

- 4.6 In addition to the eligibility criteria mentioned above, the Council will also need to consider the household composition in order that the property is suitable for the size of the household.
- 4.7 To ensure households are not overcrowded, they will be assessed against the Government's Allocation of Accommodation Guidance 2012 defined 'bedroom standard', which requires a separate bedroom for the following:
- Married or cohabiting couple
  - Adults aged 21 years or more
  - Two children aged 0-20 years of the same sex
  - Two children aged under 10 years regardless of sex
- 4.8 Under-occupation in Rent to Buy properties will be allowed where there are no other interested households that more closely match the property size.

### **Household Eligibility Exclusions**

- 4.9 Applicants will not be considered for Rent to Buy if any of the following apply.
- Unacceptable Behaviour
  - Rent Arrears & Other Housing Related debt

- Anti-social Behaviour
- Damage / Neglect of Council Property
- Rechargeable Repair Debt

4.10 When considering the above exclusion matters, Rent to Buy applicants will be considered in the same way as those applicants who wish to apply for the Councils rented housing. For full information about how the above matters are defined and investigated please refer to the Councils Allocations Policy which is available from [www.westlancshomefinder.co.uk](http://www.westlancshomefinder.co.uk)

### **Existing Social Housing Tenants**

4.11 An applicant who is an existing Council or Social Housing tenant will not be eligible for Rent to Buy if they are not complying with the terms of their tenancy agreement at the time of application. This includes but is not limited to rent arrears.

### **Review of Decision**

4.12 Where a Rent to Buy tenant disagrees with a decision taken by the Council to bring a tenancy to an end or an applicant has been deemed ineligible for the rent to buy product, they may submit a request for a Review. The request must be in writing and received by the Council within 21 days of the Councils original decision informing them of the course of action. The Review Process is set out below:

#### 4.13 *The Original Decision*

- Normally within 3 working days of making a decision on a Rent to Buy application, the officer dealing with the case will notify the applicant in writing of that decision. The decision letter will state:-
  - The reasons for the decision
  - The right to request a review of that decision
  - The time allowed to make a request for a review (normally 21 days from the date the date of the decision)
  - The name of the officer to whom the request for review should be made

#### 4.14 *Review Procedure*

- Where the applicant requests a review, the Review Procedure should be followed:
  - Written request for a review has been received within the timescale allowed (normally 21 days).
  - Within 2 working days of the written request being received, a Review Officer will be appointed (this will be a senior officer who has not taken part in the original decision).

- Within 10 working days of their appointment, the Review Officer will:
  - Write to the applicant stating that the review request has been received
  - Advise the applicant of the identity of the Reviewing Officer
  - Inform the applicant that they or someone acting on their behalf can make representations in writing in connection with the review
  - Further details of the review procedure
  - The timescale within which the review will be completed (8 weeks from the day on which the review is made)

4.15 There is no further right of appeal if the applicant is not satisfied with the decision on review.

4.16 Any further challenge would have to be through the courts by way of Judicial Review.

4.17 The review process set out in this section is identical to the process used in the Councils Allocation Policy.

## 5.0 PROPERTY ALLOCATIONS

### Allocation Approach

5.1 Properties are allocated on a first come, first served basis subject to meeting eligibility requirements.

## 6.0 TENANCY SIGN UP

### Information Provided to Customer Pre-Tenancy

6.1 In order for an approved Rent to Buy applicant to be able to make an informed decision about proceeding under the Rent to Buy scheme, the Council, before they sign the tenancy agreement, will confirm to the tenant in writing:

- the target purchase date
- the minimum sale price (this will be the total development cost of the home, below which the Council may choose not to sell),
- annual savings expectations and
- how this will be monitored

6.2 At this point the approved applicant can decide if they wish to proceed.

### Tenancy Deposit and Advance Rent Payments

6.3 If an applicant is approved and wishes to take up a tenancy on Rent to Buy terms, then the applicant will be required to pay **before signing-up for the property**, a deposit equivalent to one month's rent and the first month's rent

in advance (depending on when the tenancy commences they may also have to pay rent due until the end of the month until a direct debit has been set up).

- 6.4 The Council is registered with the Government backed Tenancy Deposit Scheme (TDS) which ensures the tenant's deposit is held securely and independently for the duration of the tenancy. The Council will register the deposit with the TDS and provide the tenant with the prescribed information within 30 days of receipt - [www.tenancydepositscheme.com](http://www.tenancydepositscheme.com)
- 6.5 On termination of the tenancy, the deposit is repayable to the outgoing tenant, less any costs owed to the Council in respect of:
- Rent owed (inclusive of service charges)
  - Damages to the property or other rechargeable items
  - Costs of any enforcement actions by the Council e.g. court applications

### **Length and Type of Tenancy**

- 6.6 The Councils Rent to Buy homes will be offered on a short term tenancy basis with a period of no less than six months up to 2 years with the most common tenancy period expected to be a fixed term of 12 months.
- 6.7 As the Rent to Buy product has been designed with home ownership in mind, the use of short-term tenancies is in line with expectations of an intermediate product that is a steppingstone into home ownership within a relatively short timescale.

### **Tenancy Agreement Renewal**

- 6.8 During the initial five-year period the tenancy will be reviewed and renewed after each tenancy term, provided there have been no tenancy breaches or other reasons why a renewal would not be considered.

### **Inventory**

- 6.9 At sign up the tenant will be provided with an inventory which will be used as evidence to dispute any damage caused to the home if the tenant moves out.
- 6.10 The Councils Void Surveyors will visit the home at the end of the notice period to take photographic evidence and determine the value of any repair work in order for it to be deducted from the tenant's deposit (if required) before it is released back to the tenant.

## **7.0 TENANCY OCCUPATION PERIOD**

### **Savings and Monitoring**

- 7.1 During the initial five-year renting period, Rent to Buy tenants will be expected to save in preparation to purchase in year 5.

- 7.2 The Council will conduct regular savings reviews throughout the tenancy to check on savings progress.
- 7.3 Rent to Buy tenants will be expected to provide evidence of savings towards mortgage deposits when requested.
- 7.4 If during the savings monitoring process it becomes evident that the tenant is refusing to engage with the process or is not likely to achieve the savings goals that would be sufficient at the end of the initial five-year letting period to enable them to buy or no longer wishes to buy, then the Council will discuss with them, their housing options. This will include moving home or switching to alternative tenures such as affordable rent or market rent. Any housing options advice will need to be informed by an options appraisal.

### **Intermediate Rent Increases**

- 7.5 Rent will be set inclusive of service charges with an annual increase applied on the 1st April. The rent increase will be no more than that of the Consumer Price Index taken from September of the previous year plus 1%.
- 7.6 A breakdown of rent and service charge will be provided on the tenancy agreement.

### **Tenancy Management**

- 7.7 Tenants of Rent to Buy properties can expect the same excellent level of housing management services as is provided to the Councils social / affordable rented tenants, including:
- full repairs and maintenance service
  - housing management support including arrears management, investigation of complaints, responding to reports of anti-social behaviour etc.
- 7.8 These services will be available up until the point where tenants give notice of intention to purchase in which case all Council repairs and maintenance responsibilities will be suspended, and all housing management functions would cease when the sale is completed.

### **Contents Insurance**

- 7.9 Tenants are advised to arrange their own contents insurance or take advantage of the specialist tenants contents insurance policy available through the Council.

### **Preserved Right to Buy or Right to Acquire**

- 7.10 Tenants that access Rent to Buy will not be entitled to exercise Preserved Right to Buy or Right to Acquire even where these rights may have existed from previous social housing tenancies.



## **Mutual Exchange**

7.11 Mutual exchange does not apply to Rent to Buy homes.

## **Tenant Responsibilities**

7.12 Rent to Buy tenants will be required to abide by the terms of the tenancy agreement but will also be obliged to inform the Council, at the earliest opportunity, of any change in circumstances that may impact on their ability to proceed with the eventual purchase or ability to meet rental payments.

## **Purchase Within First 5 Years**

7.13 The Council may, at its discretion, grant approval following receipt of an application from the tenant before the end of the initial five-year rental period to purchase the property either outright or on shared ownership terms.

7.14 At all times in considering such application the Council will need to consider its own financial and Homes England Grant agreement obligations, ensuring that any final decision takes account of those contractual obligations.

## **Options Appraisal**

7.15 Six months before the end of the initial five-year letting period, provided there has been no breach of tenancy condition requiring enforcement action or a purchase has not been authorised, the Council will conduct an 'options appraisal' as to the future ownership / management of the property in line with:

- The need to make best use of resources and prevailing market conditions
- Asset management issues (anticipated major capital expenditure)
- The best financial option available to the Council to maintain financial viability of the development
- The individual circumstances of the Rent to Buy tenants
- The grant funding conditions of Homes England (under the Shared Ownership and Affordable Housing Programme) including grant recycling implications
- Any other relevant matters

7.16 Each case in the options appraisal will be reviewed on its merits, however, for consistency in decision making the following factors will be taken into consideration:

- The conduct of the tenancy (with any tenancy breaches e.g. rent arrears, damage to property or anti-social behaviour, likely to influence a decision to bring the tenancy to an end)
- The financial circumstances of the Rent to Buy tenants including such factors as:

- Sufficient progress in saving towards a deposit – with extensions of rent to buy arrangements granted where progress has been made but tenants fall short of levels required to secure a mortgage
- Having adequate financial capacity to obtain a deposit / mortgage finance / or outright purchasing power but not wishing to purchase the rent to buy property (which is likely to lead to the Council bringing the tenancy to an end and re-letting to new applicants that meet the eligibility criteria in operation at that time)
- Individual circumstances that may mean a move of property would cause the household undue difficulties, non-exhaustive examples including the tenant:
  - having dependent children that attend a school or college that is within reasonable travelling distance from the home and there is a perceived impact on their education by virtue of a move
  - being close to a support network e.g. specialist medical facilities or child care arrangements
  - accessibility to employment or training opportunities within reasonable travelling distance of the home
  - or a member of their household having a vulnerability that should be considered

### **Options Appraisal Outcome Scenarios**

- 7.17 In most circumstances it will be expected that the Rent to Buy tenant will be able to obtain mortgage finance to purchase the property outright at this stage.
- 7.18 If for any reason this is not possible the 'options appraisal' will decide on a case-by-case basis the best option for continued management of the property and could include:
- A decision to bring the tenancy to an end (discussing with the tenants housing options and assisting them to find alternative accommodation, which could include application for Council owned or other landlord owned, social rented housing)
  - A continuation of the rent to buy arrangement with the current tenant extending the tenancy for an additional 6 months and subject to future review
  - A continuation of the rent to buy arrangement but by ending the current tenancy and letting to a new tenant
  - Ending of the short term tenancy and conversion to Affordable Rent enabling the current tenant to continue in occupation but on different tenancy terms. This would be at a similar rent to that charged on the rent to buy option (i.e. 80% of market rent) but would not include the requirement to save towards a deposit.

- Ending of the short term tenancy and conversion to full market rent (let for an initial period of 6 months and as a statutory periodic tenancy rolling from month-to-month thereafter) – this may be to the current tenant or to a new tenant.
- Conversion to a shared ownership product (whereby the current tenant purchases a percentage of the property and pays rent on the remainder with the option to purchase an increased percentage over time, with outright purchase the eventual aim). This option may be available at the Councils discretion, during the tenancy and is not restricted to the final six months of the initial five-year letting period
- Sale on shared ownership terms to a new customer

### **Council Refusal to Sell to the Tenant**

7.19 The Council will not sell to the tenant if the tenant is in rent arrears or in breach of the tenancy agreement.

## **8.0 RE-LETS**

Should a Rent to Buy property become vacant during the first five years from the date the property was completed, the Council may choose to offer the property for sale to a new customer on shared ownership terms or re-let on a short term tenancy under the Rent to Buy scheme. The decision will be based on an options appraisal at the time.

Where a relet on Rent to Buy terms takes place, the tenant shall have at least three years to save a deposit to purchase.

### **Re-Let's during the first 5 years**

8.1 A Rent to Buy tenant will not be able to purchase outright until five years after the property was built.

### **Re-Let's after year 5**

8.2 The tenant may request to purchase at any time as the five-year restriction will have passed.

## **9.0 RENT TO BUY PURCHASE**

### **Valuation Approach**

9.1 If the Council is satisfied that a sale of the property can proceed, and the tenant wishes to go ahead and buy the property then the home will be sold at a price equivalent to its open market value as determined by an open market valuation undertaken by a surveyor who is a member of the Royal Institute of Chartered Surveyors (RICS).

- 9.2 It is the responsibility of the tenant to cover the costs of the open market valuation.
- 9.3 Valuation reports are only valid for three months and so the tenant will be liable for the provision of updated valuation reports until the point of sale to ensure the sale price is reflective of the open market.
- 9.4 If the property is down-valued by the mortgage lender's surveyor, the Council will investigate the reasons supplied by the lender against the original valuation. This will include reviewing other similar properties for sale in the local area.

### **Financial Conduct Authority**

- 9.5 Prior to the purchase, the Council requires a copy of the buyer's mortgage offer, including the amount of borrowing. Mortgages must be obtained from a lending institution that is regulated by the FCA.

## **10.0 SHARED OWNERSHIP PURCHASE**

### **Shared Ownership Policy**

- 10.1 The Council's Shared Ownership Policy will apply should the home convert from Rent to Buy with the intention of selling the home on shared ownership terms.

## **11.0 POST RENT TO BUY PURCHASE**

### **Repairs & Maintenance**

- 11.1 Upon sales completion the new owner will become responsible for repairs and maintenance to the property for the duration of their ownership unless otherwise specified in sales / lease conditions.

### **Service / Estate Management Charges**

- 11.2 The owner will be liable for any service / estate management charges should they apply.

### **Building Insurance**

- 11.3 It will be the responsibility of the owner to arrange and pay for buildings insurance unless otherwise specified in sales / lease conditions

### **Contents Insurance**

- 11.4 It will be the responsibility of the owner to arrange and pay for contents insurance

### **Gas / Electrical Safety**

- 11.5 It will be the responsibility of the owner to arrange and pay for any servicing and or repairs to gas and electricity appliances at intervals recommended by the manufacturer.
- 11.6 The same responsibility extends to the gas and electricity supply infrastructure to the home unless it would otherwise be maintained and repaired by a relevant utility company.

**New Homes / Builder Warranties**

- 11.7 The Council will advise the owner of any warranties that apply to their home along with the details of the remaining warranty periods.

**12.0 POLICY REVIEW**

- 12.1 This Policy will be reviewed and updated in 2025 to take account of any significant changes in legislation, guidance, or good practice.
- 12.2 Tenants/Residents will be consulted and involved if there are any significant changes.

|                              |  |
|------------------------------|--|
| <b>Approved by:</b>          |  |
| <b>Effective date:</b>       |  |
| <b>Review date:</b>          |  |
| <b>Policy developed by:</b>  |  |
| <b>Associated Procedure:</b> |  |



## Appendix B

### WEST LANCASHIRE BOROUGH COUNCIL

### SHARED OWNERSHIP POLICY



December 2022

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## 1.0 POLICY OVERVIEW

### Introduction

- 1.1 West Lancashire Borough Council is committed to providing a range of affordable housing options that meet the housing needs and aspirations of the Boroughs' existing residents and those households who may wish to relocate to the Borough.
- 1.2 It is widely recognised that there is a shortage of affordable housing nationally and locally.
- 1.3 In West Lancashire, our housing need study indicates a requirement for affordable rented housing as well as a need from newly forming and existing households who wish to be able to get a step on the property-owning ladder by accessing affordable home ownership products.
- 1.4 This policy aims to set out a broad framework to enable the Council to deliver a home ownership product commonly known as Shared Ownership.
- 1.5 This policy should be read in conjunction with the requirements at the time, of the Homes England Capital Funding Guide - <https://www.gov.uk/guidance/capital-funding-guide>

### Policy Aims

- 1.6 The aims of this policy are to:
- support residents to meet their housing needs and aspirations
  - ensure that the Council's shared ownership homes are purchased fairly and transparently
  - ensure that residents who purchase a shared ownership property can afford it at point of purchase
  - offer Shared Ownership products that are compatible with mortgage lender requirements
  - ensure all sales are compliant with the regulatory requirements of Homes England
  - meet the conditions set through any Section 106 agreements
  - enable a quick and efficient sales process
  - set out how the Council will manage its Shared Ownership properties

### Links to the Council's Corporate Priority

- 1.7 This policy supports the Council Priority of:
- ***A clean, safe environment with affordable homes to buy or rent for everyone in West Lancashire***

## **Equalities**

- 1.8 We are committed to ensuring that this Shared Ownership policy does not impact disproportionately on different equality groups.

## **2.0 SHARED OWNERSHIP**

### **What is Shared Ownership?**

- 2.1 Shared Ownership is an affordable home ownership product through which households can purchase a share, as low as 10% in a new home and pay a regulated rent via a lease arrangement on the remaining unsold share.
- 2.2 By purchasing a share, households can benefit from the stability of home ownership without having to meet the deposit and borrowing requirements of purchasing 100% of the property.

### **What is Staircasing?**

- 2.3 From the point of initial purchase, householders have the option of buying extra shares in the home, known as staircasing. This means householders can, "staircase" to full ownership over time dependant on their financial circumstances.
- 2.4 Staircasing can take place in tranches as low as 1%, but this is limited to the first 15 years of the lease, or the first 15 years of ownership for a new tenant if the lease is assigned. Thereafter staircasing will need to take place at no less than 5% tranches.

### **Development of Shared Ownership**

- 2.5 Shared ownership can be delivered through planning obligations in the form of a Section 106 contribution where the planning applicant is required to deliver part of a residential site in the form of affordable housing with property and affordable tenure types being agreed with the Council.
- 2.6 Shared Ownership may also be developed using affordable grant funding from Homes England, the Governments Housing Accelerator - <https://www.gov.uk/government/organisations/homes-england>. Schemes developed this way must comply with specific requirements as set out in Homes England Capital Funding Guide.

### **Shared Ownership Marketing**

- 2.7 In the case of new shared ownership schemes developed by the Council, various means will be used to advertise the availability of a scheme. There is, however, a requirement for the Council to use the services of the Governments Help to Buy agent for the North called Help to Buy Agent 1

- [www.helptobuyagent1.org.uk](http://www.helptobuyagent1.org.uk)

- Tel: 0300 790 0570

2.8 Help to Buy Agent 1 is one of three agents set up by the Government to help advertise and deliver Government funded home ownership schemes. The agent:

- provides information to help applicants understand the home ownership schemes that are available and
- is involved in undertaking an initial financial eligibility assessment of the household on behalf of the Council.

2.9 Other methods of marketing new shared ownership properties may include:

- the Council's website
- estate agents
- other social media platforms or approaches

2.10 Site signage will also be erected, which is a requirement of Homes England. This will provide details of the new development including information about registering interest in purchasing a shared ownership home.

2.11 The extent of any marketing will depend on the level of expected demand; however, the Council will always seek to make information available as soon as is practicable ensuring that marketing takes place in advance of a new development's completion.

### **External Agent / Company**

2.12 The Council will enter into an agreement with an external agent/company, to manage the sales and marketing of Council built shared ownership homes.

2.13 The appointed marketing and sales company will be required by the Council to ensure it acts in accordance with the Consumer Protection and Unfair Trading Regulations (2008) and any other relevant regulatory guidance when marketing the Council's shared ownership homes.

2.14 All prospective purchasers will be provided with clear and accurate information, which has been approved by the Council on the homes being sold.

## **3.0 FINANCIAL ELIGIBILITY & QUALIFICATION**

### **Financial Eligibility Threshold**

3.1 Shared Ownership is aimed at helping people in housing need who are unable to buy a property on the open market.

3.2 Applicant eligibility criteria applies to Shared Ownership properties that are developed using grant funding from Homes England. We will use the same eligibility criteria for non-grant funded shared ownership schemes.

3.3 A household can be considered for shared ownership if both of the following apply:

- their **gross** household income is £80,000 a year or less
- they are unable to afford all the deposit and mortgage payments for a home on the open market that meets their needs

One of the following must also apply:

- they are a first-time buyer
- they used to own a home, but cannot afford to buy one now
- they own a home and want to move but cannot afford a new home suitable for their needs
- they are forming a new household - for example, after a relationship breakdown
- they are an existing shared owner and want to move

3.4 Capital assets, access to that capital, and any income generated by it will be considered when assessing income eligibility for Shared Ownership.

3.5 Capital assets could include savings, bonds, shares, land and any other assets or investments. Applicants will be expected to liquidate capital assets they may have.

3.6 Assessment of household income will include all members of the household whether they have joined the application or not. An exception would be the income of children under 18 and any other household members whose residence in the home is unlikely to be permanent.

3.7 Only in exceptional circumstances will applications from households with incomes above the maximum threshold be progressed, and in those circumstances, it will first require consideration and written approval from Homes England.

3.8 Two financial assessments are usually undertaken:

- Initial Affordability Assessment
- Detailed Affordability Assessment

### **Help to Buy Agent 1 and Initial Affordability Assessment**

3.9 Interested applicants will be required to complete an Affordable Home Ownership Application through Help to Buy Agent 1 who will:

- undertake an initial headline eligibility assessment to determine if the household has the financial capacity to afford and sustain homeownership in the long term.

- following completion of the above, submit provisionally eligible applicant details to the Council, or the Councils appointed agent who will consider the application further

### **Council or its Agent – Detailed Affordability Assessment**

3.10 Upon receipt of provisionally eligible applicant details from Help to Buy Agent 1, the Council or its external agent will:

- undertake a detailed financial assessment which will take account of savings, access to capital or any other assets, and any existing or projected outgoings to assess the affordability of the purchase.

3.11 The detailed assessment will also determine the percentage share the applicant can afford to buy as applicants will be expected to buy the maximum share, they are able to afford from the outset.

3.12 The assessment as to the maximum share purchase an applicant can afford must be undertaken by a suitably qualified and regulated mortgage or financial advisor, and buyers should make sure that the advisor is suitably experienced.

3.13 Once the assessment has been completed the mortgage / financial advisor will need to complete and return to the Council, a declaration form confirming that they have assessed the applicant(s) eligibility, affordability, and suitability for the Shared Ownership scheme.

### **Cash Buyers**

3.14 The Council understands that sometimes people may have a capital sum to put towards their purchase which may partially or fully cover the percentage share they want to buy. Cash Buyers will be subject to the same affordability and sustainability assessments along with the same expectation that they will maximise the share they purchase.

3.15 Confirmation will be sought from the mortgage / financial advisor that the buyer is unable to obtain a mortgage if the applicant is young enough to access mortgage finance. Money laundering checks will be required in these circumstances as the Council will require information and evidence on the source of cash payments.

### **Gifted Deposits**

3.16 Some households may benefit from financial assistance with the deposit, through a financial gift known as gifted deposit. Only gifted deposits from close family members defined as, parents, grandparents and siblings, will ordinarily be permitted. Other relationship types may be considered where appropriate.

- 3.17 While the provision of a gift will not be reason to stop a purchase, the value of the gift will be assessed to determine if the gift would enable the household to purchase a property on the open market.
- 3.18 Applicants receiving a gifted deposit will be expected to provide a completed Gifted Deposit Form from the family member providing the money.

### **Financial Conduct Authority (FCA)**

- 3.19 Prior to a purchase, the Council will require a copy of the buyer's mortgage offer, including the amount of borrowing. Mortgages must be obtained from a lending institution that is regulated by the FCA.

## **4.0 HOUSEHOLD ELIGIBILITY**

### **Age**

- 4.1 All applicants must be 18 or over.

### **Joint and Sole Applicants**

- 4.2 Joint applicants for a Shared Ownership home can only proceed on the condition that both applicants become the joint legal owners of the home.
- 4.3 For a joint application both applicants must meet the Shared Ownership eligibility criteria and the assessment of affordability will be based on the financial circumstances of both.
- 4.4 One person in a household can submit an application as a sole applicant. In these instances, the sole applicant would become the sole legal owner of the Shared Ownership home and only their eligibility and affordability would be assessed. However, the assessment of gross household income will still need to be based on all household members and will need to be within the £80,000 threshold.
- 4.5 There is nothing to prevent an applicant(s) being supported in their purchase of a Shared Ownership home by a trust fund held by an external party, family members, etc. However, the Shared Ownership application would still be in the name of the applicant(s), and it is they who will become the legal owner of the home. It is not possible for a trust fund to become a joint legal owner of a Shared Ownership home as the trust is unable to join in the application and be assessed according to the same criteria.

### **Existing Homeowners**

- 4.6 Under some circumstances, existing homeowners can be considered eligible for shared ownership homes. This includes cases of existing homeowners whose property no longer meets their housing needs and cannot afford to buy on the open market, or where a relationship breakdown has resulted in the household splitting.

4.7 Existing homeowners wishing to apply for a West Lancashire Council Shared Ownership home must;

- have their name removed from the previous mortgage and evidence this; or
- be in the process of selling their existing home and be able to demonstrate it is no longer suitable for their needs (e.g. overcrowded); or
- the sale of existing property completes at the same time of the purchase of the Shared Ownership property.

4.8 More information about these provisions and any special requirements can be found in Homes England Capital Funding Guide.

### **Immigration Act Status**

4.9 The Homes England Capital Funding Guide states:

- People accessing grant funded Shared Ownership properties are required to demonstrate that they can afford and sustain home ownership in the longer term.
- Those applicants who are subject to immigration control (i.e., who require leave to enter or remain in the United Kingdom under the Immigration Act 1971) are less likely to be able to satisfy this requirement unless they have indefinite leave to remain in the UK.
- However, there is nothing which legally prevents individuals subject to immigration control and without indefinite leave to remain from accessing Shared Ownership, provided that they fulfil the Providers usual requirements. If such an applicant can demonstrate their ability to sustain their home ownership obligations, it is likely to be discriminatory to deny them access to affordable home ownership assistance.
- Providers may wish to take the view that if a qualifying lending institution is willing to provide finance for the purchase, then the individual is considered good security and therefore should be allowed access to the scheme.
- Providers must adopt a case-by-case approach and are responsible for the decision as to whether the individual in question qualifies for Shared Ownership.

4.10 With the above in mind, the Council will consider each case on its merits and before a final decision is made on eligibility, seek advice as is appropriate to ensure that the decision is fair, transparent, and not regarded as discriminatory.



### **Elected members, staff and their relatives**

4.11 Elected members, staff and their relatives are eligible to apply for Council shared ownership properties. All applications will be assessed in line with the process set out in this policy. The Head of Housing will give a final approval for any allocations to elected members and their relatives. The Head of Housing will give a final approval to any allocations to staff and their relatives.

### **Exemptions**

4.12 Exemptions may include (but are not limited to) individuals whose financial commitments such as high childcare, or child maintenance payments reduce their ability to afford to buy a home on the open market. This will be assessed on a case-by-case basis.

4.13 The Head of Housing has authority to approve any exemptions to the criteria included in this policy. All exemptions will be monitored to ensure the Council's shared ownership properties are targeted to those most in need.

### **Bedroom eligibility**

4.14 To ensure households are not overcrowded, they will be assessed against the Government's Allocation of Accommodation Guidance 2012 defined 'bedroom standard', which requires a separate bedroom for the following:

- Married or cohabiting couple
- Adults aged 21 years or more
- Two children aged 0-20 years of the same sex
- Two children aged under 10 years regardless of sex

### **Existing Social Housing Tenants**

4.15 An applicant who is an existing Council or Social Housing tenant will not be eligible for Shared Ownership if they are not complying with the terms of their tenancy agreement at the time of application.

### **Changes of Circumstance**

4.16 The Council is aware that household circumstances can change over time, and it is possible that some changes may affect a household's ability to afford to buy and sustain the ongoing costs of home ownership, even if the household has been initially assessed as being eligible to purchase.

4.17 Where changes have occurred between initial application and exchange of contracts, the Council will ensure that applicants continue to meet the eligibility criteria, prior to any exchange of contract.

## 5.0 APPLICANT PRIORITY

### Priority Requirements

5.1 In line with the requirement of Homes England Capital Funding priority will be given to both serving and former military personnel. This priority applies if:

- The applicant has completed their basic training (phase one) as:
  - Regular service personnel (Navy, Army and Air Force)
  - Clinical staff
  - Ministry of Defence Police Officers
  - Uniformed staff in the Defence Fire Service
- They are ex-regular service personnel who have served in the Armed Forces for a minimum of six years, and can produce a Discharge Certificate (or similar documentation) as proof, where they apply within two years the date of discharge from service
- They are defined as a surviving partner under the Homes England Capital Funding Guide of regular service personnel who have died in service, where they apply within two years of the date of being bereaved.

### Households with the same priority

5.2 If two or more residents have the same level of priority, the property will be offered to the applicant with the earliest registration date.

## 6.0 RESERVATIONS AND SALES VALUATIONS

### Reservation

- 6.1 A property may be reserved once affordability and eligibility checks have been approved.
- 6.2 Eligible applicants who wish to purchase the property following receipt of approval following affordability and eligibility checks will be required to pay a reservation fee of \*\*\***YET TO BE DETERMINED**\*\*\*
- 6.3 When paying the reservation fee, the buyer will also be required to sign the reservation fee form agreeing to the terms and conditions under which the fee is paid. The reservation fee will be offset against the sale price.
- 6.4 Upon receipt of the reservation fee there will be an expectation that the buyer will progress to exchange of contract within twelve weeks (or an alternative timescale as is appropriate in the prevailing housing market) from the confirmation of sale.

- 6.5 The Council will reserve the right to discontinue an application due to lack of progression from the buyer, or until the applicant(s) withdraws their interest in writing if sooner.
- 6.6 It will be at the discretion of the Corporate Director of Transformation, Housing and Resources whether the reservation is held beyond the target exchange date, and this will be determined by the cause of the delay and whether it is related to issue beyond the buyer's control.
- 6.7 All decisions to extend will be agreed on a case-by-case basis.
- 6.8 Should the buyer not proceed with the purchase for any reason, the reservation fee will not be refunded. Exceptions may be made in certain circumstances, e.g., where not receiving the refund would cause severe financial hardship. This will be at the discretion of the Corporate Director of Transformation, Housing and Resources.
- 6.9 Applicants who owe any money to the Council before or during the purchase process will not be allowed to progress until the debts have been cleared, to the satisfaction of the department responsible for collecting the debt.

#### **Mortgage offer approval**

- 6.10 Prior to the purchase, the Council's appointed sales and marketing company will require a copy of the buyer's mortgage offer, including the amount of borrowing and the terms and conditions being applied. This is to check that the terms of the mortgage offer are fair and that repayments will be sustainable for the purchasers.

#### **Sales Valuation**

- 6.11 Prior to first (initial) sale the Council (or its agent) will arrange for each shared ownership home to receive an independent valuation from a Royal Institute of Chartered Surveyor qualified surveyor.
- 6.12 Initial sales will be based on the full market value of the property. The Initial share sold to buyers will be between 10% - 75%

### **7.0 COMPLETION / POST PURCHASE**

#### **Lease**

- 7.1 The shared ownership lease provided by the Council will be of a 990-year duration.

#### **Charges**

- 7.2 On the day of completion, the new owner will become responsible for the payment to the Council of rent, service charges and any other charges that

apply including any administration charges where they are provided for in the lease.

- 7.3 The Council will also charge administration fees for other services provided to shared owners that are not specified in the lease; for example, re-mortgaging applications.
- 7.4 The Council will require the payments to be made monthly by Direct Debit.
- 7.5 Both the rent and service charge will be reviewed annually on 1<sup>st</sup> April each year, in line with the terms of the lease. The service charge may change depending on the expenses incurred for the development.

### **Rent Charge**

- 7.6 The applicable monthly rent at point of purchase will be no more than 2.75% of the unsold equity. This means rents will be set on an individual property basis depending what percentage has been sold.
- 7.7 Under current regulations, increases in rent are limited to the Retail Price Index (RPI) plus 0.5%.
- 7.8 Shared owners will be given at least one month's notice in writing of the revised rent, which will commence in April of the relevant year

### **Service Charge**

- 7.9 At the point of purchase the shared owner will become responsible for the payment of service charges (and any other charges) which apply for the relevant financial year.
- 7.10 Service charges may be levied to fund the following (*not an exhaustive list*):
- Communal cleaning
  - Buildings insurance
  - Maintenance of lifts, door entry systems and other items such as solar panels
  - Management and audit fees
  - Estate management services
- 7.11 The Council will provide shared owners with accurate and timely information about service charges, including a breakdown of the relevant costs. Charges will reflect the cost of delivering a particular service and will be apportioned equally.
- 7.12 The service charge provisions differ for Shared Ownership houses and flats:
- For flats the Council will estimate the charges to be incurred in the following year reconciled at the end of the Account Year. An annual

service charge will be set based on this. Shared Owners will be charged for this monthly at the same time as rent to spread the cost.

- For houses the Council will set charges based on a fair and proper proportion of outgoings billable as and when they arise.

7.13 Some Shared Ownership houses may be subject to estate management charges which will remain applicable even if the Shared Owner purchases 100% of the property (staircases out). E.g. the upkeep of communal garden areas. In these circumstances the shared owner will need to ensure they make arrangements to pay estate management charges direct to the provider of those services / the applicable management company.

### **Rent / Service Charges / Mortgage Arrears**

7.14 It is a condition of the lease agreement to pay the rent and in the case of shared ownership shared owners, to maintain mortgage payments. Failure to pay the rent, service charges or mortgage payments or any other breaches of the lease agreement could lead to loss of the shared owner's home.

### **Completion Day**

7.15 On the day of completion, a member of the Council team or its agent will be on hand to provide new owners with keys to the property and to demonstrate how to use the facilities and answer any queries they may have.

7.16 Buyers will also be given a Home User Guide that will provide helpful information about the property. While this is not a complete list it will include:

- meter readings
- warranties for any appliances fitted
- how to pay service and rent charges
- sets out the Council full repairs and maintenance obligations
- New Homes / Builder Warranties eg NHBC

### **Repairs during the first year**

7.17 For the first year, the contractor who built the property remains responsible for rectifying defects at no cost to the owner. Common defects repairs will be outlined in the Home User Guide.

### **Repairs & Maintenance**

7.18 The Council will be responsible for essential External and Structural repairs in the first 10 years as shown in the lease under the definition of "initial repair period".

7.19 This means that during the initial repair period, and provided the repair is not covered by the building warranty or any other guarantee pertaining to the

particular components, the landlord is responsible for the cost of and arranging for essential External and Structural repair works to:

- the load bearing framework of the premises
- the external fabric of the premises; and/or
- the Service Media forming part of (but not exclusively serving) the premises
- all other structural parts of the premises, the roof, foundations, joists and external walls of the premises

7.20 The “first 10 years” applies to new-build properties only and will be effective from the date it is built (i.e. Practical Completion). This period will last until the end of the first 10 years or the date the shared ownership shared owner staircases to 100%, whichever is the earlier. If a property is resold in the first 10 years, the next shared owner will be entitled to benefit from the remaining balance of the 10 year External and Structural period. External and Structural Repairs do not include normal general maintenance, redecoration and renewal works.

7.21 Shared owners benefit from a general Repairs and Maintenance Allowance, in which they can claim up to £500 in costs per year.

7.22 Any portion of general Repairs and Maintenance Allowance repair and maintenance costs over and above £500 will be the responsibility of the shared owner.

7.23 The allowance is intended to enable the shared owner to keep in repair and proper working order (if faulty and not covered by warranty):

- installations in the property for the supply of water, gas and electricity and for sanitation (including basins, sinks, baths and sanitary conveniences, but not other fixtures, fittings and appliances for making use of the supply of water, gas or electricity), pipes and drainage or
- installations in the property for space heating and heating water

7.24 Shared owners will also have the flexibility to roll over a maximum of one years' worth of unused general Repairs and Maintenance Allowance repairs expenditure into the following year if the fault is not covered by warranty. For example:

1<sup>st</sup> Year

- *No repairs required and so £500 can be carried forward to 2<sup>nd</sup> year*

2<sup>nd</sup> Year

- *No repairs required so £500 from year 1 plus £500 from year 2 is available = £1000*

3<sup>rd</sup> Year

- *No repairs required – only one year of £500 can be carried forward from year 2, even though £1000 was available.*

- *This means at Year 3, there is a total of £1000 available made up of £500 available from year 2 (the maximum that can be carried forward in any one year) plus £500 available from Year 3*

7.25 The annual general Repairs and Maintenance Allowance cannot be used for repairs that are covered by a warranty / guarantee. This means that:

- Before submitting a claim to the Council under the general Repairs and Maintenance Allowance outlined above, the shared owner should first determine if the required repair is covered by any property warranties/guarantees in operation at the time.
- If the repair work is covered by such warranty / guarantee, then the shared owner will be required to use the warranty / guarantee to facilitate the repair.
- Where repair work is not covered by a warranty / guarantee, then in advance of the shared owner arranging any works they should contact the Council for approval to proceed. To enable the Council to determine if they are essential and genuine works and not the result of the Shared owner breaching their lease covenants then the shared owner will be required to:
  - provide all reasonable information, including invoices and photographs
  - and provide such access to the premises as required by the Council

7.26 The Council will only provide payment under the general Repairs and Maintenance Allowance if it is satisfied that:

- the works were necessary
- they are not covered by an existing warranty/ guarantee
- the cost incurred reflects the rates in the market
- the works have been carried out by a Trustmark approved tradesperson

7.27 The Council will update the shared owner of the balance of the general Repairs and Maintenance Allowance available to the shared owner both at the beginning of each year and following an approved claim.

**Important Note**

*The Council will not carry out works or repairs which have become necessary due to neglect, misuse, wilful damage, breach of tenancy by you or a member of your household or as a result of forced entry by the Police or other emergency services*

**Sinking Fund**

- 7.28 For Shared Ownership homes funded under the Affordable Homes Programme 2021 to 2026, in calculating the annual sinking fund charge, the Council will not factor in any External and Structural repair work, expected or unexpected, within the first 10 years as part of the initial repair period.
- 7.29 Sinking funds will be collected to pay for major repairs to the building which may occur either only once during the lifetime of the building, or at intervals of more than one year, for example, a lift or roof replacement or the redecorating of the communal areas
- 7.30 The shared owner will pay into the fund monthly from the start of the purchase until the property is sold.
- 7.31 In the case of a shared ownership apartment which is sold to a new owner, the value of the sinking fund remains with the property for the next owner.

### **Gas Safety**

- 7.32 Shared owners are responsible for maintaining and regularly servicing all appliances in their property. Failure to carry out these checks may result in a breach of the lease agreement and could potentially affect the building insurance policy.
- 7.33 All gas appliances, including gas boilers, gas flues, gas cookers and gas fires should be safety checked and serviced regularly according to the manufacturer's instructions. Such services should be carried out by a Gas Safe registered or equivalent approved engineer at least every 12-months.
- 7.34 Shared owner will be required to keep a record of each such safety check and provide a copy to the Council immediately after each safety check.
- 7.35 The Shared owner will be responsible for carrying out any remedial action identified by the engineer in their checks.

### **Home Improvements**

- 7.36 Where Shared owners wish to make alterations to the property, they will first need to seek written approval from the Council.
- 7.37 Where written permission is given, the Council will clarify expectations such as any pre or post inspection of planning permission, building regulations, insurance cover during and after works, and set out conditions such as the future maintenance of improvements and alterations.
- 7.38 Shared owners are not able to:
- make any alterations or additions to the exterior of the property.
  - make any structural alterations or structural additions to the property.
  - erect any new buildings on the property; or
  - remove any of the Landlord's fixtures from the property



7.39 Below is a list of example alterations that can be carried out, some require permission from the Council, whilst others do not:

Permission from the Council IS required:

- Replacing window frames
- Works affecting any services to the property, for example, electric, gas, drainage, water
- Installation of central heating/replacement of boiler
- Any change to the internal layout of your property
- Rewiring
- New kitchens and bathrooms
- Installation of aerials or satellite dishes
- to alter or make an addition of a non-structural nature to the interior of the property

Permission from the Council ISN'T required:

- Replacing glass in windows
- Changing internal doors
- Internal decoration

### **Buildings Insurance**

7.40 The Council will provide block buildings insurance cover for all its leasehold blocks of flats and Shared Ownership houses, unless there are contractual terms in place which require otherwise. The Information Governance section of the Council website provides information about making an insurance claim.

### **Contents Insurance**

7.41 The Council will not provide insurance for the contents of Shared Ownership properties. Shared owners will be advised to arrange their own contents insurance or, if available, take advantage of the specialist tenants contents insurance policy available through the Council.

### **Pets**

7.42 If a shared owner wishes to keep a pet, they should obtain written permission from the Council in accordance with their lease.

7.43 The Council will make decisions to grant permission on a case-by-case basis. in line with the Council Pet Policy – April 2018 (as amended).

### **Subletting**

- 7.44 The Shared owner is not permitted to sub-let or part with possession of the property in any other way until the Shared owner staircases to 100% ownership of the property.
- 7.45 Shared Ownership leases must prohibit sub-letting by the shared owner to protect public funds and ensure applicants are not entering Shared Ownership potentially for commercial gain.

### **Breach of Lease**

- 7.46 Where a shared owner is acting in breach of the terms of their lease then appropriate action will be taken. Breaches may include, but are not limited to:
- Failure to pay rent, service charges, or the mortgage
  - Improper use
  - Causing or permitting a nuisance, annoyance or disturbance
  - Not maintaining, or causing damage to the property or premises
  - Carrying out alterations or adaptations to the property without consent
  - Subletting the property without consent

### **Stair-casing (buying more shares in your home)**

- 7.47 Buying more shares in a shared ownership home is called 'stair-casing'.
- 7.48 The shared owner can purchase shares at 5% and above, any time after they acquire their initial share. Staircasing can also take place in tranches as low as 1%, but this is strictly limited to the first 15 years of the lease, or the first 15 years of ownership for a new tenant if the lease is assigned
- 7.49 For the 15-year period where 1% staircase purchase option applies, the Council will provide the shared owner with an annual, "Additional Percentage Value Notice" so they are informed of the 1% value and can consider if they wish to purchase an additional share. The Additional Percentage Value Notice is valid for three months from the date of service.
- 7.50 At any time after the expiry of the Additional Percentage Value Notice the shared owner may request a further calculation of the 1% value.
- 7.51 Purchases of a 1% share does not require the property to be valued by a Royal Institute of Chartered Surveyor qualified surveyor, unless the shared owner disagrees with the 1% value shown in the Additional Percentage Value Notice. In such circumstances the shared owner is entitled, at their own cost to instruct a Valuer to determine the Market Value in accordance with the provisions of the lease.
- 7.52 Where a shared owner wishes to purchase additional shares at 5% and above then any valuations required for stair-casing will be at the shared owners' expense and must be undertaken by a Royal Institute of Chartered Surveyor qualified surveyor who is required to provide a true reflection of the property's open market value.

- 7.53 The shared owner will be required to pay for their own legal fees in addition to the valuation referred to above.
- 7.54 When a shared owner increases their share in the ownership of the property (staircases), the rent will decrease. The Council will re-calculate the rent and apply the new rent from the date of completion of the staircase transaction. Once a shared owner staircase to 100% ownership, no rent will be payable.

### **Resales**

- 7.55 A resale is where an existing shared owner wants to sell all their shared ownership interest in their property. The principle is the same as buying a new shared ownership property, but the new buyer will need to buy at least the share that the shared owner currently owns.
- 7.56 A shared owner wishing to sell their interest should contact the Council to inform of their intention to sell.
- 7.57 Upon receipt of the "intention to sell" notification, the Council will inform the shared owner of:
- the steps required to facilitate a resale
  - which part of the process the shared owner is responsible for in terms of arranging and being liable for fees
  - whether the Council has rights to nominate a buyer to the resale property – this will depend upon the original terms in the lease
- 7.58 Typical items that the shared owner will be liable for:
- arranging and paying for a property valuation
  - arranging marketing and estate agency fees
  - facilitating viewings for potential buyers at your home
  - legal fees
  - other fees allowed for in the lease related to resales including fees incurred, even if a resale does not take place
- *The above is not intended to be a full list*
- 7.59 In order to establish the value of the shared owners share the valuation referred to above, must be undertaken by a Royal Institute of Chartered Surveyor qualified surveyor who is required to provide a true reflection of the property's open market value. Upon receipt of the property's open market value, the value of the shared owners' current share can be calculated.
- 7.60 Open market valuation reports are valid for three months. The shared owner will need to provide updated reports to correctly reflect the value of the property until point of sale.

- 7.61 If the property is down-valued by the mortgage lender's surveyor, the Council will investigate the reasons supplied by the lender against the original valuation. This will include reviewing other similar properties for sale in the local area.
- 7.62 Properties cannot be advertised below their open market value without permission from central government.
- 7.63 The shared owner should not commence any marketing of the property until the Council has confirmed in writing that marketing may commence. This requirement allows the Council to ensure that all required steps have been followed ahead of the commencement of formal marketing.
- 7.64 A household interested in purchasing a resale shared ownership property will be subject to eligibility and qualification checks as described in this policy.
- 7.65 The Council approves potential buyers of the shared owner's home.

**8.0 POLICY REVIEW**

- 8.1 This Policy will be reviewed and updated in 2025 to take account of any significant changes in legislation, guidance, or good practice.
- 8.2 Tenants/Residents will be consulted and involved if there are any significant changes.

|                              |  |
|------------------------------|--|
| <b>Approved by:</b>          |  |
| <b>Effective date:</b>       |  |
| <b>Review date:</b>          |  |
| <b>Policy developed by:</b>  |  |
| <b>Associated Procedure:</b> |  |



**EXECUTIVE OVERVIEW SCRUTINY: 23 February 2023**

**LANDLORD SERVICES: 1 March 2023**

**CABINET: 7 March 2023**

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

**Relevant Portfolio Holder: Councillor N Pryce-Roberts**

**Contact for further information: Alan Leicester (alan.leicester@westlancs.gov.uk)**

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**SUBJECT: Update on Actions – Damp and Mould Management in Council Housing**

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Wards Affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To provide an update about the work that is being completed to mitigate the issue with damp and mould in council homes.
- 1.2 For members to note the contents of the report and the action being taken.

## **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

- 2.1 That the Committee consider the report and that the action and information is noted and agreed comments of the Executive Overview and Scrutiny Committee to be passed to Cabinet for their consideration

## **3.0 RECOMMENDATIONS TO CABINET**

- 3.1 That Cabinet note the action already taken and the future proposed action to mitigate damp and mould issues in council homes and the aims to reduce the impact on the health to our tenants.
- 3.2 That Cabinet endorse the actions being taken.

## **4.0 BACKGROUND**

- 4.1 Members will be aware of the tragic incident with regards to the death of a young child in a Rochdale Borough Housing property. The findings of the coroner directly attributed the condition of the property to the death of the child.
- 4.2 Following the findings the Regulator requested information from housing providers with regards to the action being taken by providers to ensure the safety of residents in relation to damp, mould, and condensation. WLBC provided feedback within the required timescale.
- 4.3 In addition to the requirements of the Regulator, the Housing Ombudsman issued direction and recommendations in the way complaints, disrepair claims, and reports of damp and mould should be treated and managed in light of the Rochdale case.
- 4.3 Housing Services have reviewed communication from the Regulator and Ombudsman and identified some additional actions in addition to the work already undertaken to manage damp, mould & condensation within our housing stock.
- 4.4 WLBC take seriously any reports of damp, mould, or condensation raising any repairs or conducting inspections to identify necessary remedies as required.

## **5.0 CURRENT POSITION**

- 5.1 A working group has been put in place involving officers from across the teams in Housing Services and they have developed a working action plan and a work tracker. The group meets weekly to progress the agreed actions within the plan.
- 5.2 Savills have been conducting a stock condition survey for us and this puts us in a good position as they have completed 4,839 surveys. During those surveys, they have identified any issues relating to Housing health and safety rating system (HHSRS) and for damp have recorded those issues as severe, moderate, or slight. The survey identified 3 severe, 169 moderate and 620 slight issues. The regulator required feedback detailing any cases that fall into a Category 1 or Category 2 HHSRS. This means for WLBC we had 3 cases that fell into Category 1 and 789 in Category 2.
- 5.2 The actions delivered so far are:
  - a) Wates have instructed their operatives when in our homes to report back any identified issues so an appropriate inspection can be arranged.
  - b) Visited all 3 properties identified with a severe issue, conducted a fungicidal wash of the affected areas, identified additional work required which has been ordered and appointments agreed with the tenants.
  - c) We have brought in additional resources to support our action plan and future actions to resolve current and future cases: These resources are:

- An additional surveyor for an initial 6 months who specialises in disrepair.
  - Introduced an additional administration resource for 6 months to contact tenants and decide on work to be completed or to agree an appointment with a surveyor for an inspection.
  - Recruited 2 additional caretakers for 3 months to directly conduct and target initial fungicidal washes to the 620 properties identified with slight issues. The caretakers will also report any additional issues identified.
  - Recommendation for February Council HRA budget report to include £500k for 23/4 & £250k for £24/5 to support our response to addressing damp, mould, and condensation in customers' homes. These funds will be used to complete any additional repairs, support the running of any pilot systems and if required to support additional resources to ensure an effective response.
- d) We have provided briefing documents to all customer facing colleagues to look out for and report any issues of damp or mould.
  - e) Created a dynamic action plan that is reviewed at each core group meeting.
  - f) Reviewed applications for rehousing from customers who have mentioned damp or mould in their application and for those applicants who are existing tenants we are in the process of conducting home visits.
  - g) Our customer services team are reporting any issues where a customer has mentioned mould or damp, our commitment is to conduct an inspection within 7 working days of the report.
  - h) Introduced a new Customer Feedback Policy in line with the Housing Ombudsman's guidelines to ensure effective management of issues raised by customers. This has been accompanied by a detailed training package to all relevant staff.

### 5.3 Further actions which are in progress include:

- a) Wates are currently reviewing their Palm Top Devices so a specific action will be required by operatives to confirm if they have identified any issues in a property during completing a repair or not.
- b) We are currently investigating the potential use of technology to monitor and measure such as CO2, moisture, or heating in properties to proactively identify potential issues. We will be aiming to run a pilot scheme in Q1 of 2023/4.
- c) We have reviewed our website and are enhancing the information and advice for customers.
- d) Conducting desktop and property inspections as appropriate for the 169 cases identified as moderate and ordering any required follow up work.
- e) We have identified those properties where Savills have been unable to get access as part of the full stock condition survey and in February 23, we will be writing to those tenants to try and arrange an appointment for Savills to conduct the inspection.
- f) We are developing a training course for colleagues on this matter which would be relevant to their current role.

- g) In February 23 we start writing to or contacting all our tenants asking them to report any issues of damp, mould, or condensation. We will be writing to tenants in batches as this will ensure we are able to manage the response effectively.
- h) Any communication that we send to customers will refer to where customers can obtain support specifically relevant to financial inclusion.

5.4 At each core group meeting we discuss any further actions or current best practice that we may be able to implement and further develop and build this into actions to be completed or considered.

## **7.0 STATUTORY REQUIREMENT**

7.1 We are required in line with legislation that homes are fit for human habitation and are free from any HHSRS.

7.2 We are also required to deal with any complaints raised as per the Housing Ombudsman requirements

7.3 We are required to meet the standards and recommendations of the regulator in terms of understanding the current position and having systems in place to deal with reports of damp and mould

## **8.0 SUSTAINABILITY IMPLICATIONS**

8.1 Failure to ensure our properties are maintained will mean they will require longer term investment if they have been impacted by such as damp and mould.

## **9.0 FINANCIAL AND RESOURCE IMPLICATIONS**

9.1 The financial impacts are not yet fully known as additional work or actions will continue to be identified as inspections etc are completed.

9.2 As outlined in this report additional resources are proposed as part of the budget setting process.

## **10.0 RISK ASSESSMENT**

10.1 The risks for not dealing with these issues as they are raised are:

- a) The ombudsman may find against us for maladministration and subsequently issue an order for compensation if issues are not effectively managed.
- b) If we are found failing by the ombudsman this could be a reputational risk to the organisation and could force an inspection from the regulator and issue of a regulatory notice.
- c) If a disrepair case is taken to its fullest extent the costs could be significant to the organisation with some awards for other organisations being high



along with the requirement to pay all legal figures which in many cases are more than compensation ordered by the courts.

## **11.0 HEALTH AND WELLBEING IMPLICATIONS**

11.1 Our proactive approach will ensure the effective management of damp, mould or condensation will ensure that we are providing healthy homes and supporting the long-term health and wellbeing of our customers.

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### **Background Documents**

There are no background documents

### **Equality Impact Assessment**

There is a direct impact on our customers, colleagues. Therefore, an Equality Impact Assessment is required. A formal Equality Impact Assessment is attached as an Appendix A to this report.

### **Appendices**

Appendix A - Equality Impact Assessment



# Equality Impact Assessment Form



|  |   |
|--|---|
| <b>Directorate: Housing and Inclusion</b>  | <b>Service: Housing Services</b>  |
| <b>Completed by: Jane Maguire</b>  | <b>Date: 30 January 2023</b>  |
| <b>Subject Title: Update on Actions – Damp and Mould</b>   |   |
| <b>1. DESCRIPTION</b>  |   |
| Is a policy or strategy being produced or revised:   | No  |
| 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:  | Yes   |
| Is a programme or project being planned:   | No  |
| Are recommendations being presented to senior managers and/or Councillors:   | No  |
| Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ): | Yes   |
| Details of the matter under consideration:   | The actions being taken to mitigate the risks of damp and mould in our homes.   |
| <p><i>If you answered <b>Yes</b> to any of the above go straight to Section 3</i><br/> <i>If you answered <b>No</b> to all the above please complete Section 2</i></p>   |   |
| <b>2. RELEVANCE</b>  |   |
| Does the work being carried out impact on service users, staff or Councillors (stakeholders):  | <b>Yes</b> *delete as appropriate   |
| If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders):<br><i>If you answered <b>Yes</b> go to Section 3</i>  |   |
| If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups:  |   |
| <b>3. EVIDENCE COLLECTION</b>  |   |
| Who does the work being carried out impact on, i.e. who is/are the stakeholder(s)?   | Existing WLBC tenants   |
| 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)?  | The approach is universal and is targeting properties in which damp maybe an issue however no specific tenant group will be impacted on or use the approach the most. |

|   |  |
|---|--|
| Which of the protected characteristics are most relevant to the work being carried out?   |  |
| Age   | Yes  |
| Gender  | Yes  |
| Disability  | Yes  |
| Race and Culture  | Yes  |
| Sexual Orientation  | Yes  |
| Religion or Belief  | Yes  |
| Gender Reassignment   | Yes  |
| Marriage and Civil Partnership  | Yes  |
| Pregnancy and Maternity   | Yes  |
| <b>4. DATA ANALYSIS</b>   |  |
| 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 approach/service will be used by any tenant whose property has an issue with damp or mould.  |
| What will the impact of the work being carried out be on usage/the stakeholders?  | The impact of the work/action will be to complete work in tenants homes to reduce the risks and impacts to health from damp and mould. |
| 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 impact of this should be to improve views of services and approach being taken by WLBC   |
| 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?   | Initial data for this work is being taken for an independent property survey conducted by Savills.                                     |
| If any further data/consultation is needed and is to be gathered, please specify:   | N/A.   |
| <b>5. IMPACT OF DECISIONS</b>   |  |
| In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?   | The approach should have an overall positive impact on all customers/tenants and will not impact on any specific characteristic.       |
| <b>6. CONSIDERING THE IMPACT</b>  |  |
| 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 has been found.   |
| What actions do you plan to take to address any other issues above?   | We have a working group in place who will continue to review our approach.   |
| <b>7. MONITORING AND REVIEWING</b>  |  |
| When will this assessment be reviewed and who will review it?   | This EIA will be reviewed in six months time by the Repairs Manager.   |

## AGENDA ITEM:



**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 23 FEBRUARY 2023**

**CABINET: 7 MARCH 2023**

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

**Relevant Portfolio Holder: Councillor A Yates**

**Contact for further information: Ms A Grimes (Extn. 3211)  
(E-mail: [alison.grimes@westlancs.gov.uk](mailto:alison.grimes@westlancs.gov.uk))**

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**SUBJECT: CORPORATE PERFORMANCE REPORTING 2023/24**

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Wards affected: Borough wide

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

1.1 To seek approval for the Corporate Performance Reporting for 2023/24.

### **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE**

2.1 That the Committee consider the suite of Key Performance Indicators 2023/24 (Appendix A) and agree comments as appropriate.

### **3.0 RECOMMENDATIONS TO CABINET**

3.1 That, subject to consideration of the agreed comments of the Executive Overview & Scrutiny Committee, the suite of Key Performance Indicators (KPIs) and targets in Appendix A are approved and adopted for reporting as part of a Council Plan Corporate Delivery Plan to evidence progress with the Council Plan.

3.2 That the Corporate Director of Transformation, Housing and Resources, in consultation with the Portfolio Holder, be authorised to finalise and amend the suite (Appendix A) having regard to agreed comments from Executive Overview and Scrutiny Committee made on 23 February 2023, and to make necessary amendments to the suite in year in response to any issues that may arise, for example government policy or collection mechanisms.

## 4.0 CURRENT POSITION

- 4.1 The Council Plan 2020-23 was agreed at Council in October 2020 detailing the Vision and Priorities for the organisation. The Plan provides clarity of purpose for the Council allowing efficient communication of its strategic direction with the public, stakeholders and staff. This in turn allows effective planning and prioritisation of work and supports transparency and accountability. The Plan is provided in Appendix B for reference.
- 4.2 Services developed actions (the "We Will..." statements) to meet those priorities over the lifespan of the Plan. This covers a large amount of work over several years across a broad spectrum of services. Progress against these actions is summarised and reported to Members along with the supporting KPIs on a quarterly basis as a Corporate Performance Delivery Plan.
- 4.3 The suite of indicators aims to measure the strategic priorities and associated actions (Appendix A). Monitoring these indicators reflects Members' role in the implementation of the Council Plan. Service data is however still used and actively monitored by Managers and Heads of Service to ensure effective operational delivery.
- 4.4 Targets for the KPIs in Appendix A have been set for 2023/24 after consideration by services to be challenging but realistic based on current expectations and Cabinet is asked to agree these targets for the coming year. Other than target changes the only changes detailed in the Appendix are to remove:
- *WL148 Value of business support grants allocated and processed (million)* – this evidenced the support provided to businesses through distribution of Covid-related business grants. These have now concluded.
  - *WL162 Effective use of resources* - established timetabled actions reported through to Members provide information and reassurance in this area
  - *WL163 Regulatory requirements met (financial statements)* – as above
- 4.5 In addition to KPIs, information of 'data only' is provided where targets have not been set, with explanations provided in the Appendix. It should be noted that not all KPIs will have a quarterly outturn. Explanations of underperformance and activity to address this within actions or KPIs will be provided within the quarter report.
- 4.6 There is no change to the Council Plan for 2023/24 other than where actions have been completed and this is outlined in Appendix B. Planned work continues to deliver the Plan and is reported to Members through Committee.

## 5.0 FUTURE COUNCIL PLAN

- 5.1 A new Council Plan is currently in the early stages of development and a revised Plan and measures will therefore be brought to committee and full Council later in the year. This report therefore refers to a refresh of monitoring data against the current Council Plan (at Appendix B) to ensure it remains appropriate for the remaining term of the Plan.

## **6.0 SUSTAINABILITY IMPLICATIONS**

6.1 The information set out in this report aims to help the Council achieve its vision and priorities and should contribute to the sustainability of services and the borough as a whole. There are no significant sustainability impacts associated with this report/update and, in particular, no significant impact on crime and disorder.

## **7.0 FINANCIAL AND RESOURCE IMPLICATIONS**

7.1 The Council Plan aims to ensure the Council is able to continue to pursue its objectives, within the resources available and can monitor and manage use of those resources. An agreed Council Plan will assist in shaping budget decisions and enable clear priorities to be set for services. There are no direct financial or resource implications arising from this report.

## **8.0 RISK ASSESSMENT**

8.1 The risk associated with this report have been included in the Business Transformation and Change risk register. The risk is *BIDR06 Produce accessible, reliable corporate performance information through process*. This report is a consideration for the risk scoring.

Having well-defined priorities means that attention and resources can be effectively focussed on managing, monitoring and achieving the Council's core objectives and reduces the risk of not doing so. Monitoring and managing the priorities, actions and KPIs is therefore an essential part of delivering the plan.

## **9.0 HEALTH AND WELLBEING IMPLICATIONS**

9.1 The Council Plan supports health and wellbeing within West Lancashire in a variety of ways. The priority *Everyone to be healthy, happy, safe and resilient* specifically outlines what we want and what we intend to do to achieve this. In addition, a positive impact on Health & Wellbeing will also be achieved through the wider work of the other priorities and actions of the plan.

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### **Background Documents**

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

### **Equality Impact Assessment**

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

### **Appendices**

Appendix A: Proposed KPIs 2023/24

Appendix B: WLBC Council Plan 2020-2023

## APPENDIX A: PROPOSED KPIs 2023/24

| PI Code & Short Name   | Results<br>2020/21-2021/22 |                    | Targets                     |                               | Notes   | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|--|----------------------------|--------------------|-----------------------------|-------------------------------|---|-----------------------|------------------------|-----------------|
|  | 2020/21<br>outturn         | 2021/22<br>outturn | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |   |                       |                        |                 |
| ES19a % successful planned bin collections (grey)  | N/A                        | 99.20%             | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| ES19b % successful planned bin collections (blue)  | N/A                        | 99.89%             | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| ES19c % successful planned bin collections (brown)   | N/A                        | 97.94%             | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| ES19d % successful planned bin collections (green)   | N/A                        | 99.15%             | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| NI192 Percentage of kerbside household waste sent for reuse, recycling and composting                                    | 46.9%                      | 42.4%              | 47.8%                       | 47.8%                         |   | G                     | Q                      | Env             |
| ES01 No. grass cuts undertaken on the highway between April-October  | 8                          | 8                  | 8                           | 8                             | Contractual.  | G                     | Q                      | Env             |
| ES02 No. grass cuts undertaken in Sheltered Accommodation between April-October  | 9.6                        | 10                 | 10                          | 10                            | Contractual.  | G                     | Q                      | Env             |
| ES04 % locations inspected falling into categories A/B - Litter (cumulative)   | 100%                       | N/A                | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| ES06 % locations inspected falling into categories A/B - Dog Fouling (cumulative)  | 100%                       | N/A                | 97.0%                       | 97.0%                         |   | C                     | Q                      | Env             |
| ES07 % locations inspected falling into categories C/D - Overflowing Litter Bins (cumulative)                            | 0.94%                      | N/A                | 5.0%                        | 5.0%                          |   | C                     | Q                      | Env             |
| ES08 % locations inspected falling into categories A/B - grounds maintenance (includes grass and shrubbery) (cumulative) | 99.8%                      | N/A                | 95.0%                       | 95.0%                         |   | C                     | Q                      | Env             |
| ES11 % locations inspected falling into categories C/D - Detritus (cumulative)   | 2.35%                      | N/A                | 5.0%                        | 5.0%                          |   | C                     | A                      | Env             |
| WL162 Effective use of resources   | Yes                        | Yes                | Yes                         | Propose deletion              | Controls to enable our financial sustainability and compliance with regulatory requirements are principally the regular review of the Medium Term Financial Strategy, identification of pressures and budget gaps and the subsequent development and monitoring of savings and efficiency plans. These, along with the external audit opinion, are reported through to Members. These timetabled actions mean that the PIs are not required to provide a measure and reassurance for Members. | F                     | A                      | FPCPS           |
| WL163 Regulatory requirements met (financial statements)   | Yes                        | Yes                | Yes                         | Propose deletion              | As above  | F                     | A                      | FPCPS           |
| E01 % rent loss through empty commercial properties available to rent  | N/A                        | 4.2                | 10%                         | 10%                           | The target recognises the importance of sustaining the income from the Council's commercial portfolio and the need to avoid the financial liabilities that result from property voids   | F                     | Q                      | FPCPS           |



| PI Code & Short Name  | Results<br>2020/21-2021/22 |                       | Targets                     |                               | Notes   | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|---|----------------------------|-----------------------|-----------------------------|-------------------------------|---|-----------------------|------------------------|-----------------|
|   | 2020/21<br>outturn         | 2021/22<br>outturn    | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |   |                       |                        |                 |
| WL132-c19 FTE working days lost due to sickness absence per average FTE (COVID Inclusive) | 8.64                       | 11.2                  | 8.08                        | 8.08                          | As Covid is deteriorating within the population and the incidence is less frequent in the workforce, we will include all Covid absences as part of normal sickness absence and cease to separate it out from non-covid related absence. In doing so we will keep the Target of 8.08 FTE days per FTE as in previous years to enable a consistent comparator figure.   | F                     | Q                      | CCS             |
| WL165 % Staff Turnover Rate   | N/A - New for 2022/23      | N/A - New for 2022/24 | Data only                   | Data only                     | Labour turnover for all companies was 14.4% in 2021, not-for-profits 18.1%, and voluntary labour turnover 12.5%. In private sector companies, labour turnover was 11.7% and voluntary turnover 8.7%. People left the public sector more frequently during 2021, with total labour turnover at 15.6%. The labour market is still volatile [source: Personnel Today, 2022]. Consequently this will continue as a data only figure for the next 12 months, in anticipation for the labour market settling during that time, but with the knowledge that we would be aiming to be less than 15.6% over the next 12 months.    | H                     | Q                      | CCS             |
| Page 21<br>R21 % of Council Tax collected   | 93.06%                     | 92.73%                | 97.10%                      | 97.10%                        | Last year the potential to increase the target in 23/4 was anticipated. Given the current financial crisis, particularly relating to energy cost increases, it would not be feasible to consider any change at this point. It is recommended that the current target is retained.<br><br>The service has had significant impact from administration of the mandatory energy rebate schemes and there is potential for these to continue into next year. Impacts of the financial crisis on recovery performance will be monitored and the service will network with the national IRRV forums and Lancashire benchmarking. | F                     | Q                      | CCS             |
| R3 % of Business Rates Collected (NNDR)   | 87.46%                     | 93.79%                | 97.20%                      | 97.20%                        | As above in relation to service impacts and future performance monitoring.<br><br>Last year the potential to return to pre-covid performance in 23/4 was anticipated. It is evident that businesses continue to be impacted post Covid and also by the current financial crisis, including the increase in energy costs. It is recommended that the current target is retained.   | F                     | Q                      | CCS             |
| B5 Speed of Processing Housing Benefit  | N/A                        | N/A                   | 12                          | 12                            | Whilst the service is currently exceeding this target, they have been and will continue to be involved in the administration of the mandatory energy rebate schemes, the Household Support Fund and payments for Ukrainian sponsors.  | H                     | Q                      | CCS             |
| BV8 % invoices paid on time (within quarter)  | 95.95%                     | 93.21%                | 98.75%                      | 98.75%                        | Performance has not met target during the year. The Creditors Service is working directly with underperforming service areas to review processes, which is contributing to improvement. It is anticipated that performance in this area will further improve following the implementation of the new Civica system.   | B                     | Q                      | CCS             |

| PI Code & Short Name   | Results<br>2020/21-2021/22 |                    | Targets                     |                               | Notes   | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|--|----------------------------|--------------------|-----------------------------|-------------------------------|---|-----------------------|------------------------|-----------------|
|  | 2020/21<br>outturn         | 2021/22<br>outturn | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |   |                       |                        |                 |
| WL85a Website: no. visits  | 546,671                    | 540,099            | Data only                   | Data only                     |   | E                     | Q                      | CCS             |
| WL85c Website: No. of payments processed online  | 78,042                     | 72,380             | Data only                   | Data only                     |   | E                     | Q                      | CCS             |
| WL90 % of Contact Centre calls answered  | 96.50%                     | 87.80%             | 88.00%                      | 88.00%                        | A detailed mid year review was reported to Executive Scrutiny and Cabinet demonstrating that with current staffing levels the existing target was realistic to ensure that calls could be answered and handled effectively and efficiently whilst ensuring a high standard of customer service is provided. Call messaging signposts those callers able to access online services to them as this is an effective method of contact and resolution. | E                     | Q                      | CCS             |
| WL108 Average answered waiting time for callers to the contact centre (seconds)                  | 43                         | 150                | 145                         | 145                           | As above. In addition, shorter wait times actively discourages those customers who can access services digitally from doing so.   | E                     | Q                      | CCS             |
| WL130 No. Service Now Customer Accounts  | 39,333                     | 48,433             | Data only                   | Data only                     |   | F                     | Q                      | CCS             |
| WL131 No. Social Media Followers (WLBC FB, Twitter)  | 13,715                     | 14,870             | Data only                   | Data only                     |   | E                     | Q                      | CCS             |
| HS14 % non-decent council homes  | 0.10%                      | 0.00%              | 0.10%                       | 0.10%                         | Regulator monitoring and new stock condition survey completed with need to achieve 100% decency   | G                     | A                      | HSG             |
| HS27 % of properties with a valid Landlord Gas Safety Record (homes and buildings)               | 99.9%                      | 99.9%              | 100.0%                      | 100%                          | Legislation   | C                     | Q                      | HSG             |
| HS28 % of properties with a valid Electrical Installation Condition Report (homes and buildings) | 98.1%                      | 96.5%              | 100.0%                      | 100%                          | Legislation   | C                     | Q                      | HSG             |
| HS29 % non-domestic that require an asbestos management survey/re-inspection                     | 100.0%                     | 100.0%             | 100.0%                      | 100%                          | Legislation   | C                     | Q                      | HSG             |
| HS30 % of non-domestic properties with fire risk assessment in place                             | 100.0%                     | 100.0%             | 100.0%                      | 100%                          | Legislation   | C                     | Q                      | HSG             |
| HS31 % of properties covered by water hygiene risk assessment (homes and buildings)              | 100.0%                     | 100.0%             | 100.0%                      | 100%                          | Legislation   | C                     | Q                      | HSG             |
| TS1a Rent collected from current and former tenants as a % of rent owed (excluding arrears b/f). | 100.26                     | 100.73             | 100.00                      | 100.00                        | Target is anticipated to be achieved fro 22/23. Target kept at 100% based on cost of living and increased heating charges   | F                     | Q                      | HSG             |
| TS11 % of rent loss through dwellings being vacant [Lower is Better]                             | 1.45%                      | 1.18%              | 1.10%                       | 1.40%                         | Target increased to reflect changes to reporting mechanism and potential short term impact that Property Service review may have on performance. Median performance of benchmarking group in Housemark is 1.48  | F                     | Q                      | HSG             |
| TS52 No. tenants accessing money advice service  | N/A                        | 2043               | Data only                   | Data only                     | Data only for information linked to Financial Inclusion Strategy  | H                     | Q                      | HSG             |
| TS53 No. tenants supported with Food Poverty advice  | N/A                        | 304                | Data only                   | Data only                     | As above  | H                     | Q                      | HSG             |

| PI Code & Short Name  | Results<br>2020/21-2021/22 |                    | Targets                     |                               | Notes   | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|---|----------------------------|--------------------|-----------------------------|-------------------------------|---|-----------------------|------------------------|-----------------|
|   | 2020/21<br>outturn         | 2021/22<br>outturn | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |   |                       |                        |                 |
| TS54 No. people provided with money advice to help prevent homelessness (tenants & residents)           | N/A                        | 36                 | Data only                   | Data only                     | Data only for information linked to Financial Inclusion Strategy  | H                     | Q                      | HSG             |
| TS55 No. tenants provided with fuel poverty advice  | N/A                        | 110                | Data only                   | Data only                     | As above  | H                     | Q                      | HSG             |
| NI 154 Net additional homes provided  | 458                        | 418                | 335                         | 335                           | Housing Requirement identified in adopted West Lancashire Local Plan  | C                     | A                      | PRS             |
| NI 155 Number of affordable homes delivered (gross)   | 133                        | 155                | Data only                   | Data only                     | No target set as the Council does not have direct control over affordable housing delivery. It does influence delivery by encouraging registered provider development, supporting Homes England grant applications, directly developing using own Development Company and maximising affordable housing delivery from private development sites via S.106 contributions.  | C                     | A                      | HSG             |
| NI 159 Supply of ready to develop housing sites   | 224.0%                     | 205.0%             | 120.0%                      | 120.0%                        | Use of 120% as an ongoing target will help to ensure Council plans for a reasonable, best practice buffer of housing supply in case delivery of housing should drop unexpectedly (e.g. because of recession) or the need should change (upwards).   | C                     | A                      | PRS             |
| WL144a Vacancy levels - Vacant units in Burscough   | 4.4%                       | 3.0%               | 2.0%                        | 4.0%                          | Contextual data since vacancies affected by market forces as well as Council policy. National vacancy rate was 14% in mid 2022. Target is set at 4% and is considered to be a suitable benchmark given the historical vacancy rate, economic challenges from COVID and the national vacancy rate.   | B                     | A                      | PRS             |
| WL144b Vacancy levels - Vacant units in Ormskirk  | 7.0%                       | 9.6%               | 9.0%                        | 9.0%                          | Contextual as above. Target is retained at 9% because the town centre is diversifying through the presence of a wider range of non-retail uses. Given this, the historical vacancy rate, the economic challenges from COVID and the national vacancy rate the target will be challenging and impacts from these needs to be understood ahead of any change to the target.   | B                     | A                      | PRS             |
| WL144c Vacancy levels - Vacant units in Skelmersdale  | 25.3%                      | 20.4%              | 18.0%                       | 18.0%                         | Contextual as above. Target is retained at 18% or less in a centre with historical challenges because the town centre has benefitted from recent development and is seeking to add additional leisure uses. Given this, the historical vacancy rate, the economic challenges from COVID and the national vacancy rate the target will be challenging and impacts from these needs to be understood ahead of any change to the target. | B                     | A                      | PRS             |
| ER07 Number of businesses signed up as Skelmersdale Ambassadors   | N/A                        | 0                  | Data only                   | Data only                     | Targets to be reviewed following re-launch of Ambassadors programme.  | B                     | A                      | WLP             |
| ER09 Number of businesses added value to via business support, property searches, skills and employment | 109                        | 925                | Data only                   | Data only                     |   | B                     | Q                      | WLP             |
| WL159 No. attending parks and countryside events and activities   | 0                          | 3,163              | 35,000                      | 35,000                        | Figure includes non-Ranger led 'mass events' such as Park Run.  | H                     | Q                      | WLP             |

| PI Code & Short Name  | Results<br>2020/21-2021/22 |                    | Targets                     |                               | Notes  | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|---|----------------------------|--------------------|-----------------------------|-------------------------------|--|-----------------------|------------------------|-----------------|
|   | 2020/21<br>outturn         | 2021/22<br>outturn | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |  |                       |                        |                 |
| WL150 Number of new participants engaged in health & wellbeing programmes/interventions                   | N/A                        | 333                | 250                         | 300                           | Target increase takes into account the new time limited Business Health Matters programme.   | H                     | Q                      | WLP             |
| WL151a Number of new clients attending vocational training  | N/A                        | 202                | 50                          | 27                            | This is based on the target set by Active Lancashire, reflective of the size of the MPT team and cost per participant. Target reduced because Kickstart programme is no longer running. As there is no funding specifically allocated to this the targets are not as easy to hit without this funding. | H                     | Q                      | WLP             |
| WL151b Number of new participants engaged to enhance employability, confidence, skills and qualifications | N/A                        | 327                | 140                         | tbc                           | This will reflect the programme target set by Active Lancashire currently under discussion.  | H                     | Q                      | WLP             |
| WL153a Total No. of partners working with Wellbeing and Leisure Service                                   | N/A                        | 72                 | 81                          | 120                           | Target reflects the ongoing work the team will do to nurture and maintain existing and new partnerships throughout the year.   | H                     | Q                      | WLP             |
| WL157a No. visits to leisure facilities   | N/A                        | 485,916            | 550,000                     | 450,000                       | Target reduced in consideration of increased local competition with regards to Pure Gym in Ormskirk and Gym First within Concourse. Aging facilities.  | H                     | Q                      | WLP             |
| PL160 No. Green Flag Awards   | 2                          | 2                  | 2                           | 2                             | To maintain current target demonstrating the importance of the awards  | G                     | A                      | WLP             |
| WL148 Value of business support grants allocated and processed (million)                                  | £39.70                     | £41.5              | Data only                   | Propose deletion              | All covid business grants have now been delivered.   | B                     | Q                      | WLP             |
| WL161 Affordable Housing units via Tawd Valley Developments   | N/A                        | 44                 | 37                          | tbc                           | Fairlie development (50 units) is due to complete fully by May 2024. Within year target (April-March) will be confirmed for quarter reporting.   | C                     | Q                      | FPCPS           |
| WL140 % of staff who understand how their role contributes to the vision and priorities                   | 80%                        | N/A                | Data only                   | Data only                     | Survey not held in 2021/22   | H                     | A                      | CCS             |
| WL141 % staff who feel the Council is a good organisation to work for                                     | 79%                        | N/A                | Data only                   | Data only                     | As above   | H                     | A                      | CCS             |
| CIT01 % feel West Lancs is safe & secure to live  | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 2020/21-21/22   | C                     | A                      | PRS             |
| CIT03 % satisfied with how WLBC runs things   | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 2020/21-21/22<br>2022/23 data showed an improvement (51% to 56%) on previous outturn in 2019/20.  | E                     | A                      | C               |
| CIT16 % of residents feel that they belong to their local area  | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 2020/21-21/22<br>2022/23 data showed an improvement (65% to 68%) on previous outturn in 2019/20.  | E                     | A                      | C               |
| CIT09 % residents who feel safe in local area after dark  | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 2020/21-21/22<br>2022/23 data showed an improvement (60% to 62%) on previous outturn on previous outturn in 2019/20.  | C                     | A                      | WLP             |

| PI Code & Short Name  | Results<br>2020/21-2021/22 |                    | Targets                     |                               | Notes  | Corporate<br>Priority | Reporting<br>Frequency | Service<br>area |
|---|----------------------------|--------------------|-----------------------------|-------------------------------|--|-----------------------|------------------------|-----------------|
|   | 2020/21<br>outturn         | 2021/22<br>outturn | Current<br>Annual<br>Target | Proposed<br>2023/24<br>Target |  |                       |                        |                 |
| CIT10 % residents who feel safe in local area during the day    | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 2020/21-21/22<br>2022/23 data showed an improvement (86% to 89%) on previous outturn on previous outturn in 2019/20.  | C                     | A                      | WLP             |
| CIT02 % satisfied with street cleaning (cleanliness of streets) | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 20/21-21/22. Up until 2022/23 the question referred to satisfaction with 'street cleanliness'. For 2022/23, the question has referred to satisfaction with 'street cleaning' and so so whilst very similar any results are not directly comparable. 2022/23 data showed a reduction (52% to 47%) on previous outturn on previous outturn in 2019/20.                        | C                     | A                      | ES              |
| CIT07 % satisfied with parks and green spaces                   | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 20/21-21/22. To note that up until 2022/23 the question referred to satisfaction with 'parks and open spaces'. For 2022/23, the question has referred to satisfaction with 'parks and green spaces' and so whilst very similar any results are not directly comparable. 2022/23 data showed an improvement (49% to 56%) on previous outturn on previous outturn in 2019/20. | G                     | A                      | WLP             |
| CIT06 % satisfied with sports/leisure services                  | N/A                        | N/A                | Data only                   | Data only                     | Survey not carried out 20/21-21/22. To note that up until 2022/23 the question referred to satisfaction with sports and leisure services, rather than "facilities", and so whilst very similar any results are not directly comparable. 2022/23 data showed a reduction (27% to 25%) on previous outturn on previous outturn in 2019/20.   | H                     | A                      | WLP             |

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**Key:**

**Corporate Priorities:**

- B - Support businesses to adapt & prosper
- C - A clean, safe environment with affordable homes to buy or rent for everyone in West Lancs
- H - Everyone to be healthy, happy, safe and resilient
- G - Become a Greener West Lancashire
- E - Create empowered, engaged and inclusive communities
- S - To be a financially sustainable Council by 2023

- ES - Environmental Services
- CCS - Corporate & Customer Services
- PRS - Planning & Regulatory Services
- WLP - Wellbeing & Place Service
- FPCP - Finance, Procurement and Commercial Property Services
- HSG - Housing Services
- C - Corporate

Q - Quarterly ; A - Annually; N/ A - not developed/recorded at this time

CIT- PIs collected via the Citizen Survey. Results of the survey were reported to Cabinet and Executive Overview and Scrutiny Nov 2022.

## **APPENDIX B : Council Vision and Priorities**

Our Vision

**West Lancashire together; the place of choice to live, work, visit and invest**

Our priorities are:

**Create empowered, engaged and inclusive communities**

**We want:**

- Healthy resilient and engaged communities that work together to improve the places they live and work
- Everyone to have the same opportunities
- Thriving voluntary and community groups that support innovation and collaboration
- To work with partners for the good of local people
- Our citizens to access the benefits of being digitally engaged
- Councillors that are active and knowledgeable and support change at a local level
- To improve customer satisfaction

**We will:**

- Work with partners to develop a meaningful offer to support citizens to become digitally included
- Adopt a best practice model of consultation
- Engage with communities for key decisions
- Listen & provide feedback for how views improve services
- Use Community Networks to gain views from hard to reach groups
- Create innovative ways to listen to different community views
- Use Councillors' existing reach and influence to provide community feedback to shape decision making
- Develop (place based) neighbourhood plans with key partnerships committed to meeting the needs of our communities
- Build on and develop strengths within local communities

### **Support businesses to adapt and prosper**

**We want:**

- West Lancashire to be the place of choice to locate your business
- Our 3 towns to be thriving hubs for their communities
- To support our businesses to succeed and grow
- A strong rural business economy
- A vibrant and modern Ormskirk market that attracts visitors to the town centre

**We will:**

- Develop a strong web presence which positively promotes West Lancashire
- Promote West Lancashire as a place to invest through the Skelmersdale Place Board & Ambassadors
- Support the recovery and growth of existing and new businesses
- Signpost/support businesses to innovate/diversify
- Develop the market offer and reinvigorate Ormskirk's Eastern gateway
- Lead the regeneration of Skelmersdale Town Centre
- Create enlivened town centres offering diverse leisure opportunities and night time economy
- Adopt an inclusive procurement approach which supports local businesses to tender for opportunities

## Become a Greener West Lancashire

### We want:

- To become a Carbon Neutral Council by 2030
- Local business and citizens to embrace the green agenda
- Council housing stock to meet high standards of efficiency - insulation, design, technology
- To minimise waste disposal and improve recycling services to meet national targets
- To embed green infrastructure into our thinking and planning for West Lancashire's future development and regeneration
- To safeguard the natural landscape and maintain our green environment

### We will:

- Optimise the Council fleet; increase route efficiency and maximise low emissions
- Be a role model and lead good practice; develop a Climate Change Strategy and action plan
- Encourage local businesses and service providers to set their own targets for becoming carbon neutral and promote their achievements
- Commit to maximising Council energy requirements from renewable sources
- Ensure all council buildings are operating to highest efficiency standards - insulation, design, and technology
- Maximise the use of solar panels on Council owned buildings and housing stock
- Optimise the development of solar/wind farm investment
- Enhance green spaces promoting diverse leisure uses and explore the option of developing an Eco park
- Use green credentials to form part of our procurement selection criteria
- Use the supply chain to maximise energy efficiency, design out waste and reduce our carbon footprint
- Reduce waste and improve recycling, implement a Waste strategy with a focus on sustainable solutions
- Increase the use of environmentally friendly products
- Support the development of green transport
- Develop a local plan policy encouraging green developments – green space, energy efficiency, sustainable supply chains

## Be a financially sustainable Council by 2023

### We want:

- To be confident, capable and financially sustainable
- To continue to improve the efficiency and effectiveness of service provision
- To be able to invest in high priority service areas
- To maximise available government funding and generate income to reinvest in West Lancashire
- To provide value for money services

### We will:

- Continuously develop, find better ways to do things and embrace new technology
- Consider the merits of all service options to ensure value for money is achieved
- Maximise the value from existing assets and focus on value for money
- Make sure our internal financial and decision-making processes continue to be strong
- Review existing contract savings and work with suppliers to achieve economies of scale
- Review fees and charges across all council services
- Maximise commercial investment opportunities through a commercial strategy
- Optimise inward investment
- Continue the implementation of the Council's Sustainable Organisation Review
- Maximise the returns from Tawd Valley Development Company to reinvest in West Lancashire

## **A clean, safe environment with affordable homes to buy or rent for everyone in West Lancashire**

### **We want:**

- To provide a cleaner physical environment to enhance the Borough
- West Lancashire to be safe for all citizens
- A Local Plan that supports quality growth and infrastructure in the Borough
- To provide quality and genuinely affordable homes

### **We will:**

- Continue to drive forward the community safety agenda
- Review WLBC/public estate land holdings
- Develop homes to rent/buy/for shared ownership through Tawd Valley Development Company
- Identify strategic regeneration areas and investment plans
- Increase the supply of homes to bring cheaper private rents...
- Get the right mix of properties...
- Review our Housing Strategy
- Lead estate regeneration creating attractive places where people want to live
- Deliver high quality street cleansing services based on demand
- Invest resources within services to achieve an improvement to the local environmental quality
- Identify strategic regeneration areas and investment plans
- Develop environment ward reports for members

## **Everyone to be healthy, happy, safe and resilient**

### **We want:**

- To help businesses in West Lancashire to thrive, grow and connect
- An engaged and motivated Council workforce
- To design services that help people stay healthy and independent
- To invest in sports and leisure services and facilities
- To protect, invest and continue to develop our green leisure spaces

### **We will:**

- Deliver our people strategy with Council staff that results in a continuously improving culture
- Deliver our financial inclusion strategy and action plan
- Deliver our food poverty strategy and action plan
- Deliver our fuel poverty strategy and action plan
- Deliver our health and wellbeing strategy embedding school initiatives
- Work with partners to focus on prevention and reducing health inequalities
- Develop a quality range of health, wellbeing and leisure facilities and services
- Bring in additional money/services to support our most deprived areas

## **Everyone to be proud of their Council**





**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 23<sup>rd</sup> February 2023**

**CABINET: 7<sup>th</sup> March 2023**

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

**Relevant Portfolio Holder: Councillor Adam Yates / Portfolio Holder for Economic Regeneration**

**Contact for further information: Name (Extn. 5262) Chris Twomey  
(E-mail: [Chris.twomey@westlancs.gov.uk](mailto:Chris.twomey@westlancs.gov.uk))**

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**SUBJECT: CORPORATE PEER CHALLENGE UPDATE**

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Wards affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To present to councillors an update following the Corporate Peer Challenge Report

## **2.0 RECOMMENDATIONS TO EXECUTIVE OVERVIEW AND SCRUTINY**

2.1 That the Committee consider progress against the peer review action plan and that the agreed comments of Executive Overview and Scrutiny Committee be passed to Cabinet for consideration.

## **3.0 RECOMMENDATIONS TO CABINET**

3.2 That the agreed comments of the Executive Overview and Scrutiny Committee be presented to Cabinet for consideration.

3.3 That progress against the action plan be noted.

3.4 That Executive Overview and Scrutiny Committee monitor the delivery of the action plan.

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## **4.0 BACKGROUND**

- 4.1 As part of its `sector led improvement` support to local government the Local Government Association (LGA) offers the delivery of a Corporate Peer Challenge (CPC).
- 4.2 The Peer challenge is designed to help councils improve, bringing political and managerial leadership, through the use of member and officer peers to provide robust, strategic and credible challenge and support.

## **5.0 CORPORATE PEER CHALLENGE**

- 5.1 Following a detailed desktop review, the peer review team were on site 15<sup>th</sup> to 17<sup>th</sup> March 2022. The team provided their initial findings in the form of a presentation to councillors, staff and representatives of partner organisations who had taken part in the review.
- 5.2 A detailed report setting out their findings and key recommendations was presented to Cabinet on 13<sup>th</sup> September 2022. A management response action plan accompanied the report addressing the key recommendations and was published on the Councils website.
- 5.3 The management response identified 30 required actions to address the 12 key recommendations. These are highlighted in the updated action plan (Appendix A). Good progress has been made to date with 16 actions completed, 11 on track and 3 are on track to revised timescales. The revised timescales are due in one instance to new priorities emerging within the service area and in two instances due to revised timescales of partner organisations relevant to the completion of the actions.
- 5.3 The CPC process requires an evaluation session with the Peer Review team within six-month to check on progress against the key recommendations, this is taking place on 28<sup>th</sup> February 2023.

## **6.0 SUSTAINABILITY IMPLICATIONS**

- 6.1 At this time 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 Council is currently a subscriber to the LGA.
- 7.2 It is expected that the resource implications will be met using existing resources.

## **8.0 RISK ASSESSMENT**

- 8.1 The continued review of the risk management framework is essential while no changes have been made to the risk registers as a result of this report.

Monitoring and managing performance and improvement plans help the authority to ensure corporate priorities are achieved.

## **9.0 HEALTH AND WELLBEING IMPLICATIONS**

- 9.1 The report outlined feedback on the Borough Council's place-based role in addressing health inequalities and improved health and wellbeing outcomes for local communities.
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### **Background Documents**

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

### **Equality Impact Assessment**

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

### **Appendices**

Appendix A Corporate Peer Challenge Action Plan



**Corporate Peer Challenge: Action Plan**

| Theme                             | Recommendation  | Proposed Action  | Update                                      | Accountable Officer | Timescale         |
|-----------------------------------|---|--|---|---------------------|-------------------|
| Financial planning and management | <b>1. Ensure there is capacity within the Finance Team to bring additional rigour to internal financial management, systems and reporting</b> | Re-structure of the Finance Team                       |   | James Pierce        | <b>Complete</b>   |
|                                   |   | Recruit finance trainee (CIPFA)                        | CIPFA recommend recruitment cycle July 2023 | James Pierce        | <b>July 2023</b>  |
| Financial planning and management | <b>2. Continue to strengthen the approach to budget setting</b>   | Establish Council Budget Committee                     |   | James Pierce        | <b>Complete</b>   |
|                                   |   | Project implementation of new Civica financial system. | Project on target                           | James Pierce        | <b>March 2023</b> |
| Financial planning and management | <b>3. Finance Reporting – there are opportunities to strengthen the current approach as follows:</b><br><br>I. Review the approach            | Review finance reporting process                       |   | James Pierce        | <b>Complete</b>   |
|                                   |   | Establish quarterly reporting                          |   | James Pierce        | <b>Complete</b>   |

**Corporate Peer Challenge: Action Plan**

|  |   |  |  |   |  |
|--|---|--|--|---|--|
|  | <p>to the way in which the capital programme is reported. Consideration should be given to including those schemes funded through internal borrowing to help strengthen comprehensive oversight of all capital schemes.</p> <p>II. The council should consider including a forward forecast of reserve projections as part of the Medium-Term Financial Strategy (MTFS) as a useful indicator of future resilience.</p> <p>III. The current approach to budget monitoring is limited to mid-year reporting to Cabinet rather than quarterly. The peer team were pleased that the council intends to move to a system of quarterly</p> | <p>Review reporting in line with recommendation</p> <p>Implement through MTFS reporting framework</p> <p>Establish quarterly Revenue and Capital reporting</p> |  | <p>James Pierce</p> <p>James Pierce</p> <p>James Pierce</p> | <p><b>Complete</b></p> <p><b>Complete</b></p> <p><b>Complete</b></p> |
|--|---|--|--|---|--|

**Corporate Peer Challenge: Action Plan**

|                                   |  |   |   |   |   |
|-----------------------------------|--|---|---|---|---|
|                                   | reporting during the next financial year which should help bring additional rigour, scrutiny and transparency to the council's finances and decision making. |   |   |   |   |
| Financial planning and management | <b>4. Ensure proposed plans to invest in two new Wellbeing and Leisure Hubs are robust, constructively challenged and scrutinised</b>                        | <p>Cross party Council Committee established</p> <p>All meetings of the Leisure Project Group to be attended by Finance Business Partner</p> <p>Robust analysis by Corporate Finance Manager and Head of Finance</p> <p>Key decisions to be made by Council with full financial appraisal</p> | Next key decision for Council is expected July 2023 | <p>Jacky Denning</p> <p>James Pierce</p> <p>James Pierce</p> <p>Simon Kirby</p> | <p><b>Complete</b></p> <p><b>Complete</b></p> <p><b>In progress</b></p> <p><b>July 2023</b></p> |
| Organisational & Place Leadership | <b>5. Develop a more joined up, whole system approach to the</b>   | Implement revised governance arrangements for   |   | Chris Twomey  | <b>Complete</b>   |

**Corporate Peer Challenge: Action Plan**

|                                   |  |   |   |                      |                      |
|-----------------------------------|--|---|---|----------------------|----------------------|
|                                   | <b>transformation programme</b>  | the transformation programme (Our Future)<br><br>Demonstrate clear alignment of all projects/action plans to the Corporate plan | Managed through Pentana                         | Lisa Windle          | <b>Complete</b>      |
| Organisational & Place Leadership | <b>6. Tawd Valley Developments</b><br>Continue to build a consensus on the way forward following the independent review undertaken by Local Partnerships | Establish Cross Party Council Committee   |   | Kay Lovelady         | <b>Complete</b>      |
|                                   |  | Agree revised aims for Tawd Valley Developments   | Approved at Council July 22                     | Jacqui Sinnott-Lacey | <b>Complete</b>      |
|                                   |  | Viable business plan to be developed to reflect new aims  | BP to be presented to Council February 2023     | James Pierce         | <b>February 2023</b> |
| Governance & Culture              | <b>7. Continue the on-going work to bring greater rigour to key governance processes including procurement</b>   | Continue to implement the <i>Delivering good governance in local government</i> action plan                                     | Annual review undertaken & action plan produced | Chris Twomey         | <b>In progress</b>   |
|                                   |  | Review risk management toolkit<br><br>Review delivery model   | Review complete &                               | Rebecca Spicer       | <b>Complete</b>      |



**Corporate Peer Challenge: Action Plan**

|                                   |  |   |   |                  |                      |
|-----------------------------------|--|---|---|------------------|----------------------|
|                                   |  | for procurement   | proposal contained within 2023/4 budget setting   | Jacqui Pendleton | <b>February 2023</b> |
|                                   |  | Review procurement policies and procedures  | Initial timescale revised from April 23   | Jacqui Pendleton | <b>July 2023</b>     |
| Organisational & Place Leadership | <b>8. Strengthen the connection between strategic, borough wide partnership working and local partnership working</b>              | Evaluate strategic and local decision making Partnerships                             | Formation of new place based model.   | Simon Kirby      | <b>March 2023</b>    |
|                                   |  | Develop a plan for more integrated partnership working                                | Place priorities 23-28 in draft.<br><br>Developing working arrangements for each locality | Simon Kirby      | <b>March 2023</b>    |
| Organisational & Place Leadership | <b>9. Neighbourhood Working -build clarity and understanding on what the future of neighbourhood working means for the Borough</b> | Establish clarity on neighbourhood model within teams across the Council and partners | Recruited community connectors. Further developing Councils model                         | Simon Kirby      | <b>March 2023</b>    |
|                                   |  | Create new relationships and influence with ICP                                       | Regular meetings taking place. New structure anticipated to be finalised by April 2023    | Simon Kirby      | <b>June 2023</b>     |
| Organisational & Place Leadership | <b>10. Resident Survey</b>   | Undertake citizen survey  |   | Lisa Windle      | <b>Complete</b>      |
|                                   |  | Evaluate results of   | Presented to November   | Lisa Windle      | <b>Complete</b>      |

**Corporate Peer Challenge: Action Plan**

|                    |  |   |  |                 |                   |
|--------------------|--|---|--|-----------------|-------------------|
|                    |  | citizen survey  | 2022 Cabinet   |                 |                   |
| Health & Wellbeing | <b>11. Develop the Borough's refreshed Health and Wellbeing Strategy</b>                         | Develop refreshed Health & Wellbeing Strategy   | Revised approach to reflect new place-based priorities & LCC's H&W Strategy. Action plan to be developed.<br>Timescale revised from May to June 2023 | Kathryn Moffitt | <b>June 2023</b>  |
| Health & Wellbeing | <b>12. Establish a 'wider determinants/health inequalities' cross-departmental officer group</b> | Establish a 'wider determinants/health inequalities' cross-departmental officer group | Group members identified & agreed with portfolio holder<br><br>Revised from January to March 2023  | Kathryn Moffitt | <b>March 2023</b> |