



Jacqui Sinnott-Lacey  
Chief Operating Officer

52 Derby Street  
Ormskirk  
West Lancashire  
L39 2DF

Wednesday, 17 January 2024

**TO: COUNCILLORS J FILLIS, T DEVINE, M ANDERSON, R BAILEY, P BURNSIDE,  
N HENNESSY, M PARLOUR, E POPE, I RIGBY AND  
D WESTLEY**

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, 25 JANUARY 2024 at 7.00 PM** at which your attendance is requested.

Yours faithfully

A handwritten signature in black ink, appearing to be 'JSL', written over a horizontal line.

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.

<b>4.</b>	<b>DECLARATIONS OF INTEREST</b> 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.)	309 - 310
<b>5.</b>	<b>DECLARATIONS OF PARTY WHIP</b> 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:  <ul style="list-style-type: none"> <li>- The review of any decision of the Cabinet or</li> <li>- The performance of any Member of the Cabinet</li> </ul> N.B. The Secretary of State believes whipping is incompatible with Overview and Scrutiny.	
<b>6.</b>	<b>MINUTES</b> To receive as a correct record the Minutes of the meeting held on 9 November 2023.	311 - 316
<b>7.</b>	<b>PUBLIC SPEAKING</b> 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 19 January 2024. A copy of the public speaking protocol and form to be completed is attached.	317 - 322
<b>8.</b>	<b>MINUTES OF CABINET</b> To scrutinise the Minutes of Cabinet held on 21 November 2023.	323 - 330
<b>9.</b>	<b>GRA REVENUE BUDGET REPORT AND MTFs UPDATE 2024/25 TO 2026/27</b> To consider the Report of the Head of Finance, Procurement & Commercial Services.	331 - 352
<b>10.</b>	<b>HRA BUDGET REPORT 24-25</b> To consider the Report of the Head of Finance, Procurement & Commercial Services.	353 - 368
<b>11.</b>	<b>GRA CAPITAL STRATEGY AND PROGRAMME 2024/25 TO 2026/27</b> To consider the Report of the Head of Finance, Procurement & Commercial Services.	369 - 384
<b>12.</b>	<b>DRAFT TREASURY MANAGEMENT STRATEGY 24-25</b> To consider the report of the Head of Finance, Procurement and Commercial Services.	385 - 412
<b>13.</b>	<b>DRAFT HOUSING STRATEGY 2024-2029</b>	413 - 490

To consider the report of the Corporate Director of Transformation,  
Housing & Resources.

**14. QUARTER 2 COUNCIL PERFORMANCE DELIVERY**

491 - 504

To consider the report of the Corporate Director of Transformation,  
Housing & Resources.

**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 [Member.Services@westlancs.gov.uk](mailto:Member.Services@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

	General		Notes
1.	I have a disclosable pecuniary interest.	<input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 below</i>
2.	I have a non-pecuniary interest.	<input type="checkbox"/>	<i>You may speak and vote</i>
3.	I have a pecuniary interest <b>because</b> 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 or it relates to the determining of any approval consent, licence, permission or registration in relation to me or a connected person or, a body described in 10.1(1)(i) and (ii) <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"/>          <input type="checkbox"/>	<i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>          <i>You cannot speak or vote and must withdraw unless you have also ticked 5 or 6 below</i>
4.	I have a disclosable pecuniary interest (Dispensation 20/09/16) or a pecuniary interest but it relates to the functions of my Council in respect of:  (i) Housing where I am a tenant of the Council, and those functions do not relate particularly to my tenancy or lease.  (ii) school meals, or school transport and travelling expenses where I am a parent or guardian of a child in full time education, or are a parent governor of a school, and it does not relate particularly to the school which the child attends.  (iii) Statutory sick pay where I am in receipt or entitled to receipt of such pay.  (iv) An allowance, payment or indemnity given to Members  (v) Any ceremonial honour given to Members  (vi) Setting Council tax or a precept under the LGFA 1992	<input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>          <input type="checkbox"/>	<i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>          <i>You may speak and vote</i>
5.	A Standards Committee dispensation applies (relevant lines in the budget – Dispensation 15/09/20 – 14/09/24)	<input type="checkbox"/>	<i>See the terms of the dispensation</i>
6.	I have a pecuniary interest in the business but I can attend to make representations, answer questions or give evidence as the public are also allowed to attend the meeting for the same purpose	<input type="checkbox"/>	<i>You may speak but must leave the room once you have finished and cannot vote</i>

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

### Interest

Employment, office, trade, profession or vocation

Sponsorship

### Prescribed description

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

Any payment or provision of any other financial benefit (other than from the relevant authority) made or provided within the relevant period in respect of any expenses incurred by M in carrying out duties as a member, or towards the election expenses of M.

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

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

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

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

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

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

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

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

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

**'a connected person'** means

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

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

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

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

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



# Agenda Item 6

## EXECUTIVE OVERVIEW & SCRUTINY COMMITTEE

HELD: Thursday, 9 November 2023

Start: 7.00 pm

Finish: 9.20 pm

### PRESENT:

Councillor: J Fillis (Chairman)

Councillors: T Devine (Vice Chairman) R Bailey  
P Burnside N Hennessy  
M Parlour E Pope  
I Rigby D Westley

In attendance: Councillor N Furey (Portfolio Holder for Street Scene)  
Mark Harrison (Wates)  
Steve Cartwright (Wates)

Officers: Kathryn Sephton, Head of Environmental Services  
Chris Twomey, Corporate Director of Housing, Transformation &  
Resources  
Tom Dickinson, Principal Solicitor  
Stephen Bissette, Clean & Green Operations Manager  
Nicola Hamilton, CIL/S106 and Research Officer  
David Jones, Technical Services Manager  
Rebecca Spicer, Repairs & Servicing Manager  
Christine Wood, Interim Democratic Services Officer

### 33 APOLOGIES

There were no apologies received.

### 34 MEMBERSHIP OF THE COMMITTEE

### 35 URGENT BUSINESS, IF ANY, INTRODUCED BY THE CHAIRMAN

There were no items of urgent business.

### 36 DECLARATIONS OF INTEREST

There were no declarations of interest.

### 37 DECLARATIONS OF PARTY WHIP

There were no declarations of Party Whip.

### 38 MINUTES

That the Minutes of the meeting held 14 September 2023 be received as a correct

record and signed by the Chairman.

**39 CABINET MINUTES**

Consideration was given to the Minutes of Cabinet held on 26 September as contained on pages 9 to 18 of the Book of Reports.

RESOLVED: That the Minutes of the Cabinet held 26 September 2023 be noted.

**40 PUBLIC SPEAKING**

There were no items under this heading.

**41 CUSTOMER FEEDBACK Q1 & Q2 2023/2024 IN RELATION TO WATES**

The Repairs and Services Manager, Housing Services, introduced the report of the Corporate Director of Transportation, Housing and Resources, as contained on pages 25 to 31 of the Book of Reports, which provided an update on the Quarter 1 and 2 Customer Feedback data received in relation to the Council's responsive contractor, Wates, and the actions being taken as a result of the data to improve the service provided.

The report included an analysis of complaints that had been received via the Customer Feedback Policy in relation to Wates and details of improvements being made to the repairs service. Appended to the report at Appendix A, were details of Customer Feedback Data.

Comments and questions were raised in respect of:

- Programme of work for kitchen installations
- Responses/delays in completion of work
- Number/types of complaints and positive feedback
- Improvements to the repairs service
- Voids
- Joint working/sharing of ideas
- Channels of communication with tenants

In addition to the Repairs and Services Manager, Mr Mark Harrison and Mr Steve Cartwright, representatives of Wates, responded to questions and comments from the Committee.

RESOLVED:

1. That the customer feedback Q1 and Q2 2023/2024 in relation to Wates be noted; and
2. That a further report containing details of programme work and repair figures be presented to the Committee following a period of six months.

**42 Q2 GRA REVENUE & MTFS UPDATE**

The Head of Finance, Procurement and Commercial Services introduced the report as contained in the Book of Reports of the supplementary agenda which provided a summary of the General Revenue Account (GRA) position for the 2023/24 financial year at quarter 2.

RESOLVED: That the 2023/2023 GRA position be noted.

**43 Q2 GRA REVISED CAPITAL PROGRAMME**

The Principal Finance Business Partner introduced the report as contained in the Book of Reports on pages 33 to 38, the purpose of which was:

1. To agree A Revised General Revenue Account (GRA) Capital Programme for 2023/24; and
2. To provide and update on progress on capital schemes.

Appended to the report at Appendix A were details of the Funding of the Capital Programme. Appended to the report at Appendix B were details of the 2023-2024 Revised Capital Programme Spend to date Against Budget. Appended to the report at Appendix C were details of Capital Re-profiling and Significant Variances.

Comments and questions were raised in respect of:

- Corporate and Customer Services
- Planning and Regulatory Services
- Wellbeing and Place Services
- Review of Leisure Services
- Capital Resources (as referred to at paragraphs 6.3 and 6.4 of the report)
- Changing Places Facilities (as referred to at Appendix C of the report at page 46)

RESOLVED:

1. That the reported be noted; and
2. That clarification be sought regarding the issues raised at paragraphs 6.3 and 6.4; and at Appendix C, page 46 regarding Changing Places; and
3. That points of clarification relating to paragraphs 6.3 and 6.4 and Changing Places will be circulated to the Committee following the meeting.

**44 HRA REVENUE AND CAPITAL QUARTER TWO (Q2) REVIEW**

The Principal Finance Business Partner introduced the report as contained in the Book of Reports on pages 49-56 the purpose of which was to provide a summary of the Housing Revenue Account (HRA) and Housing Capital Programme positions for the 2023/24 financial year.

Comments and questions were raised in respect of:

- TVDL Business Plan

RESOLVED: That the 2023/24 HRA and Housing Capital Programme positions be noted.

45 **Q2 TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING  
2023-24**

The Head of Finance, Procurement and Commercial Services introduced the report as contained on pages 57 to 64 of the Book of Reports which set out details of

1. Treasury Management operations for the first half of 2023/24; and
2. Reported on the Prudential Indicators, where available.

Comments and questions were raised in respect of:

- TVDL expenditure
- Risks associated in relation to Investment with other Local Authorities
- Significant changes following publication of the agenda and reports
- Investment Plan/borrowing/subsidiaries

RESOLVED:

1. That the report be noted; and
2. That Local Authorities invested in be identified and details circulated to the Committee following the meeting; and
3. That any significant changes that have occurred since publication of the agenda and reports be circulated and reported to the Committee and to Cabinet.

46 **COMMUNITY INFRASTRUCTURE LEVY ("CIL") FUNDING PROGRAMME 2023**

A Senior Planning Officer, Planning and Regulatory Services introduced the report as contained on pages 65 to 258 of the Book of Reports which:

1. Reported on the consultation on the draft CIL Funding Programme for 2023; and
2. Proposed final recommendations for the CIL Funding Programme 2023.

Comments and questions were raised in respect of:

- CIL funding in relation to fund the expansion of General Practitioner infrastructure and criteria
- Replacement of existing Bus Shelters and criteria

RESOLVED: That the report be noted.

**47 TREE POLICY**

The Technical Services Manager introduced the report of the Head of Environmental Services, as contained on pages 259 to 278 of the Book of Reports which sought approval of the Tree Policy as appended to the report at Appendix to be approved to progress to Cabinet.

Comments and questions were raised in respect of:

- Maintenance of trees
- Communication/notification of nature of works to residents/Ward and Parish Councillors in relation to work to be carried out
- Stock surveys
- Caselaw and expectations of the public
- Dangers of leaves on footpaths

RESOLVED:

1. That the report be noted; and
2. That in relation to 5.2 of the report, the Committee recognises caselaw and requests that Cabinet/Council consider public expectations relating to Council trees; and
3. That a frequently asked questions be drafted providing indication of the types of works conducted

**48 MEADOW AREAS**

The Clean and Green Operations Manager introduced the report of the Corporate Director of Transformation, Housing and Resources as contained on pages 279 to 306 which requested that the Committee considered and endorsed approval of the introduction of Meadow Areas into the Borough to improve biodiversity, pollinators, and invertebrates and to meet the commitments of the Climate Change Strategy Action Plan.

Comments and questions were raised in respect of:

- Involvement of local schools
- Hiring of machinery
- Promotion of the proposals via pop up stalls/website
- Consultation process

RESOLVED:

1. That the areas recommended for the potential creation of Meadow Areas be endorsed as identified in Appendix 1 as appended to the report; and
2. That approval from Cabinet be sought to conduct a 4-week public consultation

- around the Meadow Areas identified in Appendix 1; and
3. That the report be noted; and
  4. That the Committee recommend approval from Cabinet be sought, that delegated authority be given to the Head of Environmental Services in consultation with the relevant Portfolio Holders, to work on the proposed Meadow Areas that receive a 50%+ positive feedback following consultation, to enable the creation of Meadow Areas at the start of the grass growing season; and;
  5. That Committee recommend that approval from Cabinet be sought that the information signage be installed at each public open spaces site accessed by members of the public that will provide information on Meadow Areas and the benefits of natural meadows as attached to the report at Appendix 5.

49 **MEMBER DEVELOPMENT COMMISSION - MINUTES OF THE MEETING HELD  
ON THURSDAY, 19 OCTOBER 2023**

RESOLVED: That the minutes of the Member Development Commission held on Thursday, 19 October 2023 as contained in the Book of Reports on pages 307-308 be noted.

.....  
**Chairman**

## **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, 21 November 2023**

Start: 7.00 pm

Finish: 7.12 pm

**PRESENT:**

Councillors:

Portfolio

Councillor Yvonne Gagen	Leader of the Council & Portfolio Holder for Legal & Democratic
Councillor Gareth Dowling	Deputy Leader and Portfolio Holder for Planning & Community Safety
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 Communities; and Dementia Champion
Councillor Neil Furey	Portfolio Holder for Street Scene
Councillor Rob Molloy	Portfolio Holder for Finance

In attendance:

Councillors (Virtually)

Nicola Pryce-Roberts (Portfolio Holder for Housing)  
David Westley (Leader of the Conservative Group)

Officers:

Jacqui Sinnott-Lacey, Chief Operating Officer  
Chris Twomey, Corporate Director of Housing, Transformation & Resources  
Kay Lovelady, Head of Legal & Democratic Services  
Jacky Denning, Democratic Services Manager

Officers (attending virtually):

James Pierce, Head of Finance, Procurement and Commercial Services Section 151 Officer  
Kathryn Sephton, Head of Environmental Services  
Paul Charlson, Head of Planning & Regulatory Services  
Stephen Bissette, Clean & Green Operations Manager  
Nicola Hamilton, CIL/S106 and Research Officer  
David Jones, Technical Services Manager  
Tom McGowan, Principal Planning & Implementation Officer  
Rebecca Spicer, Repairs & Servicing Manager

Officers:

Jacqui Sinnott-Lacey, Chief Operating Officer  
Chris Twomey, Corporate Director of Housing, Transformation & Resources  
Kay Lovelady, Head of Legal & Democratic Services  
Jacky Denning, Democratic Services Manager

**122 APOLOGIES**

An apology for absence was received on behalf of Councillor Adam Yates.

An apology was also received from Councillor Nicola Pryce-Roberts, for attending the meeting remotely, due to work commitments.

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

There were no items of special urgency.

**124 PUBLIC SPEAKING**

There were no items under this heading.

**125 DECLARATIONS OF INTEREST**

1. Councillor Coughlan (Tenant of a Council garage) declared a disclosable pecuniary interest in relation to item 6(f) 'Q2 HRA Revenue & Capital Monitoring Report 2023/24' for the reasons indicated (nothing in these reports relates particularly to his interests arising from the tenancy).
2. Councillors Carl Coughlan, 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.

**126 MINUTES**

RESOLVED: That the minutes of the Cabinet meeting held on 26 September 2023 be received as a correct record and signed by the Leader, subject to the removal of the formal amendment recorded under Minute 116 'WLBC Safeguarding Policy 2023 and Reporting Procedure'. Cabinet agreed that the change of the abuse description from 'domestic violence' to 'domestic abuse', would be considered under the delegation arrangements.

**127 MATTERS REQUIRING DECISIONS**

Consideration was given to the reports relating to the following matters requiring decisions and contained on pages 1 to 382 of the Book of Reports.

**128 COMMUNITY INFRASTRUCTURE LEVY (CIL) FUNDING PROGRAMME 2024 - 2026**

Councillor G Dowling introduced the report of the Corporate Director of Transformation, Housing & Resources, which detailed the results of the consultation

on the draft CIL Funding Programme for 2023 and proposed final recommendations for the CIL Funding Programme in 2023.

The minute of the Executive Overview & Scrutiny Committee had been circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

RESOLVED: A. That the consultation feedback report, provided at Appendix 2 to the report, be noted.

B. That CIL monies be allocated to the delivery of the following 9 projects of £100,000 or less in 2023/24:

- Holmeswood Play Area Fence Replacement, Rufford and Holmeswood Parish Council - £3,000
- Holmeswood MUGA (Phase 2), Rufford and Holmeswood Parish Council - £13,000
- Replacement Bus Shelters in Rufford and Holmeswood, Rufford and Holmeswood Parish Council - £9,900
- Rufford Park Play Area, Rufford and Holmeswood Parish Council - £4,500
- Aughton Surgery, Aughton - To increase capacity to deliver GP and primary care NHS provision, NHS Lancashire and South Cumbria Integrated Care Board (ICB) - £50,000
- Hall Green Surgery, Skelmersdale - To increase capacity to deliver GP and primary care NHS provision, NHS Lancashire and South Cumbria Integrated Care Board (ICB) - £25,000
- Hants Lane Clinic, Ormskirk – To increase capacity for the provision of GP and primary care services, NHS Lancashire and South Cumbria Integrated Care Board (ICB) - £50,000
- Fairy Glen Green Infrastructure Improvements, WLBC - £55,000
- Environmental site enhancements at Kiln Lane and Tongbarn playing fields, Skelmersdale, WLBC - £62,700

C. That CIL monies be allocated to the delivery of the following 3 projects over £100,000 in 2023/24:

- Halsall-Scarisbrick Canal Towpath Improvements, Canal and River Trust - £175,095.14
- UK Shared Prosperity Fund (UKSPF) Community Grant Scheme Match Funding, WLBC - £344,410.50
- Beacon Country Park Play Area Improvements, WLBC - £346,500

- D. That Ormskirk Neighbourhood CIL monies be allocated to the delivery of the 5 following projects in 2023/24:
- Whittle Drive Changing Facilities, WLBC - £40,000
  - West End Park Improvements, WLBC - £80,000
  - Halsall Lane Park Improvements, WLBC - £16,500
  - Green Lane Rugby Pitch Improvements, Ormskirk Rugby Club - £9,261.97
  - Whittle Drive Pitch Improvements, Ormskirk West End Football Club - £6,100

129 **USE OF S106 MONIES ON THE HALSALL-SCARISBRICK CANAL TOWPATH IMPROVEMENTS**

Councillor Dowling introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought authorisation to allocate Section 106 (S106) monies received from planning permission 2013/0994/FUL for development of land at 114 Summerwood Lane, Halsall, to The Canal and River Trust (CRT) to assist in the delivery of improvements to a section of the Halsall-Scarisbrick Canal Towpath Improvements.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

RESOLVED: That the allocation and spending of £15,000 of S106 funding from planning permission 2013/0994/FUL to assist in the delivery of the Halsall-Scarisbrick Canal Towpath Improvements Project be approved.

130 **REQUEST FOR APPROVAL OF 4 NEW HOUSING POLICIES**

Councillor Pryce-Roberts introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought approval of 4 new housing policies:

- Decorations Allowance Policy
- Disrepair Policy
- Tenant Alterations Policy
- Repairs Policy

The Minute of the Landlord Services Committee (Cabinet Working Group) had been circulated prior to the meeting.

As Councillor Pryce-Roberts was in attendance remotely, the Leader moved the recommendations in the report, which were seconded.



In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

RESOLVED: That the following policies, attached as appendices to the report, be approved:

- A. Decorations Allowance Policy
- B. Disrepair Policy
- C. Tenant Alterations Policy
- D. Repairs Policy

131 **Q2 GRA REVENUE & MTFS UPDATE**

Councillor R Molloy introduced the report of the Head of Finance, Procurement & Commercial Services, which provided a summary of the General Revenue Account (GRA) position for the 2023/24 financial year at quarter 2.

The Minute of the Executive Overview & Scrutiny Committee had been circulated prior to the meeting.

In reaching the decision below, the Cabinet considered the report before it and the recommendations contained therein.

RESOLVED: That the 2023/24 GRA position be noted and endorsed.

132 **Q2 GRA CAPITAL MONITORING REPORT**

Councillor R Molloy introduced the report of the Head of Finance, Procurement & Commercial Services, which sought agreement of a Revised General Revenue Account (GRA) Capital Programme for 2023/24 and provided an update on the progress of capital schemes.

The Minute of the Executive Overview & Scrutiny Committee had been circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

- RESOLVED:
- A. That the revised Capital Programme, including budget adjustments and re-profiling contained within Appendix A and B to the report, be approved.
  - B. That progress against the Revised Capital Programme at the mid-year point be noted.

**133 Q2 HRA REVENUE & CAPITAL MONITORING REPORT**

Councillor R Molloy introduced the report of the Head of Finance, Procurement & Commercial Services, which provided a summary of the Housing Revenue Account (HRA) and Housing capital programme positions for the 2023/24 financial year.

The Minutes of the Executive Overview & Scrutiny Committee and the Landlord Services Committee (Cabinet Working Group) had been circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

**RESOLVED:** That the 2023/24 HRA and Housing capital programme positions be noted and endorsed.

**134 Q2 TREASURY MANAGEMENT**

Councillor R Molloy introduced the report of the Head of Finance, Procurement & Commercial Services, which detailed the Treasury Management operations for the first half of 2023/24 and the Prudential Indicators, where available.

The Minute of the Executive Overview & Scrutiny Committee was circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

**RESOLVED:** A. That the Treasury Management activity and Prudential Indicator performance for the first quarter of 2023/24, be noted.

B. That the changes to the Prudential Indicators highlighted in section 9.3 of the report be noted and endorsed for approval by Council on 13 December 2023.

**135 TREE POLICY**

Councillor N Furey introduced the report of the Corporate Director of Transformation, Housing & Resources, which sought approval of the proposed Tree Policy.

The Minute of the Executive Overview & Scrutiny Committee had been circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

**RESOLVED:** A. That the Minute of the Executive Overview and Scrutiny

Committee, set out in Appendix 4 to the report, be noted.

- B. That the Tree Policy attached as Appendix 1 to the report be approved.
- C. That delegated authority be given to the Head of Environmental Services in consultation with the relevant Portfolio Holder to make amendments to the Tree Policy during the lifetime of the document.
- D. That the Tree Policy be reviewed and updated with new national legislation, including Biodiversity Net Gain, updates to the Climate Change Act 2008 or local policy, such as the update to the Climate Change Strategy and Action Plan that is published.

136

## MEADOW AREAS

Councillor Furey introduced the report of the Corporate Director Transformation, Housing & Resources, which sought approval of the introduction of Meadow Areas into the borough, to improve biodiversity, pollinators, and invertebrates and to meet the commitments of the Climate Change Strategy and Action Plan.

The report detailed the shortlisted open spaces that are currently subject to regular grass cutting and that will be reduced to create Meadow Areas during the grass growing season, which will benefit the natural environment and decrease greenhouse gas emissions.

The Minute of the Executive Overview & Scrutiny Committee was circulated prior to the meeting.

In reaching the decision below, Cabinet considered the report before it and the recommendations contained therein.

- RESOLVED:
- A. That the areas recommended for the potential creation of Meadow Areas be endorsed as identified in Appendix 1 to the report.
  - B. That a 4-week public consultation be undertaken, in relation to creating the Meadow Areas detailed in Appendix 1, within the open spaces in West Lancashire.
  - C. That the Minute of the Executive Overview and Scrutiny Committee, set out in Appendix 7 of the report, be noted.
  - D. That delegated authority be given to the Head of Environmental Services, in consultation with the relevant Portfolio Holders, to commence work on those proposed Meadow Areas that receive a 50%+ positive feedback following consultation, to enable the

creation of Meadow Areas.

- E. That should the Council receive 50%+ positive feedback from the consultation, the Meadow Areas be created at the start of the grass growing season.
- F. That the information signage to be installed at each public open spaces site accessed by members of the public and will provide information on Meadow Areas and the benefits of natural meadows, set out in Appendix 5 to the report, be approved.
- G. That Meadow Areas be reviewed and amended to reflect new national legislation, including Biodiversity Net Gain, updates to the Climate Change Act 2008 or local policy, such as the update to the Climate Change Strategy and Action Plan that is published.

.....  
**Leader**



**Executive O&S Committee:  
25 January 2024**

**Cabinet 6 February 2024**

**Council:  
28 February 2024**

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

**Relevant Portfolio Holder:** Councillor Rob Molloy

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

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**SUBJECT: GRA Revenue and Capital Budget Report and MTFS Update 2024/25 to 2026/27**

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Wards affected: Borough Wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To enable the Council to set a balanced Revenue Budget for the forthcoming financial year 2024/25.
- 1.2 To present to members the updated Medium-Term Financial Forecast (MTFF) for the following financial years 2025/26 to 2026/27, noting the latest forecast budget gap of £1.348m, comprising:
  - £1.620m in 2025/26
  - (£0.272)m in 2026/27
- 1.3 To inform members of the reserves position as at 31 March 2023 and the forecast position to 2026/27.
- 1.4 To present to members the Capital Strategy 2024/25 to 2026/27.
- 1.5 To enable the Council to set the Capital Programme for the three years 2024/25 to 2026/27.

## 2.0 RECOMMENDATIONS

- 2.1 That the General Revenue Account (GRA) budget for 2024/25 be approved based on the proposals to be presented at the Council meeting.
- 2.2 That the latest GRA Medium-Term Financial Forecast (MTFF) budget gap for 2025/26 to 2026/27 be noted.
- 2.3 That the latest GRA reserves position as at 31 March 2023 and forecast to 2026/27 be noted and the GRA reserves policy be approved.
- 2.4 That the Capital Strategy along with the Capital Programme of £16.285m for the three years 2024/25 to 2026/27 be approved, that includes
- New bids of £1.578m;
  - Additional approvals for UK Shared Prosperity Fund £1.535m.
- 2.5 Approve the Capital Strategy for 2024/25 to 2026/27.
- 2.6 That delegated authority be given to the Chief Operating Officer and the Corporate Director to take all necessary action to implement the changes resulting from the budget proposals.

## 3.0 BACKGROUND

### 2022/23 Outturn

- 3.1 The 2022/23 GRA Mid-Year report to Council in January 2023 projected a £500k overspend outturn position, whilst the 2022/23 GRA Outturn Report to Council in July 2023 reported a near balanced revenue outturn position.
- 3.2 The favourable variance from mid-year to outturn enabled a reduction in use of reserves in the sum of £234k. This is a positive outcome for the Council. Details are as below:

<u>2022/23</u>	Revised Budget £000s	Mid-Year Variance £000s	Outturn Variance £000s
Corporate and Customer Services	5,725	(200)	1,913
Environmental Services	6,595	200	(367)
Finance, Procurement and Commercial Services	(1,206)	(70)	(42)
Housing	839	0	344
Legal and Democratic Services	1,178	0	1
Planning and Regulatory	1,810	0	(291)
Wellbeing and Place	1,735	0	(241)
Corporate Budgets	754	0	(46)
Staff Vacancy Factor	(1,014)	400	(1,014)
<b>NET SERVICE BUDGET</b>	<b>16,416</b>	<b>330</b>	<b>257</b>
Interest Receivable	(435)	170	(30)
Minimum Revenue Provision	314	0	0
Contribution to/(from) Reserves	(11,341)	0	(234)
<b>NET BUDGET</b>	<b>14,954</b>	<b>500</b>	<b>(7)</b>
Council Tax	(8,226)	0	0
Business Rates: Retained Income	(2,793)	0	0
Business Rates: S31 Grants	(2,850)	0	0

Other Government Grants & Contributions	(1,085)	0	0
<b>FUNDING</b>	<b>(14,954)</b>	<b>0</b>	<b>0</b>

### 3.3 Details of the key variances include:

- A staff vacancy factor of £1.014m that was built into the 2022/23 revised budget could be fully utilised against all services due to significant staff vacancies and savings;
- Grants available to Housing were allocated in year rather than being rolled forward as originally planned;
- ICT costs were below budget;
- Accounting for pension fund contributions having a favourable effect on outturn;
- The receipt of council tax rebate new burdens grant and some year-end adjustments on benefits, council tax and business rates.

### 2023/24 Quarter 2 Forecast Outturn

3.4 The budget report presented to Council on 22 February 2023 set out the Council's budget requirement for the 2023/24 financial year and provided details on the Council's reserves position. This process is in accordance with statutory requirements and proper accounting practices.

3.5 Council agreed a Net Budget of £16.327m for 2023/24.

3.6 The table below reflects changes to the original budget approved by Council in February 2023. The changes reflect in-year budget and technical realignments to better reflect statutory reporting requirements, and changes in team structures. The approved net budget of £16.327m has not changed.

3.7 The table below provides quarter 2 forecast outturn estimates against the revised budget. The mid-year net forecast position is a shortfall of £524k, this compares with £583k forecast shortfall at quarter 1.

<u>2023/24</u>	Revised Budget £000s	Q1 Var. £000s	Q2 Var. £000s	Comments
Corporate and Customer Services	5,583	(400)	(600)	Reduced ICT costs. Salaries below budget after uplift and vacancy factor.
Legal and Democratic Services	1,128	50	110	Additional staff and agency costs together with costs of new governance structure
Environmental Services	6,669	587	600	Increased staff and agency costs, partially offset by lower fuel costs than budgeted.
Finance, Procurement and Commercial Services	1,592	50	125	Additional use of agency staff due to sickness absence and year end. Additional income/efficiencies across WLBC (£60k savings target).
Housing Services (incl. Estates)	(879)	0	(20)	

Planning and Regulatory	1,818	100	200	Additional staff and agency costs. Planning and building control income down.
Wellbeing and Place	1,520	408	350	Leisure contract costs. Staff costs and pay settlement. Parking income reduced.
Other Corporate Budgets	501	0	0	
<b>NET SERVICE BUDGET</b>	<b>17,932</b>	<b>795</b>	<b>765</b>	
Interest Receivable (Net)	(225)	(212)	(241)	Rising interest rates
Minimum Revenue Provision	400	0	0	
Contributions (from)/to Reserves	(1,780)	0	0	
<b>NET BUDGET</b>	<b>16,327</b>	<b>583</b>	<b>524</b>	To be met from reserves
Council Tax	(8,568)	0	0	
Business Rates: Retained Income	(3,171)	0	0	
Business Rates: S31 Grants	(3,493)	0	0	
Government Grants	(1,095)	0	0	
<b>FUNDING</b>	<b>(16,327)</b>	<b>0</b>	<b>0</b>	

3.8 The overspend relates to:

- The pay settlement of £1,925 per full time employee. Budgets were set assuming a 3% increase, the actual settlement was closer to 6% on average.
- Various additional service-specific pressures as identified in the table above, these are largely offset by service-specific budget savings plus treasury interest income being better than budget due to rising interest rates.

3.9 Both the 2022/23 outturn position and 2023/24 mid-year forecast outturn position, assist forming the starting position for both the 2024/25 GRA revenue budget and the MTFE ending 2026/27. Though clearly the current mid-year forecast position can change throughout the year for emerging and recurring cost pressures and any in-year opportunities and savings that are identified.

#### 4.0 FINANCIAL OVERVIEW

##### 4.1 Economic Update - Office for Budget Responsibility (OBR) November 2023:

Developments since the previous November forecast have been largely positive, but the economy still faces significant structural challenges. Wholesale gas prices have more than halved over the past six months and are expected to fall further over the forecast period. At the time the forecast was closed, the bank rate was expected to peak at 4.5% later this year, rather than the 5% per cent assume last November. The economy narrowly avoided contracting in the final quarter of 2022 and the near-term outlook for demand has improved. However, gas prices remain more than twice their pre-pandemic level which, when added to the stagnation in investment since 2016, the recent rise in labour market activity, and the slowdown in productivity growth since the financial crisis, means that there remains weak underlying momentum.



- CPI inflation peaked at 11.1% in October and is expected to fall sharply to 2.9% by the end of 2023, a more rapid decline than expected last November. The drop in wholesale gas prices also means that household energy bills are expected to fall below the energy price guarantee limit from July and to £2,200 by the end of the year. Stronger domestically generated inflation means that inflation oscillates around zero in the middle of the decade rather than falling meaningfully into negative territory as was forecast last November. Inflation returns to target in early 2028, with the offsetting effects of lower gas prices and increased domestically generated inflation leaving the consumer price level at the end of the forecast little changed from last November.
- Real household disposable income is expected to fall into 2024 which mainly reflects the rise in the price of energy and other tradeable goods of which the UK is a net importer, resulting in inflation being above nominal wage growth.
- The level of nominal GDP, which is the key driver of our forecast for public finances, is 0.8% higher at the forecast horizon than in the last forecast. This comprises 0.6% from higher real GDP and 0.2% from a higher GDP deflator, reflecting slightly stronger domestically generated inflation. This upward revision to nominal GDP has fed through to higher forecasts for wages and salaries, nominal consumer spending and company profits (outside the oil and gas sector).

#### 4.2 Autumn Statement November 2023

On 22 November 2023, the Chancellor delivered his Autumn Statement, labelling it as an "autumn statement for growth".

The key measures contained within the statement are:

- Changes to taxation and national insurance, largely reducing the burden for both individuals and businesses.
- The reaffirmation for planned departmental resource spending, for the years beyond the current review period (2025/26 to 2028/29), to grow at 1% a year on average in real terms and for public sector capital spending to be frozen in cash terms.

Announcements directly impacting Local Government:

Council Tax

- The council tax referendum limit remained at 3% per year for the year beginning 1 April 2024.

Business Rates

- The small business rate multiplier will be frozen at 49.9p whilst the standard rate multiplier will increase 54.6p in line with September 2022 to 2023 change in CPI. Local authorities will be compensated for the reduction in income as a result of the frozen small business multiplier.

#### 4.3 Provisional Local Government Finance Settlement (LGFS) December 2023:

To provide funding certainty and allow councils to plan ahead, in December 2015 the Government offered councils a four-year funding settlement for the period 2016/17 to 2019/20. Over the past four years of 2020/21, 2021/22, 2022/23 and 2023/24 the Government has limited this to one-year settlements.

On 18 December, the Government published for statutory consultation, the provisional LGFS for 2024/25. The provisional settlement is once again a holding position, this time based on proposed allocations for 2024/25 only.

### Core Spending Power (CSP):

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

The table below sets out the figures for local authority CSP from 2015-16 through to 2024-25. Figures for 2015-16 have been adjusted to ensure a consistent measure of local authority income over time.

CORE SPENDING POWER										
West Lancashire										
Illustrative Core Spending Power of Local Government:										
	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25 <sup>8</sup>
	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions	£ millions
Settlement Funding Assessment	5.465	4.609	3.966	3.622	3.262	3.315	3.315	3.315	3.595	3.751
Compensation for under-indexing the business rates multiplier	0.044	0.044	0.046	0.073	0.106	0.133	0.173	0.339	0.586	0.700
Council tax requirement excluding parish precepts	6.165	6.354	6.595	6.878	7.171	7.498	7.847	8.227	8.569	8.998
New Homes Bonus	1.369	1.714	1.723	1.172	0.967	0.875	0.802	0.703	0.768	0.634
Lower Tier Services Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.141	0.152	0.000	0.000
Services Grant	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.229	0.134	0.021
Grants rolled in	0.135	0.152	0.150	0.145	0.141	0.142	0.157	0.156	0.000	0.000
Funding Guarantee	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.000	0.036	0.257
<b>Core Spending Power</b>	<b>13.187</b>	<b>12.887</b>	<b>12.496</b>	<b>11.890</b>	<b>11.646</b>	<b>11.962</b>	<b>12.435</b>	<b>13.120</b>	<b>13.687</b>	<b>14.360</b>
Change since 2015-16 (£ millions)										1.173
Change since 2015-16 (% change)										0.089

For 2024/25 the table shows that the Council CSP has increased by £673k, from £13.687m to £14.360m. However, the Council Tax figures is an assumed figure of £8.998m, the actual figure has been calculated as £8.885m, a shortfall of £113k, that is largely due to actual tax base growth being 0.68% rather than an assumed 1.98%.

### Settlement Funding Assessment (SFA):

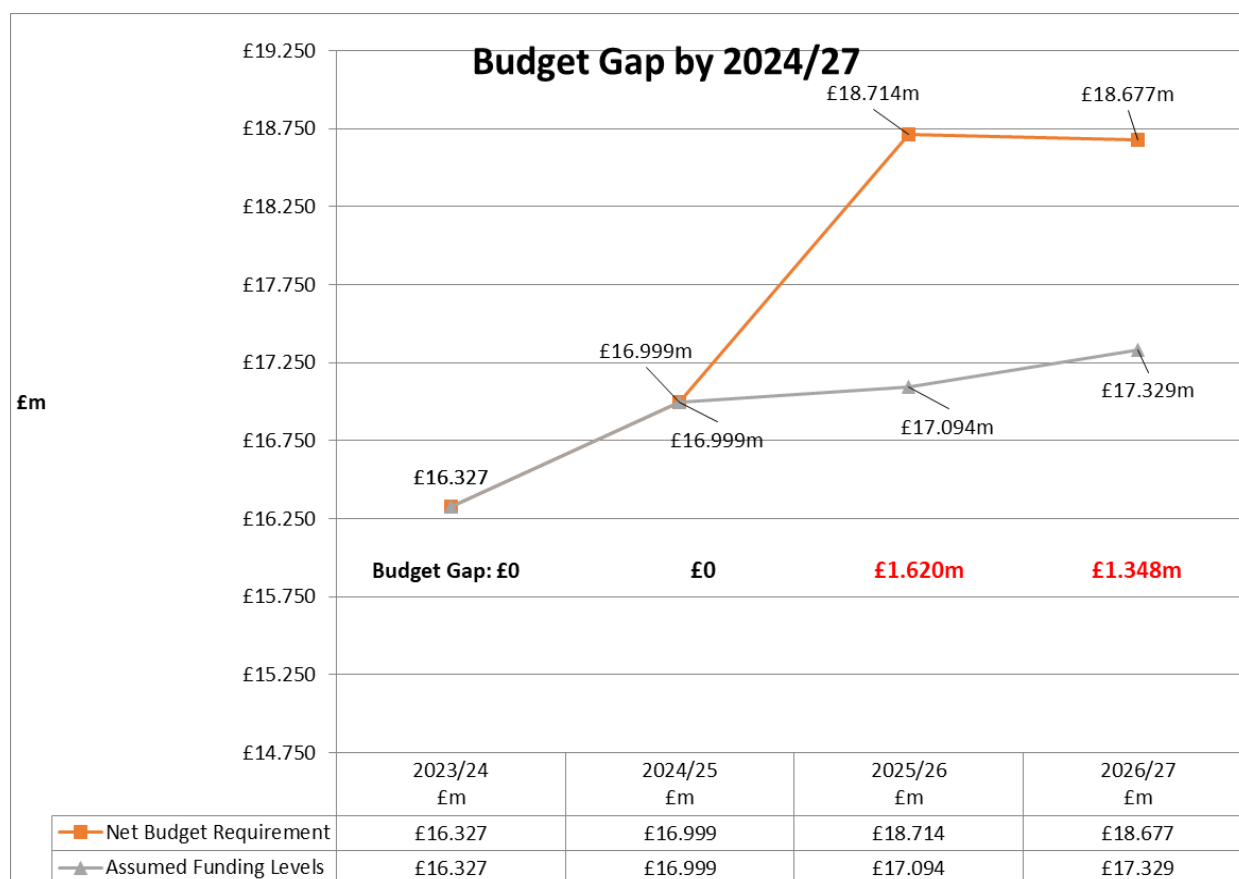
The Settlement Funding Assessment amount consists of Revenue Support Grant (RSG) and Business Rates Retention.

Key Information for Local Authorities (£m)										
West Lancashire										
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24	2024-25	
Settlement Funding Assessment	4.609	3.966	3.622	3.262	3.315	3.315	3.315	3.595	3.751	
of which:										
Revenue Support Grant	1.576	0.871	0.433	0.000	0.000	0.000	0.001	0.156	0.167	
Baseline Funding Level	3.034	3.096	3.189	3.262	3.315	3.315	3.315	3.439	3.584	
Tariff/Top-Up <sup>2</sup>	(9.633)	(8.227)	(8.367)	(13.287)	(8.698)	(8.698)	(8.698)	(10.140)	(10.657)	
2017-18 Tariff and Top-up reconciliation			0.104							
2023-24 Tariff and Top-up reconciliation									(0.087)	
Safety Net Threshold	2.806	2.863	2.949	3.099	3.066	3.066	3.066	3.181	3.315	
Individual Authority Business Rates Baseline	12.667	11.323	11.556	16.549	12.013	12.013	12.013	13.579	14.241	

For 2024/25 the table shows that the Council SFA has increased by £156k, from £3.595m to £3.751m, as a result of grants rolled into RSG and an inflation increase to the Business Rates Baseline.

## 5.0 BASE BUDGET MOVEMENT: BUDGET ASSUMPTIONS and UPDATES

- 5.1 Whilst indicators appear to show an easing of the cost-of-living crisis with inflation and energy costs forecast to continuing to fall into 2024 as shown in both 4.1 and 4.2, costs still remain high. This, together with the lack of detail from Government on the Local Government Finance Settlements from 2025/26 onwards, along with deferral of the introduction of the long-awaited funding reforms to both the funding settlement formula and the business rates system, makes the production of the medium-term plan with any certainty difficult and therefore some key assumptions have been made in producing the latest forecast position for 2025/26 and 2026/27.
- 5.2 The key assumptions can be split between net budget requirement and funding and are then applied the starting base position being the 2024/25 base budget of £16.327m.
- 5.3 The graph below shows the 2024/25 net budget requirement and funding of £16.999m for approval, and the latest forecast net budget requirement and funding levels for 2025/26 to 2026/27, resulting in a budget gap of £1.348m.



- 5.4 A summary of the movements in the budget since September are set out in the table below:

BUDGET MOVEMENTS	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>ANNUAL BUDGET GAP SEPTEMBER 2023</b>	<b>1,433</b>	<b>1,209</b>	<b>0</b>

Salary - Additional 3% 23/24 Pay Award, Budget at Top SCP, Vacancy/Scale Factor, FTCs Base Changes, 2023 Pension Triennial Valuation	1,762	(487)	134
Contract Inflation - Insurance, Energy, Fuel and Fleet	(105)	6	148
Solar PV System Tariff Income	0	0	0
Review of Unspent Budgets	0	0	0
Council Elections Delivery	0	0	0
PSAA Reset of External Audit Fees	0	0	0
Treasury Investment Income & Capital Financing	(206)	200	61
Returns from TVD	0	0	(500)
Other Budget Movements	(471)	284	14
2024 Budget Proposals	(1,260)	(41)	81
Reserves - One-Off Use of Reserves to Balance the 2024/25 budget and the complete phasing out of the Use of Reserves by 2026/27	(540)	540	0
<b>Net Budget Movements</b>	<b>(949)</b>	<b>611</b>	<b>(38)</b>
Council Tax - 3% Council Tax Increase	80	(80)	(441)
Business Rates - further delay to the reset of Baselines	0	0	0
Use of Collection Fund Smoothing Reserve	0	0	0
24/25 LGFS - Business Rates Baseline & Tariff	0	0	0
24/25 NNDR1 Local Share & Section 31 Grants	(226)	52	(55)
24/25 LGFS Other Grants - NHB, Lower Tier and Services Grants	(338)	(172)	261
<b>Funding Movements</b>	<b>(484)</b>	<b>(200)</b>	<b>(235)</b>
<b>TOTAL MOVEMENTS</b>	<b>(1,433)</b>	<b>411</b>	<b>(272)</b>
<b>ANNUAL BUDGET GAP FEBRUARY 2023</b>	<b>0</b>	<b>1,620</b>	<b>(272)</b>

5.5 The key inflationary assumptions over the period 2024/25 to 2026/27 include:

Budget Assumptions	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Net Service Budget</b>	<b>1,466</b>	<b>24</b>	<b>311</b>
Pay Award	4.00%	2.00%	2.00%
	1,291	(137)	148
2023 Pension Triennial Valuation - Future Service	0.00%	0.00%	0.00%
	4	4	0
Contractual Obligations: Inflation Energy	0.00%	5.00%	5.00%
	0	49	51
Contractual Obligations: Inflation Fuel	5.00%	5.00%	5.00%
	28	29	31
Contractual Obligations: Inflation Insurance	20.00%	5.00%	5.00%
	89	27	28
Contractual Obligations: Inflation Other	Variable	Variable	Variable
	10	10	10
Contractual Obligations: Inflation General	2.00%	2.00%	2.00%
	44	42	43
<b>Net Central Service Budget</b>	<b>5</b>	<b>(20)</b>	<b>0</b>
Contractual Obligations: External Audit Fees	0.00%	0.00%	0.00%
	0	0	0
2023 Pension Triennial Valuation - Past Service	0.00%	0.00%	0.00%

	(20)	(21)	0
Apprenticeship Levy: Pay Award	4.00%	2.00%	2.00%
	25	1	0
<b>Funding</b>	<b>(317)</b>	<b>(421)</b>	<b>(441)</b>
Council Tax Rate Increase (Relevant Basic Amount)	2.99%	2.99%	2.99%
	(317)	(421)	(441)
Council Tax Base Increase	0.68%	1.70%	1.70%
	(261)	(652)	(663)

5.6 The table below summarises the movements over the period 2024/25 to 2026/27:

Movements to the 2023/24 Base Budget	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>Net Service Base Budget b/f</b>	<b>17,784</b>	<b>17,826</b>	<b>18,185</b>
Permanent Virements	1,104	0	0
RODs	0	0	104
<b>NET SERVICE BASE BUDGET</b>	<b>18,887</b>	<b>17,826</b>	<b>18,289</b>
Pay, NI & Pensions - Inflation	1000	496	494
Pay, NI & Pensions - Base Movements	(429)	(628)	(346)
Employee Vacancy/Scale Factor	(55)	14	(14)
Contractual Inflation	171	157	163
Volume/Activity Base Movements	89	0	0
Legislative/Regulatory	(143)	(43)	0
Grants & Contributions	(442)	384	120
Sales, Fees & Charges Levels	(173)	(17)	(17)
Recharges HRA & Capital	(41)	(80)	(79)
New / Cease / Transfer of Services	58	2	(23)
Service Reserve Movements	248	153	25
Other	(3)	0	0
<b>Total Budget Assumptions</b>	<b>279</b>	<b>437</b>	<b>322</b>
Growth Items	7	(38)	0
Savings Proposals	(6)	0	0
Efficiency Proposals	0	0	(102)
Policy Proposals	(51)	(30)	0
<b>Total Approved Budget Proposals</b>	<b>(50)</b>	<b>(68)</b>	<b>(102)</b>
Growth Items	0	0	0
Income Generation	0	0	0
Efficiency Proposals	0	0	0
Savings Proposals	(1,290)	(11)	81
Policy Proposals	0	0	0
<b>Total New Budget Proposals</b>	<b>(1,290)</b>	<b>(11)</b>	<b>81</b>
<b>NET SERVICE BUDGET</b>	<b>17,826</b>	<b>18,185</b>	<b>18,589</b>
<b>Net Service Base Budget b/f</b>	<b>148</b>	<b>144</b>	<b>121</b>
Permanent Virements	(1)	0	0
RODs	0	0	0
<b>NET CENTRAL SERVICE BASE BUDGET</b>	<b>147</b>	<b>144</b>	<b>121</b>
External Audit	0	0	0
Pensions	(20)	(21)	0
Apprenticeship Levy	25	1	1
Corporate Employee Vacancy/Scale Factor	0	0	0
GRA Recharges	(7)	(4)	(4)

Movements to the 2023/24 Base Budget	2024/25 £000s	2025/26 £000s	2026/27 £000s
Provision & Contingency	0	0	0
Covid-19	0	0	0
Other Corporate Items	0	0	0
<b>Total Central Service Budget Assumptions</b>	<b>(3)</b>	<b>(23)</b>	<b>(3)</b>
<b>NET CENTRAL SERVICE BUDGET</b>	<b>144</b>	<b>121</b>	<b>118</b>
<b>Net Service Base Budget b/f</b>	<b>(1,605)</b>	<b>(971)</b>	<b>408</b>
<b>NET NON SERVICE BASE BUDGET</b>	<b>(1,605)</b>	<b>(971)</b>	<b>408</b>
Treasury Management - Interest Received	(225)	200	0
Treasury Management - Interest Payments	53	19	0
Capital Charges - MRP	136	54	61
Dividends	0	0	(500)
Reserves	674	1,106	0
<b>Total Non Service Budget Assumptions</b>	<b>633</b>	<b>1,379</b>	<b>(439)</b>
<b>NET NON SERVICE BUDGET</b>	<b>(971)</b>	<b>408</b>	<b>(31)</b>
<b>NET BUDGET</b>	<b>16,999</b>	<b>18,714</b>	<b>18,677</b>
<b>BASE FUNDING</b>	<b>(16,327)</b>	<b>(16,999)</b>	<b>(17,094)</b>
Council Tax - Base Increase	(59)	(151)	(158)
Council Tax - % General Increase	(258)	(270)	(283)
Business Rates: Retained Income	(145)	0	0
Business Rates: S31 Grants	(267)	52	(55)
Prior Year Collection Fund (Surplus)/Deficit	(1,035)	0	0
Use of Collection Fund Smoothing Reserve	1,076	0	0
New Homes Bonus	134	634	0
Other Government Grants	(118)	(359)	261
<b>Total Funding Assumptions</b>	<b>(672)</b>	<b>(95)</b>	<b>(235)</b>
<b>FUNDING</b>	<b>(16,999)</b>	<b>(17,094)</b>	<b>(17,329)</b>
<b>ANNUAL BUDGET (HEADROOM)/GAP</b>	<b>0</b>	<b>1,620</b>	<b>(272)</b>
<b>CUMULATIVE BUDGET (HEADROOM)/GAP</b>	<b>0</b>	<b>1,620</b>	<b>1,348</b>

5.7 Detail movements to the Net Base Budget are shown in Appendix 1 of the report:

5.8 The 2024 budget proposals include the items listed at Appendix 2 of this report.

5.9 A full detailed listing of Funding is provided in Appendix 1.

## 6.0 PROPOSED 2024/25 REVENUE BUDGET AND MEDIUM-TERM FINANCIAL FORECAST 2025/26 to 2026/27

6.1 The Council is required to set a balanced budget and determine its council tax level before the start of each financial year in accordance with statutory requirements and proper accounting practices.

6.2 The purpose of the Medium-Term Financial Forecast is to provide the strategic framework and a forward-looking approach to achieving long-term financial sustainability. It is central to the delivery of priority outcomes in the Council's strategy and plans in an affordable way over the next three years to 2026/27. It aids robust and methodical planning as it forecasts the Council's financial position,

considering known pressures, major issues affecting the Council's finances, including national and regional influences as well as local priorities and factors.

- 6.3 Planning over the medium-term helps the Council to respond in a considered manner, to pressures and changes because of many internal and external influences. This is particularly important during a period where the Council is facing unprecedented changes and challenges. The recovery from the pandemic, the cost-of-living crisis, inflationary pressures and the changes in National funding are examples of this. The MTFF recognises the key role that financial resources play in the future delivery of outcomes and in enabling the effective planning, management and delivery of services that contribute towards the delivery of the Council's Strategic Plan.
- 6.4 The MTFF model provides the framework within which decisions relating to future service provision can be made. The detailed budget, taking account of constantly changing circumstances is regularly reviewed and the Council will be provided with updated budget monitoring reports as things progress.
- 6.5 Based on the current set of key assumptions set out in section 5, the 2024/25 net budget requirement and funding of £16.999m for approval, and the latest forecast net budget requirement and funding levels for 2025/26 to 2026/27, resulting in a budget gap of £1.348m by service is shown below:

2024/25 Budget and 2025/26 to 2026/27 MTFF	2024/25 £000s	2025/26 £000s	2026/27 £000s
Corporate and Customer Services	5,166	5,232	5,203
Environmental Services	6,727	6,863	7,001
Finance Procurement and Commercial Services	1,841	1,895	1,951
Housing Services	(877)	(975)	(985)
Legal and Democratic Services	1,353	1,378	1,397
Planning and Regulatory Services	2,002	2,069	2,081
Wellbeing and Place Services	1,245	1,347	1,558
Chief Officers	369	376	384
<b>NET SERVICE BUDGET</b>	<b>17,826</b>	<b>18,185</b>	<b>18,589</b>
Treasury & Banking	41	41	41
External Audit	142	142	142
Pensions	(168)	(188)	(188)
Apprenticeship Levy	69	70	71
GRA Recharges	(195)	(199)	(203)
Provision & Contingency	166	166	166
Parish Council Grants	89	89	89
<b>NET CENTRAL SERVICE BUDGET</b>	<b>144</b>	<b>121</b>	<b>118</b>
Treasury Management - Interest Received	(544)	(344)	(344)
Treasury Management - Interest Payments	147	167	167
Capital Charges - MRP	532	586	647
Dividends	0	0	(500)
Reserves	(1,106)	0	0
<b>NET NON SERVICE BUDGET</b>	<b>(971)</b>	<b>408</b>	<b>(31)</b>
<b>NET BUDGET</b>	<b>16,999</b>	<b>18,714</b>	<b>18,677</b>
Council Tax	(9,564)	(9,985)	(10,427)
Council Tax - Parish Precepts	679	679	679

Business Rates: Retained Income	(3,275)	(3,224)	(3,279)
Business Rates: S31 Grants	(3,760)	(3,760)	(3,760)
Prior Year Collection Fund (Surplus)/Deficit	0	0	0
Use of Collection Fund Smoothing Reserve	0	0	0
New Homes Bonus	(634)	0	0
Other Government Grants	(444)	(803)	(542)
<b>FUNDING</b>	<b>(16,999)</b>	<b>(17,094)</b>	<b>(17,329)</b>
<b>ANNUAL BUDGET (HEADROOM)/GAP</b>	<b>0</b>	<b>1,620</b>	<b>(272)</b>
<b>CUMULATIVE BUDGET (HEADROOM)/GAP</b>	<b>0</b>	<b>1,620</b>	<b>1,348</b>

## 7.0 RESERVES AND BALANCES

- 7.1 In accordance with statutory regulations and CIPFA guidance, the levels of balances and reserves are reviewed during the budget process to ensure that they are currently sufficient, and that they will remain adequate over the medium term.
- 7.2 The Council's medium-term financial approach involves using reserves to support the budget position while savings are being realised. The assumption made at budget setting in February 2023, was that £1.808m of reserves would be required in 2023/24 to enable the Council to achieve a balanced budget.
- 7.3 Whilst the reserves position as at 31 March 2023 in 7.7 shows a balance of £13.589m, the Collection Fund Stabilisation Reserve balance of £2.777m is earmarked to fund future years losses on the Collection Fund and smooth the impact of reforms to the Business Rates System and Baseline Reset. Excluding this reserve, the position as at 31 March 2023 is £10.812m.
- 7.4 Utilising of reserves of £1.780m in 2023/24 and a proposed £1.106m in 2024/25, presents an un-sustainable position on the overall reserves position, therefore the complete phasing out of the contribution from reserves has now been assumed over the remaining two-years of the MTF in 2025/26 and 2026/27.
- 7.5 To reduce the dependence on reserves it is recommended further savings, efficiencies or income generation are identified over the three-year period 2024/25 to 2026/27, to reduce the drawdown on reserves and stabilise the Council's finances over the medium-term.
- 7.6 Reserves Protocol
1. Details for each GRA reserve held by the Council are set out in 7.7 below.
  2. Each reserve is managed and controlled by the s151 Officer of the Council who will act as the responsible officer for the reserve.
  3. The responsible officer can authorise amounts, commensurate with the current limit for Record of Decision (RoD) actions, to be taken from a reserve provided that its use is in line with the stated purpose of the reserve.
  4. Reserves are reviewed and updated as part of the annual budget preparation and as part of the closure of accounts process to ensure that they continue to be required and are adequate in size.
  5. Earmarked reserves represent money that has been set aside for a clearly defined purpose, and which is available to meet future expenditure in that area.



6. Balances represent unallocated funds which have not been earmarked and consequently are available to support any service area.

## 7.7 Reserves Balances and Forecast

Classification	Sub-Classification	2022/23 YE Balance £000s	2023/24 Forecast In-Year Movement £000s	2023/24 Forecast YE Balance £000s	2024/25 Forecast In-Year Movement £000s	2024/25 Forecast YE Balance £000s	2025/26 Forecast In-Year Movement £000s	2025/26 Forecast YE Balance £000s	2026/27 Forecast In-Year Movement £000s	2026/27 Forecast YE Balance £000s
General Fund Balance	Core Balances	(£690)	£0	(£690)	£0	(£690)	£0	(£690)	£0	(£690)
General Fund Balance	Contingency Balances	(£270)	£0	(£270)	£0	(£270)	£0	(£270)	£0	(£270)
<b>CORE and CONTINGENCY BALANCES</b>		<b>(£960)</b>	<b>£0</b>	<b>(£960)</b>	<b>£0</b>	<b>(£960)</b>	<b>£0</b>	<b>(£960)</b>	<b>£0</b>	<b>(£960)</b>
Corporate Reserves	SORP / Policy Options Reserve	(£172)	£0	(£172)	£0	(£172)	£0	(£172)	£0	(£172)
Corporate Reserves	Budget Smoothing Reserve	(£2,842)	£1,780	(£1,062)	£1,106	£44	£0	£44	£0	£44
Corporate Reserves	Benefits Equalisation Reserve	(£908)	£0	(£908)	£0	(£908)	£0	(£908)	£0	(£908)
Corporate Reserves	Planning Income Equalisation Reserve	(£125)	£0	(£125)	£0	(£125)	£0	(£125)	£0	(£125)
Corporate Reserves	Collection Fund Stabilisation Reserve	(£2,777)	£1,076	(£1,701)	£0	(£1,701)	£0	(£1,701)	£0	(£1,701)
Corporate Reserves	Major Projects Reserve	(£399)	£69	(£330)	£0	(£330)	£0	(£330)	£0	(£330)
Corporate Reserves	Strategic Investment Reserve	(£613)	£0	(£613)	£0	(£613)	£0	(£613)	£0	(£613)
Corporate Reserves	Service Reserves	(£1,920)	£476	(£1,444)	£84	(£1,360)	(£75)	(£1,435)	(£100)	(£1,535)
<b>CORPORATE RESERVES</b>		<b>(£9,756)</b>	<b>£3,401</b>	<b>(£6,355)</b>	<b>£1,190</b>	<b>(£5,165)</b>	<b>(£75)</b>	<b>(£5,240)</b>	<b>(£100)</b>	<b>(£5,340)</b>
Insurance Reserve	Insurance Reserve	(£938)	£0	(£938)	£0	(£938)	£0	(£938)	£0	(£938)
<b>INSURANCE RESERVES</b>		<b>(£938)</b>	<b>£0</b>	<b>(£938)</b>	<b>£0</b>	<b>(£938)</b>	<b>£0</b>	<b>(£938)</b>	<b>£0</b>	<b>(£938)</b>
Ring Fenced Reserves	P&D Machine Replacement Fund	(£29)	(£5)	(£34)	(£5)	(£39)	(£5)	(£44)	(£5)	(£49)
Ring Fenced Reserves	Solar Panel R&R Fund	(£300)	£0	(£300)	£0	(£300)	£0	(£300)	£0	(£300)
Ring Fenced Reserves	Community Related Assets - R&R Fund	(£222)	(£40)	(£262)	(£30)	(£292)	(£30)	(£322)	(£30)	(£352)
Ring Fenced Reserves	Industrial Portfolio Fund	(£996)	(£92)	(£1,088)	(£143)	(£1,231)	(£137)	(£1,368)	(£137)	(£1,505)
Ring Fenced Reserves	Investment Centre Reserve	(£389)	(£50)	(£439)	(£50)	(£489)	(£50)	(£539)	(£50)	(£589)
<b>RING FENCED RESERVES</b>		<b>(£1,935)</b>	<b>(£187)</b>	<b>(£2,122)</b>	<b>(£228)</b>	<b>(£2,350)</b>	<b>(£222)</b>	<b>(£2,572)</b>	<b>(£222)</b>	<b>(£2,794)</b>
<b>TOTAL GRA RESERVES</b>		<b>(£13,589)</b>	<b>£3,214</b>	<b>(£10,375)</b>	<b>£962</b>	<b>(£9,413)</b>	<b>(£297)</b>	<b>(£9,710)</b>	<b>(£322)</b>	<b>(£10,032)</b>

## 8.0 CAPITAL PROGRAMME

8.1 The Capital Strategy for 2024/25 – 2026/27 is presented in Appendix 3.

8.2 The proposed Capital Programme for the period 2024/25 to 2026/27 totals £16.285m.

General Fund (GRA) Service Area	2023/24 F/cast Expenditure £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Corporate and Customer Services	£214	£1,807	£250	£250
Environmental Services	£178	£375	0	£0
Finance Procurement and Commercial Services	£484	£540	£210	£30
Housing Services	£1,692	£1,969	£1,608	£1,608
Planning and Regulatory Services	£256	£20	£0	£0
Wellbeing and Place Services	£2,429	£7,612	£6	£0
<b>Total GRA Capital Programme Expenditure</b>	<b>£5,253</b>	<b>£12,323</b>	<b>£2,074</b>	<b>£1,888</b>

8.3 The above table includes £1.578m of new expenditure in 2024/25 which is to support the 3 schemes below that were agreed at the February 2023 Council.

Service	Budget Issue Name	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Finance, Procurement and Commercial Services	Capital works 23/24	£10	£180	£0
Wellbeing and Place Services	Chapel Gallery – Repair works	£33	£6	£0
Wellbeing and Place Services	UK Shared Prosperity Fund	£1,535	£0	£0
<b>New Service Items 2024/25</b>		<b>£1,578</b>	<b>£186</b>	<b>£0</b>

In addition to the above, there will also be a new bid for the Waste Transfer Station which will be in the region of £230k for Phase 1 in 2024/25 and another for £230k for Phase 2 in 2025/26. This based upon estimates received to date from external consultants and will be subject to change.

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

FUNDING	2023/24 F/cast Expenditure £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Capital Receipts	£1,113	£3,181	£0	£0
GRA Contributions	£0	£0	£0	£0
Prudential Borrowing	£482	£4,090	£630	£444
Community Infrastructure Levy (CIL)	£1,744	£1,062	£0	£0
Section 106	£3	£398	£0	£0
Other Grant Funding	£1,911	£3,592	£1,444	£1,444
<b>Total GRA Capital Programme Funding</b>	<b>£5,253</b>	<b>£12,323</b>	<b>£2,074</b>	<b>£1,888</b>

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

## **9.0 ROBUSTNESS of ESTIMATES and ADEQUACY of RESERVES**

9.1 It is a requirement of the Local Government Act 2003 for the Council's Chief Finance Officer to give an opinion as to the robustness of the budget estimates and the adequacy of the financial reserves (s25) and the minimum level of reserves (s26). These opinions are provided to Members to assist in their determination as to whether the proposed budget is sufficient to meet the needs of the Council.

9.2 In determining the budget for the forthcoming year there have been important decisions about the continued use of reserves. The planned use of reserves totalling £0.962m in 2024/25 from 7.7 above, includes £1.106m of general reserves to support the budget that is a one-off source of funding. As the reliance on reserves is removed the budget gap over the period 2025/26 to 2026/27 increases by this amount.

9.3 All aspects of the budget have been reviewed to ensure that reasonableness (robustness) tests have been carried out, that detailed calculations are sound, and that the risks have been quantified and provided for as far as possible.

9.4 Statement by the Head of Finance, Procurement and Commercial Property in his capacity as the s151 Officer of the Council:

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

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

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

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

## **10.0 MEDIUM-TERM OUTLOOK**

10.1 The Government continued with a detailed one-year funding settlement for 2024/25 and set out through a LGFS Policy Statement issued on 18 December 2023.

10.2 We also await confirmation of the details to the long-awaited Government reforms to the settlement formula (Fairer Funding), together with a new business rates

retention system and baseline reset. In the December LGFS Policy Statement Government announced that this will not be implemented in the next two years.

- 10.3 Whilst the economic outlook, appears to have eased over the previous 12 months and looks to be easing further in the next year, there is still economic uncertainty created by upcoming events such as elections both in the UK and the United States and the continuing wars and conflicts in the Middle East. Forecasting the impact of the current economic climate with any certainty on the MTFF, is therefore extremely difficult.
- 10.4 Consequently, the MTFF will be continually refreshed once new information becomes available to establish the Council's financial position going forward.
- 10.5 The current MTFF position to 2026/27 shows a budget gap of £1.348m. Consequently, it is proposed that the following indicative workplan be undertaken in the coming months:
- Undertake detailed service budget reviews
  - Undertake detailed budget analysis work to include statutory and non-statutory
  - Review sales, fees and charges register
  - Sensitivity and scenarios analysis modelling

## **11.0 SUSTAINABILITY IMPLICATIONS**

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

## **12.0 RISK ASSESSMENT**

- 12.1 The formal consideration and reporting of the budget estimates is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. This process is resource intensive for both Members and Officers but ensures that a robust and achievable budget is set.
- 12.2 The challenging financial position facing local authorities has been evaluated and assessed as being a key risk, and consequently is included on the Council's key risk register.

## **13.0 HEALTH AND WELLBEING IMPLICATIONS**

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

### **Background Documents**

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

## **Equality Impact Assessment**

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

## **Appendices**

- Appendix 1 Budget Movements
- Appendix 2 2024 Budget Proposals (To follow)
- Appendix 3 Capital Strategy 2024/25 to 2026/27 (To follow)
- Appendix 4 GRA Capital Programme 2024/25 to 2026/27 (To follow)
- Appendix 5 Minute of Executive Overview & Scrutiny Committee
- Appendix 6 Minute of Cabinet

## APPENDIX 1: BUDGET MOVEMENTS

Movement Heading	Description	2024/25 £000s	2025/26 £000s	2026/27 £000s
<b>NET BUDGET</b>		<b>461</b>	<b>1,752</b>	<b>(429)</b>
<b>Net Service Budget</b>		<b>(172)</b>	<b>371</b>	<b>10</b>
Permanent Virements	Salary - Pay Award Catchup of the £1,925 additional 3%	648	0	0
Permanent Virements	Salary – Budget at top SCP & Vacancy/Scale Factor @10%	287	3	0
Permanent Virements	Increase in HRA recharge restructure	166	0	0
Permanent Virements	Budget Re-alignment of Brokers Fee	0	0	0
<b>Permanent Virements</b>		<b>1,101</b>	<b>3</b>	<b>0</b>
RODs (2023/24)	New FTC BID posts	100	0	0
RODs (2023/24)	Funding of FTC BID posts HRA	(100)	(4)	104
<b>RODs</b>		<b>0</b>	<b>(4)</b>	<b>104</b>
Budget Assumptions	Salary - Base Movements FTCs	(725)	0	0
Budget Assumptions	Employee Vacancy/Scale Factor Increase for Pay Award	(55)	14	(14)
Budget Assumptions	Insurance Fund Provision Top-Up	80	0	0
Budget Assumptions	National Fraud Initiative	3	0	0
Budget Assumptions	Commercial Property: Minimum Energy Efficiency Standards (MEES)	(51)	6	0
Budget Assumptions	Commercial Property: Use of Investment Property Portfolio Reserve to Fund MEES	51	(6)	0
Budget Assumptions	Council Elections Delivery	(95)	(48)	0
Budget Assumptions	Council Elections Budget Stabilisation Reserve	196	50	0
Budget Assumptions	Investment Properties - Service Charge (Energy)	(98)	(17)	(17)
Budget Assumptions	Service Reserve Movements / Reversals	1	109	25
Budget Assumptions	Capita Valuation Contract of GRA Assets	33	2	2
Budget Assumptions	Change in HRA recharge - inflation	(47)	(83)	(83)
Budget Assumptions	Cost of road closures for Civic Events	9	0	0
Budget Assumptions	Increase in Homelessness/Rough Sleepers Grant Funding	(73)	0	0
Budget Assumptions	UKSPF funding for temporary posts	(504)	384	120
Budget Assumptions	End of MPT/Kickstart funding	135	0	0
Budget Assumptions	Reduction of outside contractors – Weed Removal	(27)	0	0
Budget Assumptions	Increase in service charge – Gorsey PI	(10)	0	0
Budget Assumptions	Increase in CIL Admin Fee – to fund Scale 5 post	(38)	0	0
Budget Assumptions	Governance Review	25	0	(25)

Movement Heading	Description	2024/25 £000s	2025/26 £000s	2026/27 £000s
Budget Assumptions	Removal of vired amount to fund redundancy payment BID team	(18)	0	0
Budget Assumptions	Corporate Items – Legal fees/tribunals etc	15	0	0
<b>Budget Assumptions</b>		<b>(1,193)</b>	<b>411</b>	<b>8</b>
Approved - Growth Bids (FEB22)	Additional income and/or efficiencies to be generated from the Finance FBP	(10)	0	0
Approved - Growth Bids (FEB22)	Supporting the business & Visitor economy & attracting inward investment	(29)	(13)	0
Approved - Growth Bids (FEB22)	Employment Debt recovery task force for 3 months	1	0	0
Approved - Growth Bids (FEB22)	Revenue consequences of Capital bid - C8 - Beconsall Closed Church Yard	2	0	0
Approved - Growth Bids (FEB22)	Microsoft Site Licences	5	0	0
Approved - Growth Bids (FEB23)	Technical Support Officer Apprentice	0	(22)	0
Approved - Growth Bids (FEB23)	Staffing – Homelessness Triage	0	(20)	0
Approved - Growth Bids (FEB23)	Strategic Planning Manager	53	17	0
Approved - Growth Bids (FEB23)	CCTV Contract Monitoring Staff	(15)	0	0
<b>Approved Growth Items</b>		<b>7</b>	<b>(38)</b>	<b>0</b>
Approved - Policy Proposals (FEB23)	One-year Grant to Dial -a-Ride	(30)	0	0
Approved - Policy Proposals (FEB23)	Leisure Facilities Growth	(153)	0	0
Approved - Policy Proposals (FEB23)	Leisure Facilities Budget Stabilisation Reserve	102	0	0
<b>Approved Policy Proposals</b>		<b>(81)</b>	<b>0</b>	<b>0</b>
Approved - Saving Prop (FEB23)	Members Allowance Budget Reduction from 54 to 45 Councillors	(6)	0	0
<b>Approved Savings Proposals</b>		<b>(6)</b>	<b>0</b>	<b>0</b>
Approved – Efficiency Prop (FEB23)	Staffing – Extended Temporary Team Staffing	0	0	(102)
<b>Approved Efficiency Proposals</b>		<b>0</b>	<b>0</b>	<b>(102)</b>
<b>Net Non Service Budget</b>		<b>633</b>	<b>1,381</b>	<b>(439)</b>
Non Service: Treasury Management	Reduction of Interest Received from Investments	0	0	0
Non Service: Treasury Management	Additional Interest Received from Increased Interest Rates	(225)	0	0
Non Service: Treasury Management	Capital Programme 24/25 to 26/27: Interest on Borrowing	53	19	0
Non Service: Capital Charges MRP	MRP - Change of Policy	11	12	0
Non Service: Capital Charges MRP	Capital Programme 24/25 to 26/27: MRP	120	43	61
Non Service: Dividends	Returns from TVDC	0	0	(500)
Non Service: Dividends	Deletion of the Returns from TVDC	0	0	0
Non Service: Reserves	Phasing out of the contribution from Reserves	702	567	0
Non Service: Reserves	One-Off Use of Reserves in 24/25 to Balance the Budget Gap	(28)	540	0
<b>Budget Assumptions</b>		<b>633</b>	<b>1,381</b>	<b>(439)</b>



Movement Heading	Description	2024/25 £000s	2025/26 £000s	2026/27 £000s
Approved - Policy Proposals (FEB22)	Reversal of the use of Reserves agreed at Council Feb 2022	0	0	0
<b>Approved Policy Proposals</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>FUNDING</b>		<b>(355)</b>	<b>326</b>	<b>206</b>
2023/24 LG Finance Settlement	Business Rates: Individual Authority Baseline	(735)	0	0
2023/24 LG Finance Settlement	Business Rates: Tariff	549	0	0
2023/24 NNDR1 Forecast	Business Rates: (Growth)/Decline	41	52	(55)
2023/24 NNDR1 Forecast	Business Rates: S31 Grants	(267)	0	0
Collection Fund Forecast	Estimated in-year Collection Fund Outturn position	(£1,035)	0	0
Collection Fund Forecast	Movement on Collection Fund Stabilisation Reserve	£1,075	0	0
2023/24 LG Finance Settlement	Government Funding: New Homes Bonus	134	634	0
2023/24 LG Finance Settlement	Government Funding: RSG, Lower Tier, Services & Funding Guarantee Grants	(117)	(360)	261





**LANDLORD SERVICES COMMITTEE (Cabinet Working Group): 17 January 2024**

**BUDGET CABINET WORKING GROUP:  
23 January 2024**

**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 25 January 2024**

**CABINET: 6 February 2024**

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

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

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

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**SUBJECT: HOUSING ACCOUNT – 2024/25 REVENUE AND CAPITAL BUDGET  
SETTING**

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Wards Affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

- 1.1 To obtain feedback from the Committees outlined below to enable the Council to set its Housing Revenue Account (HRA) budget and capital investment programme for the next financial year 2024/25.

## **2.0 RECOMMENDATIONS**

### **TO LANDLORD SERVICES COMMITTEE (Cabinet Working Group)**

- 2.1 That the report be considered and any agreed comments be submitted to the Housing Portfolio Holder in advance of the Cabinet meeting on 6 February 2024.

### **TO BUDGET CABINET WORKING GROUP**

- 2.2 That the report be considered and any agreed comments be submitted to the Housing Portfolio Holder in advance of the Cabinet meeting on 6 February 2024.

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

- 2.3 That the report be considered and any agreed comments be submitted to the Housing Portfolio Holder in advance of the Cabinet meeting on 6 February 2024.

## **TO CABINET**

- 2.4 That the financial position be noted and consideration given to the budget matters set out in this report.
- 2.5 That the use of the Director of Transformation, Housing & Resources delegated authority in relation to rent and service charge changes be noted.
- 2.6 That consideration be given to the comments received from the committees and working group above when finalising the HRA budget proposals to be approved by Council on 28 February 2024.
- 2.7 That the Housing Portfolio Holder be given delegated authority to submit firm proposals to Council on 28 February 2024 to enable the budget to be set.

## **3.0 BACKGROUND**

- 3.1 The Council must set a budget for its Housing Revenue Account (HRA) before the start of each financial year, and this budget will set out the financial basis for the delivery of services. The budget that is set must enable Council and tenant priorities to be delivered but must also be affordable. In addition, it should comply with best practice requirements on budget setting and meet statutory and accounting regulations.
- 3.2 CPI (Consumer Price Index) inflation in September 2022 was exceptionally high, (10.1%). September 2023 CPI was also high at 6.7% Energy price rises have been considerably more. Although CPI is now coming down, (3.9% in November 2023), and is forecast to continue doing so, the impact on WLBC, like for most other individuals and organisations through contract inflationary increases, material costs and collective pay settlements, has been significant. The timing with which CPI flows through to contract increases varies from contract to contract so it is expected that there will continue to be inflationary pressures to 2024/25 HRA expenditure.
- 3.3 In 2023/24 Government imposed a rent cap of 7%. This means that rental income (the main source of HRA funding) was reduced through the lifetime of the HRA business plan, whilst costs grow cumulatively. The outcome is less overall funding available than would have otherwise been the case.
- 3.4 HRA outturns up to 2021/22 tended to show a favourable position which made absorption of cost pressures easier to manage the following year. This is no longer the case due to high cost increases in 2022/23 and 2023/24.

3.5 Members are asked to provide comments on the proposals contained within this report which will be considered before finalising the HRA budget proposal for approval at Council on 28 February 2024.

#### **4.0 RENTAL INCOME**

4.1 Rents are the main source of income for the HRA, and ultimately also for housing capital, either as a revenue contribution, or for servicing debt interest. From this perspective, it is important to maximise rental income, within Government rules, as this pays for repairs and improvements to housing stock, as well as estate and tenancy services which benefit tenants.

4.2 As mentioned in 3.2 above, September 2023 cpi (consumer price index) inflation was 6.7%. The rent regulator has confirmed that there will be no additional rent cap in 2024/25. The Director of Transformation, Housing & Resources will therefore use his delegated authority to increase the majority of rents by 7.7%, (September cpi of 6.7% + 1%), in line with the current Government rent policy and to offset increases in expenditure due to high cpi. There will be less than 10 tenants where a lower increase is applied, between 0% and 7.7%. As 7.7% is the maximum allowed increase, in order to ensure strict adherence to Government policy, all rents with this increase will be rounded down to the nearest penny.

4.3 The cost of living crisis continues to impact in a significant way. For this reason, a budget issue was included in 2023/24 budget setting to ringfence additional funding to provide support to those residents most in financial need. £500k was made available in 2023/24 and a further £250k in 2024/25. It is likely that the £500k allocation in 2023/24 will not be fully utilised, if that proves to be the case the intention is to transfer that balance into 2024/25 at 31/3/24 year end.

4.4 Paragraph 7.1 proposes that £120k of the 2024/25 hardship fund is vired to capital to fund a project on individual billing of heating charges. A further £30k will be required for inspection and preparation works so it is proposed to vire £30k within revenue too. In addition, as the cost of living crisis continues, and in light of the issue highlighted in paragraph 4.5 below, it is anticipated that the remaining funds will be required in 2024/25.

4.5 Weekly rent and service charge billing is always carried out on a Monday, and, as a consequence, every few years there are 53 Mondays, (53 rent weeks), in a calendar year rather than 52. 2024/25 will be a year with 53 rent weeks. The implications of this for the HRA business plan and individual tenants have been considered as follows:

- Increased hardship for some tenants, particularly those on Universal Credit because DWP rules don't recognise the financial impact of the additional week. Operational officers plan to communicate the implications for residents with suggestions as to how they can financially prepare. Remaining financial hardship funding (paragraph 4.3) is also available in the most serious cases.

- Tenants who pay by monthly direct debit will see what seems to be an increase in their monthly direct debit that is more than the expected percentage change. This is because 49 charging weeks will be split between twelve months rather than the usual 48 weeks. As this is just a timing difference, the same tenants will see what appears to be a smaller increase in their rent and service charges in 2025/26 than the expected increase as this levels out again the following year. Tenants who pay weekly will not be affected and will see their weekly charges changing by the expected amounts. The table below seeks to illustrate the effect on a notional rent of £100 pw in 2023/24 and assumed rent increase of 3% in 2025/26:

	2023/24	2024/25	2025/26
Cpi + 1% increase to weekly rent		7.70%	3.00%
Weekly rent is	£100.00	£107.70	£110.93
Full year (48 weeks)	£4,800.00		£5,324.69
Full year (49 weeks)		£5,277.30	
Monthly DD	£400.00	£439.78	£443.72
Increase in DD seems to be		9.9%	0.9%

- 4.6 The rent budget is also affected by the number of properties within the Housing Stock which will be influenced by Right to Buy Council house sales (which is outside the Council's control), the number of homes built or purchased, and the number of homes demolished as part of revival and development projects. To reflect average right to buy sales over the medium term, the HRA business plan and the 2024/25 budget assume 60 rtb sales a year rather than the previous 50.

## 5.0 OTHER CHARGES

- 5.1 The general principle applied to service charges is that they should be sufficient to recover the full cost of service provision. In addition, the Government has advised, but not directed, that it would expect service charge increases to be limited to CPI + 1% unless there is a clear rationale.
- 5.2 Following the WLBC response to the covid pandemic which was resource intensive, the Russian invasion of Ukraine exacerbated the cost of living crisis with unusually high cpi and energy costs. This has made cost estimation more difficult because the timing with which inflation hits costs varies from contract to contract. For this reason and in-keeping with the general principles outlined in paragraph 5.1, service charges have been reviewed using 2022/23 actual costs plus updated estimates for 2023/24 and estimates for 2024/25. In addition, ongoing issues around affordability for tenants at this time and the ability to let properties for the HRA business plan have also been considered.
- 5.3 The table below charts the changes in weekly service charges from 2022/23 budget setting to 2024/25, with comparison to the headline cpi inflation rate applicable to that year. Below the table are additional comments about some

of the key service charges. The apparent effect of 49 billing weeks in 2024/25 for tenants who pay by monthly direct debit, illustrated in table 4.5 above, will also affect service charge monthly dd payments.

	2022/23	2023/24	2024/25
<i>Applicable CPI</i>	3.1%	10.1%	6.7%
Caretaking	4.1%	7%	0%
Communal Lighting	4.1%	50%	-25%
Door Entry	4.1%	11%	7.7%
Painting (pw)	1 pence	1 pence	1 pence
District Heating – typical/average	2%	88%	-10% to -40%
Sheltered Maintenance incl. communal energy but not DHS	4.1%	14%	5.5%
Independent Living category 1	-16.0%	7%	5.4%
Independent Living category 2	-4.8%	7%	-5.0%

- 5.4 The changes in charges highlighted in the table above will apply to the significant majority of residents liable for that charge. Given that most of the charges are being changed by less than the general cpi+1% approach, if anomalies are found, then individual residents will have their charge changed to bring them more in line. This will be limited to cpi+1% if there are any tenants, and the terms of the lease for any leaseholders.
- 5.5 **Communal Lighting** charges in 2022/23 were less than the costs of the electricity due to energy price inflation being more than anticipated. This is expected to be the case in 2023/24 as well, despite service charges being increased by 50% at budget setting. Electricity costs are expected to fall in 2024/25 in the region of 40% to 60%, say 50%. In order to broadly rebalance the charges versus the costs, the communal lighting charge will be reduced in 2024/25 by 25%
- 5.6 The **Door Entry** contract is being retendered in the second half of 2023/24. Until the outcome is known and without prejudice, charges have been increased by cpi + 1% in anticipation that the likely outcome is a significant contract increase, due to high cpi and a broadly 16% increase in materials costs during the last year alone.
- 5.7 There are nearly 750 residents who are part of the WLBC **district heating scheme** (DHS). In recent years the DHS has been in surplus so residents have benefited from low heating charges and a general trend of annual reductions to charges. Previous reporting charts that gas prices have been substantially more than was anticipated for 2022/23 budget setting, the full use of the heating reserve to mitigate the impact for residents, and that despite significant increases to 2023/24 charges most residents will still be in deficit at 31 March 2024.

- 5.8 The Council's gas provider has forecast a reduction in costs of around 60% for 2024/25 compared to 2023/24, though it should be noted that 2023/24 costs look like they will be more than in 2022/23 due to the mechanics of the providers forward purchasing. This assumption has been recognised in calculating estimated balances to inform heating charges.
- 5.9 The majority of DHS residents are forecast to remain in deficit at 31/3/25, even allowing for reduced heating costs in that year, there are however a significant minority who it is anticipated will be out of deficit by then.
- 5.10 2023/24 budget setting discussed the balance being sought by officers between collecting the full costs of heating over a reasonable period of time, the needs of residents in a cost of living crisis, and the importance to the HRA business plan that WLBC don't charge so high a rate that we cannot fill vacant homes. In 2023/24 all tenants and the majority of leaseholders in the DHS were therefore charged £25pw. The additional rent week in 2024/25 is also a factor to now be considered.
- 5.11 In light of this and the significantly lower gas prices forecast in 2024/25, it is proposed to reduce all tenant heat charges in 2024/25 and most leasehold charges. The level of the reduction will depend upon the forecast position at 31/3/25. This will extend the period until all residents are out of deficit but will reflect the generally better news in regard 2024/25 energy prices. As in 2023/24 officers are seeking to find the right balance. The table below summarises the proposal

Approx. no.	% of residents	Reduction %	Reduction £pw	2024/25 weekly charge
418	57%	10%	£2.50	£22.50
80	11%	20%	£5.00	£20.00
237	32%	40%	£10.00	£15.00

- 5.12 **Independent Living** customers benefited from a reduction in charges for 2022/23 due to Homecare Link being closed and the lifeline service being operated by an external partner instead. Category 1 tenants benefited more in % terms. Since then the number of category 1 tenants opting for the category 2 service offer has reduced. This changes the respective cost recovery for each service and this is reflected in the changes for 2024/25 along with a refresh of the cost estimates. Over the three years, category 1 customers have seen a net reduction of 5.1% and category 2 customers a net reduction of 3.3%
- 5.13 In broad terms, within the existing budget envelope and staffing resource, the more sheltered tenants who opt for the category 2 service, the lower the charge will be for both category 1 and category 2 customers.
- 5.14 The **furnishing service** offered to tenants saw an increase in prices during 2022/23 of around 17% February 2023 budget setting proposed to reflect this change over three years, with a 5% increase in 2023/24 charges. Charges in



2024/25 will therefore be increased by cpi +1%, being 7.7%. The charges will be reviewed again as part of 2025/26 service charge setting.

5.15 **Garage rents** will be increased by 7.7% being cpi + 1%

## 6.0 REVENUE ESTIMATES

6.1 Work on the HRA revenue estimates for 2024/25 is ongoing and will be reported at Council. The estimates will provide the detailed information that sets out the financial basis for how HRA service objectives will be achieved. They will cover all areas of revenue expenditure and income and include changes in the base budget required to roll forward agreed service levels, such as pay and contract inflation.

6.2 The HRA estimates summary in table 6.7 below provides a high-level picture consistent with 2023/24 mid-year reporting, and makes clear the main assumptions being applied. Smaller adjustments, contractual uplifts and virements will be reflected in the detailed budget presented as an appendix in the Council report in February 2024.

6.3 The **repairs contract** is key for the HRA repairs offer to residents and is often a primary measure of their satisfaction. During 2022/23 Members approved that the Director of Transformation, Housing & Resources has delegated authority to agree annual contract variations. This is to allow WLBC the flexibility required to ensure that the contract remains financially viable for the contractor as economic conditions change over time, whilst ensuring a back-stop by requiring the contractor to submit a business case each year if they wish to vary the contract from the original 2020 base terms and value.

6.4 High materials inflation continues to put financial pressure on this contract. Benchmarking in 2022/23 showed that variations agreed in year kept the contract competitive.

6.5 The contractor has submitted a business case for 2024/25 and negotiations are ongoing. In the interests of commercial prudence it is proposed to keep the information presented in the table below to the minimum until negotiations are complete.

6.6 In order to make the budget balance the **revenue contributions** will be flexed up or down as budget estimates are finalised. The larger the revenue contribution, the smaller the amount of additional borrowing required in year to fund the capital programme. This has particular implications for the HRA business plan in the long-term rather than any particular individual year.

Budget Area	2023/24 Budget £000	Mid-year Forecast Variance £000	2024/25 Summary £000	Assumptions
Employee Expenses	4,524	200	5,470	Based on latest establishment. Includes unbudgeted 23/24 pay uplift and assumes 4% pay uplift 24/25, as well as restructure of Property Services.
Void repairs and response repairs	5,370	0	tbc	Subject to commercial contract negotiations
Other premises costs	4,271	0	3,974	£372k DHS expenditure budget reduced. £95k increase in furnishing expenditure budget, offset by more income from growing the service Insurance uplift and various budget-neutral virements.
Transport costs	191	0	222	Pooled vehicles charged directly rather than recharge
Budget contingency	390	-150	290	£100k vired to fund ICT posts through recharges in order to implement system upgrades and effective IT solutions for service delivery.
Supplies and Services	1,527	0	1,206	Reduce temporary budget for additional hardship support from £500k to £250k as approved Feb 2023.

				<p>£120k vired to capital to support Heat Account itemised billing project, £30k vired within supplies and services for inspection works in preparation.</p> <p>Various budget-neutral virements and small contract uplifts.</p>
Support Services and internal income (net)	2,905	-110	2,641	<p>Reduction pooled vehicles; Estates valuations recharges</p> <p>£100k for ICT posts vired from contingency, above.</p> <p>Recharges not yet finalised, pending completion of work. Broadly assuming 4% uplift on most others.</p>
Loan interest & Contribution towards Repayment	3,492	0	4,125	<p>£3,057k interest – self-financing debt</p> <p>£680k interest – new/other debt</p> <p>£388k existing debt repayment set aside</p>
Contributions to capital	7,205	0	tbc	Balancing item, towards funding capital programme
Dwelling rents	-25,900	-150	-28,100	New stock. 7.7% uplift. 60 rtb sales.
Other external income	-3,975	-50	-3,759	<p>Several different income streams that behave in different ways.</p> <p>Service charges per this report. Furniture charges income budget to match expenditure.</p>

				<p>Heating income budget reduced £372k to balance to the expenditure budget.</p> <p>Rtb sale admin fees assume 60 rather than previous 50.</p>
<b>Total</b>	<b>0</b>	<b>-260</b>	<b>0</b>	

## 7.0 CAPITAL INVESTMENT PROGRAMME

7.1 The 30 year HRA capital budget was approved in February 2023 following updated stock condition survey information. This budget still applies along with the amendments below. Operational changes between years will be reflected in budget adjustments forwards or backwards, as is our standard practice.

- 2023/24 slippage approved by Council at mid-year, has been added to 2024/25.
- The budget for smoke detection has been increased by £298k for the next three years to reflect the current level of activity and contract inflation.
- £120k has been vired from the £250k revenue budget issue approved in February 2023 for 2024/25, to implement a system for individual itemised billing to residents in the District Heating scheme.

7.2 Updated 30 Year Capital programme (from 2024/25 – year 2)

Scheme	24/25 £000's	25/26 £000's	26/27 £000's	Years 5-10 £000's	Years 11-20 £000's	Years 21-30 £000's
Kitchens	842	842	842	5,054	20,153	8,369
Bathrooms	425	225	225	1,350	9,046	10,541
Electrics	608	608	608	3,651	8,344	12,341
Heating	936	936	936	5,615	11,710	15,533
Roofs	550	550	550	3,298	5,354	8,309
Walls	1,876	1,566	1,566	9,396	3,484	5,127
Windows and Doors	361	361	361	2,163	19,673	7,915
External Areas	1,067	1,067	1,067	6,401	7,927	6,317
Communal Areas	173	173	173	1,040	4,371	2,539
<b>Housing Investment Plan</b>	<b>6,838</b>	<b>6,328</b>	<b>6,328</b>	<b>37,968</b>	<b>90,062</b>	<b>76,991</b>
Digmoor Redevelopment	8,750					
Decarbonisation – wave 2.1	4,593					
Salaries & Professional Fees	600	600	600	3,600	6,000	6,000
Disabled Adaptations	502	502	502	3,012	5,020	5,020
Contingency	330	330	330	1,980	3,300	3,300
Smoke Detection	650	650	650	2,112	3,520	3,520
Environmental Programme	200	200	200	1,200	2,000	2,000

Sheltered Housing Upgrades	140	140	140	840	1,400	1,400
Fire Safety Works	101	101	101	606	1,010	1,010
Lifts	37					
Itemised Service Charge Billing Project	120					
<b>Other Housing Schemes</b>	<b>16,023</b>	<b>2,523</b>	<b>2,523</b>	<b>13,350</b>	<b>22,250</b>	<b>22,250</b>
<b>Total Expenditure</b>	<b>22,861</b>	<b>8,851</b>	<b>8,851</b>	<b>51,318</b>	<b>112,312</b>	<b>99,241</b>
<i>Budget per annum</i>				8,553	11,231	9,924

- 7.3 **Tawd Valley Developments** budget for existing HRA approvals to be completed in 2023/24 will be reprofiled at year end, once the 2023/24 outturn position is known. Funding plans were to utilise borrowing as well as Homes England Grants. If the financial position at the end of 2023/24 supports it, funding may be switched to revenue contributions to avoid the unnecessary use of borrowing.
- 7.4 HRA budget relating to future Tawd Valley Developments schemes will be in line with updates and approvals of the TVD business plan values for HRA stock at February 2024 Council.
- 7.5 Given substantial right to buy sales each year, this leads to a reduction in total Council housing stock available to West Lancashire residents. The work of TVD in building new Council housing helps to mitigate/offset the rtb losses.
- 7.6 In addition, by building modern homes the expectation is that less repairs and maintenance will be required, certainly in the earlier years. Whilst the business case for each scheme is calculated to reflect expected costs, including interest, over a number of decades, it is likely that these properties will stand for much longer than the business case criteria and so will provide a positive very long-term contribution to the HRA business plan.

## 8.0 SUSTAINABILITY IMPLICATIONS

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

## **9.0 RISK ASSESSMENT**

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

## **10.0 HEALTH AND WELLBEING IMPLICATIONS**

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

### **Background Documents**

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

### **Equality Impact Assessment**

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

### **Appendices**

- A HRA Reserves Policy
- B Minute of Landlord Services Committee (Cabinet Working Group)
- C Minute of Budget Cabinet Working Group
- D Minute of Executive Overview & Scrutiny Committee

## APPENDIX A

### HRA RESERVES POLICY

#### Reserves Protocol

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

<b>Description</b>	<b>Purpose</b>	<b>How and When Used</b>	<b>Responsible Officer</b>	<b>Value £000</b>
HRA BALANCES	Balances are held by every organisation and are used to cushion the impact of unexpected events or emergencies, uneven cash flows and to avoid temporary borrowing	Can be used as a general contingency and should be maintained at a level of at least £100 per property.	Head of Housing	620



HRA ELEMENT OF INSURANCE FUND	Funds held to meet the Council's self-insured liabilities where this is a more cost effective method of insuring than using an external company	Costs are incurred when insurance claims are settled. The level of the reserve is determined through actuarial reviews	Head of Finance & Procurement	331
DISTRICT HEATING CHARGES RESERVE	This reserve holds the difference between the income raised from charges to tenants for the District Heating scheme and the cost of running this scheme (primarily gas charges).	It is Council policy to run this scheme on a cost recovery basis, and so it is necessary to maintain this reserve so that any surpluses that are achieved can be carried forward to fund lower charges to tenants in the future than otherwise would be possible	Head of Housing	0
REPAIRS RESERVE	This reserve is used to deal with demand led and other spending pressures on the response and void repairs budgets	Can be used as a general contingency for repairs expenditure and should be maintained at a level of at least 10% of the repairs budgets	Head of Housing	550
GENERAL SLIPPAGE RESERVE	This reserve is used to carry forward slippage on revenue and capital projects, where required	Enables the funding on schemes that are not completed at the financial year end to be carried forward so that the scheme can be completed in the next financial year	Head of Housing	30

TRANSFORMATION AND EFFICIENCY SAVINGS	This reserve is available to support the overall budget position	Used to deal with the financial challenges facing the HRA over a medium term period	Head of Housing	1,181
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**Executive Overview & Scrutiny:**  
**25 January 2024**

**Cabinet: 6 February 2024**

**Council:**  
**28 February 2024**

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**Report of:** Head of Finance, Procurement and Commercial Property

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**SUBJECT: CAPITAL STRATEGY AND PROGRAMME 2024/25 to 2026/27**

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**Wards affected: Borough Wide**

## **1.0 PURPOSE OF REPORT**

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

## **2.0 RECOMMENDATIONS**

### **Executive Overview & Scrutiny**

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

- 2.1 That the Capital Strategy and Programme for 2024/25 be noted.

### **Cabinet**

- 2.2 That the Capital Strategy and Programme for 2024/25 be noted.

### **Council**

- 2.3 That the Capital Strategy and Programme for 2024/25 be agreed.

## **3.0 Introduction**

- 3.1 The Prudential Code for Capital Finance in Local Authorities (updated December 2021) sets out the requirement for councils to prepare a Capital Strategy, and this document has been produced in accordance with the latest guidance.
- 3.2 This strategy updates the capital strategy for both the general fund (GRA programme) and for the HRA, and sets out the direction for the Council's capital programme management and investment decisions in support of our outcomes. It sets out the principles for prioritising our capital investments, the governance,

scrutiny and assurance process. It also provides an overview of the asset management process and approach to risk management.

- 3.3 The effective management of capital resources is an integral aspect in the delivery of the Council's corporate objectives. The Capital Strategy provides the framework for this delivery and ensures there is a focused approach to our capital investment. The Strategy maintains a strong link to its key strategy documents notably the Medium-Term Financial Strategy (MTFS), Treasury Management Strategy, Investment strategy. The Strategy will be reviewed annually and updated to take account of the challenges facing the Council and the residents of West Lancashire.

## **4 Background**

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

## **5. Objectives**

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

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

## **6. Capital Programme – General Fund**

General Fund – the programme includes £1.578M of new expenditure in 2024/25 and £1.918M recurring and continuation of schemes. In addition to this there will be estimated slippage of £8.796M, that is expenditure shown under the 2023/24 programme, that is now included in the 2024/25 programme likely to occur until 2024/25. There is also an item of £30k that relates to Litter bins that was agreed at February 2022 Council. This is included within the £375k for Environmental Services.

General Fund (GRA) Service Area	2023/24 f/cast Expenditure £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Corporate and Customer Services	£214	£1,807	£250	£250
Environmental Services	£178	£375	£0	£0
Finance Procurement and Commercial Services	£484	£540	£210	£30
Housing Services	£1,692	£1,969	£1,608	£1,608
Planning and Regulatory Services	£256	£20	£0	£0
Wellbeing and Place Services	£2,429	£7,612	£6	£0
<b>Total GRA Capital Funding Expenditure</b>	<b>£5,252</b>	<b>£12,322</b>	<b>£2,074</b>	<b>£1,888</b>

## 6.1 General Fund New Items 2024/25

There is £1.578M of new expenditure included in the overall capital programme shown above. This is to support the three schemes identified below that were agreed at February 2023 Council.

Service	Budget Issue Name	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Finance Procurement and Commercial Services	Capital works 23/24	£10	£180	£0
Wellbeing and Place Services	Chapel Gallery - Repair works	£33	£6	£0
Wellbeing and Place Services	UK Shared Prosperity Fund	£1,535	£0	£0
<b>New Service Items 2024/25</b>		<b>£1,578</b>	<b>£186</b>	<b>£0</b>

In Addition to the above there will also be a new bid for the Waste Transfer Station which will be in the region of £200k for Phase 1 and will be in the 2024/25 Capital Programme and another £200K for Phase 2 which will be required in the 2025/26 Capital Programme. This is based upon estimates received so far from external consultants but may be subject to change.

## 6.2 Capital Resources – General Fund

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

General Fund (GRA) Service Area	2023/24 f/cast Expenditure £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Capital Receipts	£1,012	£2,429	£0	£0
GRA Contributions	£0	£0	£0	£0
Prudential Borrowing	£1,782	£3,640	£630	£444
CIL	£1,744	£1,062	£0	£0
s106	£3	£398	£0	£0
Other Grant Funding	£1,911	£3,592	£1,444	£1,444
<b>Total GRA Capital Funding Expenditure</b>	<b>£6,452</b>	<b>£11,120</b>	<b>£2,074</b>	<b>£1,888</b>

### 6.3 Sources of Finance for the Capital Programme

There are both external and internal sources of financing available to fund the capital programme. When these resources are depleted, the Council will be required to resort to prudential borrowing. The cost of this borrowing will vary depending on timing due to interest rate variations.

#### External Funding

Where external resources are available to support the Capital Programme these are applied first, to reduce the borrowing burden on the Council. These can include grants from government bodies such as funding to enable the award of disabled facilities grants, statutory and other developer contributions (e.g. S106/CIL - Community Infrastructure Levy) and partner contributions from bodies interested in specific projects. It can be seen from the table in 4.2 that £5.052m of CIL and other grant funding will be used in delivering the 2024/25 capital programme.

Forecast Movement on Capital Resources	31 Mar 23	23/24 Receipts	23/24 Utilised	31 Mar 24
<b>Unfinanced:</b>				
Prudential Borrowing	0	0	-482	0
<b>Capital Resources:</b>				
Capital Receipts Reserve	5,072	523	-1,112	4,483
s106	2,460	0	-3	2,457
HCA	1,615	0	0	1,615
Capital Grants Unapplied Account	779	1,133	-1,911	1
Community Infrastructure Levy	11,779	0	-1,744	10,035
<b>Available Resources Applied 2022/23</b>	<b>21,705</b>	<b>1,656</b>	<b>-4,771</b>	<b>18,591</b>
<b>Capital financing available and used 2023/24</b>	<b>21,705</b>	<b>1,656</b>	<b>-5,252</b>	<b>18,591</b>

In addition to this, a further £415k for 2024/25 has been identified in delivering UK prosperity fund scheme objectives and a further £442k from Rural England Prosperity Fund (REPF).

The Council has also secured funding in the form of a Heritage Action Zone grant. The total project is for £3.426m, of which the council's share is £1.130m. The current programme includes £742k of expenditure and resources, with work underway to identify the remaining £380k that is expected to be funded from s106 receipts.

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

approach to the decision; and that the Council has the availability of management resources to deliver the project effectively.

### **Internal Funds**

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

#### **Capital receipts**

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

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

#### **Revenue and reserves**

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

At the end of the 2022/23 the Council had £21.7m in capital resources available (internal and external). There are £5.2m of commitments against these in 2023/24.

#### **Unfinanced expenditure / Prudential borrowing**

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

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

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

The Council has £6.496m in the general fund programme that is not financed, which requires prudential borrowing.

## 6.4 Capital Expenditure – Housing Revenue Account

HRA Service Area	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Housing Investment Plan	£7,742	£6,838	£6,328	£6,328
Other Housing schemes	£6,622	£16,023	£2,523	£2,523
TVDL Expenditure	£3,542	£4,303	£5,666	£4,460
<b>Total Capital Funding</b>	<b>£17,906</b>	<b>£27,164</b>	<b>£14,517</b>	<b>£13,311</b>

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

Tawd Valley Developments Limited (TVD) is the Council's commercial company, which builds affordable homes across Skelmersdale and Westhead and has so far delivered 108 new homes for the residents of West Lancashire.

The Business Plan approved in July 2023 was based upon 190 affordable homes in West Lancashire with 50 of those units at the Fairlie site in Skelmersdale. 27 of which have been delivered ahead of schedule with the remaining 23 homes expected to be delivered before the end of the 2023/24 financial year.

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

## 6.5 Financing HRA Capital Programme

HRA Financing	2023/24 £'000s	2024/25 £'000s	2025/26 £'000s	2026/27 £'000s
Capital Receipts	£10	£359	£363	£366
Government Grants	£1,212	£716	£1,188	£1,187
HRA Contributions	£3,139	£3,017	£2,891	£2,762
Major Repairs Reserve	£4,066	£4,188	£4,314	£4,443
Prudential Borrowing	£9,479	£18,884	£5,761	£4,553
<b>Total Capital Funding</b>	<b>£17,906</b>	<b>£27,164</b>	<b>£14,517</b>	<b>£13,311</b>

## 7. Risk Management

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

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



## **8. Knowledge and Skills**

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

## **9.0 SUSTAINABILITY IMPLICATIONS**

- 9.1 The Capital Programme includes schemes that the Council plans to implement to enhance service delivery and assets. The Capital Programme also achieves the objectives of the Prudential Code for Capital Finance in Local Authorities by ensuring capital investment plans are affordable, prudent, and sustainable. This report provides an updated position on project plans and shows progress against them.

## **10.0 RISK ASSESSMENT**

- 10.1 Capital assets shape the way services are delivered for the long term and, as a result, create financial commitments. The formal reporting of performance against the Capital Programme is part of the overall budgetary management and control framework that is designed to minimise the financial risks facing the Council. Schemes within the Programme that are reliant on external contributions and/or decisions are not started until funding is secured. Other resources that are subject to fluctuations are monitored closely to ensure availability. The Capital receipts position is scrutinised on a regular basis and managed over the medium term to mitigate the risk of unfunded capital expenditure.

## **11.0 HEALTH AND WELLBEING IMPLICATIONS**

- 11.1 Some of the Capital Schemes will enhance the Health and Wellbeing of residents and the management of the delivery is ensured via the reporting mechanism.

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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**

- A Funding of Capital Programme 2024-25-2026-27
- B Minute of Executive Overview & Scrutiny Committee
- C Minute of Cabinet









Grant	7203	7203GrantDisab	Housing Services	Disabled Facilities Grants	£1,444						£1,444		£1,444	This is funded in full by a grant from Central Government	£1,444	£1,444
Receipts	7562	7562ReceiptsBurs	Housing Services	Burscough Sports Centre - roofing upgrades							£0		£0			£0
Grant	7520	7520GrantSafer S	Housing Services	Safer Streets							£0		£0			£0
Receipts	7418	7418ReceiptsPres	Planning and Reg	Preservation of Buildings at Risk							£0		£0			£0
Receipts	7133	7133ReceiptsM3P	Planning and Reg	M3PP System Replacement							£0		£0	awaiting prices, looking at IDOX but could still be M3PP		£0
Receipts	7390	7390ReceiptsCCTV	Planning and Reg	CCTV							£0		£0	This was delayed to being procured as one project and is currently now out to tender.		£0
Borrowing	7217	7217BorrowingCD	Planning and Reg	CCTV monitoring 23/24							£0		£0	work is currently scheduled over the next few weeks, delay was due to awaiting the contractors for part of it		£0
Receipts	7450	7450ReceiptsIDOX	Planning and Reg	IDOX ERDM System							£0		£0			£0
Borrowing	7431	7431BorrowingPl	Planning and Reg	Planning/building control and land charges system upg		£20					£20		£20			£20
Borrowing	7618	7618BorrowingSk	Wellbeing and Place Services	Skelmersdale Town Centre		£2,038					£2,038		£2,038	This is an ongoing project		£2,038
Receipts	7330	7330ReceiptsWL	Wellbeing and Place Services	WL Play Strategy Improvements (Receipts)		£197					£197		£197	delays due to resource capacity, procurement and delivery delays		£197
S106	7330	7330S106WL Play	Wellbeing and Place Services	WL Play Strategy Improvements (S106)		£62					£62		£62			£62
receipts	7476	7476receiptsBurs	Wellbeing and Place Services	Burscough Sports Centre (receipts)		£321					£321		£321	This project has been placed on hold pending finalisation of the new Leisure Hubs procurement project.		£321
grant	7476	7476GrantBursc	Wellbeing and Place Services	Burscough Sports Centre (grant)		£75					£75		£75			£75
Receipts	7324	7324ReceiptsAllot	Wellbeing and Place Services	Allotment Improvements		£4					£4		£4			£4
Cil	7330	7330CilWL Play S	Wellbeing and Place Services	WL Play Strategy Improvements (cil)		£9					£9		£9			£9
Grant	7330	7330GrantWL Pla	Wellbeing and Place Services	WL Play Strategy Improvements (grant)		£47					£47		£47	grant supposed to be from LEF but it is now not sure whether this will come in		£47











**Executive Overview & Scrutiny:  
25 January 2024**

**Cabinet: 6 February 2024**

**Council:  
28 February 2024**

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**Report of:** Head of Finance, Procurement and Commercial Property

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**SUBJECT: CAPITAL FINANCE AND TREASURY MANAGEMENT STRATEGY**

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**Wards affected: Borough Wide**

## **1.0 PURPOSE OF REPORT**

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

## **2.0 RECOMMENDATIONS**

### **Executive Overview & Scrutiny and Cabinet**

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

- 2.1 That the projected position in respect of the Prudential Indicators for 2023-24 set out in Appendix 1 be noted.
- 2.2 That the Treasury and Prudential Indicators for the next three years set out in Appendix 1 be agreed.
- 2.3 That the capital expenditure projections in Appendix 1 be agreed.
- 2.4 That the CFR projections set out in Appendix 1 be agreed.
- 2.5 That the MRP policy as set out in section 4.5 be agreed.

### **Council**

- 2.6 That the projected position in respect of the Prudential Indicators for 2023-24 set out in Appendix 1 be noted.
- 2.7 That the Treasury and Prudential Indicators for the next three years set out in Appendix 1 be agreed.

- 2.8 That the capital expenditure projections in Appendix 1 be agreed.
- 2.9 That the CFR projections set out in Appendix 1 be agreed.
- 2.10 That the MRP policy as set out in section 4.5 be agreed.

### **3.0 BACKGROUND**

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

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

#### **3.1 Capital Strategy**

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

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

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

#### **3.2 Treasury Management Strategy for 2024/25**

The strategy for 2024/25 covers two main areas Capital Issues, including expenditure plans and associated prudential indicators and Treasury Management Issues, including the current position, treasury indicators which limit risk, prospects for interest rates, borrowing and investment strategy, creditworthiness policy and the use of external service providers

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

### **3.3 Training**

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

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

### **3.4 Treasury Management Consultants**

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

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

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

## **4.0 THE CAPITAL PRUDENTIAL INDICATORS 2024/25 – 2026/27**

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

### **4.1 Capital Expenditure and Financing**

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

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

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

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

The second prudential indicator is the Authority's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a

measure of the Authority's indebtedness and so its underlying borrowing need. Any capital expenditure above, which has not immediately been paid for through a revenue or capital resource, will increase the CFR.

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

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

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

### 4.3 Liability Benchmark

A third prudential indicator for 2024/25 is the Liability Benchmark (LB). The Authority is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

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

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

### 4.4 Core Funds and Expected Investment Balances

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

Year End Resources £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Fund balances / reserves	16,301	13,087	12,125	12,422	12,744
Capital receipts	5,072	4,473	2,484	2,920	3,353
Provisions	2,084	2,084	2,084	2,084	2,084
Capital Grants Unapplied	12,558	8,902	9,852	10,802	11,752
<b>Total core funds</b>	<b>36,015</b>	<b>28,546</b>	<b>26,545</b>	<b>28,228</b>	<b>29,933</b>
Working capital	6,711	6,500	6,500	6,500	6,500
Under/over borrowing	27,921	27,192	26,398	25,404	24,349
<b>Expected investments</b>	<b>14,805</b>	<b>7,854</b>	<b>6,647</b>	<b>9,324</b>	<b>12,083</b>

#### 4.5 Minimum Revenue Provision (MRP) Policy Statement

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

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

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

The Authority is recommended to approve the following MRP Statement

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

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

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

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

Capital expenditure incurred during 2023/24 will not be subject to an MRP charge until 2024/25, or in the year after the asset becomes operational

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

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

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

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

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

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

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

Cumulative VRP overpayments made to date are £2.365m.

## **5.0 BORROWING**

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

### **5.1 Current Portfolio Position**

The overall treasury management portfolio as at 31.3.23 and for the position as at 31.12.23 are shown below for both borrowing and investments.



<b>TREASURY PORTFOLIO</b>				
	<b>Actual</b>	<b>Actual</b>	<b>Current</b>	<b>Current</b>
	<b>31.03.23</b>	<b>31.03.23</b>	<b>31.12.23</b>	<b>31.12.23</b>
<b>Treasury investments</b>	<b>£,000</b>	<b>%</b>	<b>£,000</b>	<b>%</b>
Banks	5,000	41%	10,000	51%
Building societies - unrated		0%	0	0%
Building societies - rated	1,000	8%	5,000	26%
Local authorities	5,000	41%	3,250	17%
Other (TVD loans)	1,300	11%	1,300	7%
DMADF (H.M.Treasury)		0%		0%
Money Market Funds		0%		0%
Certificates of Deposit		0%		0%
<b>Total managed in house</b>	<b>12,300</b>	<b>100%</b>	<b>19,550</b>	<b>100%</b>
Bond Funds	0	0	0	0
Property Funds	0	0	0	0
<b>Total managed externally</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Total treasury investments</b>	<b>12,300</b>	<b>100%</b>	<b>19,550</b>	<b>100%</b>
<b>Treasury external borrowing</b>				
Local Authorities	0	0	0	0
PWLB	88,212	100%	88,212	100%
Market Loans		0		0
LOBOs		0		0
<b>Total external borrowing</b>	<b>88,212</b>	<b>100%</b>	<b>88,212</b>	<b>100%</b>
<b>Net treasury investments / (borrowing)</b>	<b>-75,912</b>		<b>-68,662</b>	

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

<b>£m</b>	<b>2022/23</b>	<b>2023/24</b>	<b>2024/25</b>	<b>2025/26</b>	<b>2026/27</b>
	<b>Actual</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>	<b>Estimate</b>
<b>External Debt</b>					
Debt at 1 April	88,212	88,212	99,483	122,251	128,872
Expected change in Debt	0	11,271	22,768	6,621	4,997
Other long-term liabilities (OLTL)	0	0	0	0	0
Expected change in OLTL	0	0	0	0	0
Actual gross debt at 31 March	<b>88,212</b>	<b>99,483</b>	<b>122,251</b>	<b>128,872</b>	<b>133,870</b>
The Capital Financing Requirement	<b>116,133</b>	<b>126,675</b>	<b>148,649</b>	<b>154,276</b>	<b>158,219</b>
Under / (over) borrowing	<b>27,921</b>	<b>27,192</b>	<b>26,398</b>	<b>25,404</b>	<b>24,349</b>

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

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

## 5.2 Treasury Indicators: Limits to Borrowing Activity

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

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

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

## 5.3 Prospects for Interest Rates

The Council has appointed Link Group as its treasury advisor and part of their service is to assist the Council to formulate a view on interest rates. Link provided the following forecasts on 08/01/2024. These are forecasts for certainty rates, gilt yields plus 80 bps.

Link Group Interest Rate View 08.01.24													
	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25	Mar-26	Jun-26	Sep-26	Dec-26	Mar-27
<b>BANK RATE</b>	5.25	5.25	4.75	4.25	3.75	3.25	3.00	3.00	3.00	3.00	3.00	3.00	3.00
3 month ave earnings	5.30	5.30	4.80	4.30	3.80	3.30	3.00	3.00	3.00	3.00	3.00	3.00	3.00
6 month ave earnings	5.20	5.10	4.60	4.10	3.70	3.30	3.10	3.10	3.10	3.10	3.10	3.10	3.10
12 month ave earnings	5.00	4.90	4.40	3.90	3.60	3.20	3.10	3.10	3.10	3.10	3.10	3.20	3.20
5 yr PWLB	4.50	4.40	4.30	4.20	4.10	4.00	3.80	3.70	3.60	3.60	3.50	3.50	3.50
10 yr PWLB	4.70	4.50	4.40	4.30	4.20	4.10	4.00	3.90	3.80	3.70	3.70	3.70	3.70
25 yr PWLB	5.20	5.10	4.90	4.80	4.60	4.40	4.30	4.20	4.20	4.10	4.10	4.10	4.10
50 yr PWLB	5.00	4.90	4.70	4.60	4.40	4.20	4.10	4.00	4.00	3.90	3.90	3.90	3.90

*Additional notes by Link on this forecast table: -*

Our central forecast for interest rates was previously updated on 7 November and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by keeping Bank Rate at 5.25% until at least H2 2024. We expect rate cuts to start when both the CPI inflation and wage/employment data are supportive of such a move, and when there is a likelihood of the overall economy enduring at least a slowdown or mild recession over the coming months (although most recent GDP releases have surprised with their on-going robustness).

Naturally, timing on this matter will remain one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but also international factors such as policy development in the US and Europe, the provision of fresh support packages to support the faltering recovery in China as well as the on-going conflict between Russia and Ukraine, and Gaza and Israel.

### **PWLB Rates**

The short and medium part of the gilt curve has rallied since the start of November as markets price in a quicker reduction in Bank Rate through 2024 and 2025 than held sway back then. This reflects market confidence in inflation falling back in a similar manner to that already seen in the US and the Euro-zone. At the time of writing there is c70 basis points difference between the 5 and 50 year parts of the curve.

## **5.4 Borrowing Strategy**

The Authority is currently maintaining an under-borrowed position. This means that the capital borrowing need, (the Capital Financing Requirement), has not been fully funded with loan debt as cash supporting the Authority's reserves, balances and cash flow has been used as a temporary measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate remains high for the remainder of 2023/24 before beginning to reduce in 2024/25.

Against this background and the risks within the economic forecast, caution will be adopted with the 2024/25 treasury operations. The Head of Finance will monitor interest rates in financial markets and adopt a pragmatic approach to changing circumstances:

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

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

## **5.5 Policy on Borrowing in Advance of Need**

The Authority will not borrow more than or in advance of its needs purely to profit from the investment of the extra sums borrowed. Any decision to borrow in advance will be within forward approved Capital Financing Requirement estimates and will be considered carefully

to ensure that value for money can be demonstrated and that the Authority can ensure the security of such funds.

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

## 5.6 Rescheduling

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

## 5.7 Approved Sources of Long and Short-term Borrowing

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

## 6.0 ANNUAL INVESTMENT STRATEGY

### 6.1 Investment Policy – Management of Risk

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

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

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

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

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

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

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

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

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

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

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

#### **Changes in risk management policy from last year.**

The above criteria are unchanged from last year.

## **6.2 Creditworthiness Policy**

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

- It maintains a policy covering both the categories of investment types it will invest in, criteria for choosing investment counterparties with adequate security, and monitoring their security. This is set out in the specified and non-specified investment sections below; and

- It has sufficient liquidity in its investments. For this purpose, it will set out procedures for determining the maximum periods for which funds may prudently be committed. These procedures also apply to the Authority's prudential indicators covering the maximum principal sums invested.

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

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

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

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

#### **Use of additional information other than credit ratings**

Additional requirements under the Code require the Authority to supplement credit rating information. Whilst the above criteria rely primarily on the application of credit ratings to provide a pool of appropriate counterparties for officers to use, additional

operational market information will be applied before making any specific investment decision from the agreed pool of counterparties. This additional market information (for example Credit Default Swaps, rating Watches/Outlooks) will be applied to compare the relative security of differing investment opportunities.

### **Creditworthiness**

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

### **CDS prices**

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

## **6.3 Limits**

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

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

## **6.4 Investment Strategy**

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

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

## **6.5 Investment Performance / Risk Benchmarking**

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



## **6.6 MifiD II Status**

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

## **6.7 End of Year Investment Report**

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

## **7.0 SUSTAINABILITY IMPLICATIONS**

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

## **8.0 RISK ASSESSMENT**

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

## **9.0 HEALTH AND WELLBEING IMPLICATIONS**

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

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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

1. Prudential and treasury indicators
2. Economic background
3. Treasury management practice 1 – credit and counterparty risk management
4. Treasury management scheme of delegation
5. The treasury management role of the section 151 officer
6. Minute of Executive Overview & Scrutiny Committee
7. Minute of Cabinet

## 1. THE CAPITAL PRUDENTIAL AND TREASURY INDICATORS 2024/25 – 2026/27

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

### 1.1 Capital Expenditure and Financing

Capital expenditure £,000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non-HRA	7,709	6,462	11,364	2,304	1,888
HRA	13,097	17,906	27,164	14,517	13,311
<b>Total</b>	<b>20,806</b>	<b>24,368</b>	<b>38,529</b>	<b>16,821</b>	<b>15,199</b>

Financing of capital expenditure £,000	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Capital receipts	1,203	1,022	2,788	363	366
Capital grants	7,051	3,123	4,308	2,632	2,631
Capital reserves	4,506	4,066	4,188	4,314	4,443
Revenue	2,928	4,886	4,477	2,891	2,762
<b>Net financing need for the year</b>	<b>5,118</b>	<b>11,271</b>	<b>22,768</b>	<b>6,621</b>	<b>4,997</b>

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

£m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
<b>Capital Financing Requirement</b>					
Non-HRA	25,198	26,635	30,114	30,382	30,173
Housing	90,935	100,039	118,535	123,894	128,046
<b>Total CFR</b>	<b>116,133</b>	<b>126,675</b>	<b>148,649</b>	<b>154,276</b>	<b>158,219</b>
<b>Movement in CFR</b>	<b>4,442</b>	<b>10,541</b>	<b>21,974</b>	<b>5,628</b>	<b>3,943</b>
<b>Movement in CFR represented by</b>					
Net financing need for the year (above)	5,118	11,271	22,768	6,621	4,997
Less MRP/VRP and other financing movements	-676	-730	-794	-993	-1055
<b>Movement in CFR</b>	<b>4,442</b>	<b>10,541</b>	<b>21,975</b>	<b>5,628</b>	<b>3,943</b>

External borrowing £m	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
Service spend		232	1,805	2,249	2,693
Housing	88,212	97,691	116,575	122,336	126,889
Regeneration		1,560	3,871	4,287	4,287
Preventative action					
Treasury Management					
Projects for yield					
<b>TOTAL</b>	<b>88,212</b>	<b>99,483</b>	<b>122,251</b>	<b>128,872</b>	<b>133,869</b>

### 1.3 Liability Benchmark

West Lancashire Borough Council		£'000	£'000	£'000	£'000
Financial Year End		Estimate	Estimate	Estimate	Estimate
		2023/24	2024/25	2025/26	2026/27
PWLB Loans		88,212	88,212	88,212	88,212
Market Loans (excl LOBO loans)					
LOBO Loans					
Short Term inc LA Temporary Borrowing (<1 year)					
Variable rate loans					
<b>Existing Loan Debt Outstanding</b>		<b>88,212</b>	<b>88,212</b>	<b>88,212</b>	<b>88,212</b>
Opening Loan Debt					
<b>Less:</b> opening treasury investments					
<b>Plus:</b> planned prudential borrowing		11,271	22,768	6,621	4,997
<b>Less:</b> MRP & Capital Receipts set aside		-730	-794	-993	-1,055
+/- other forecast cashflows		6,677	1,985	-2,613	-2,696
<b>Net Loans Requirement (forecast net loan debt)</b>		<b>93,130</b>	<b>117,089</b>	<b>120,104</b>	<b>121,351</b>
Opening Loans CFR					
<b>Plus:</b> planned Prudential Borrowing		11,271	22,768	6,621	4,997
<b>Less:</b> MRP & Capital Receipts set aside		-730	-794	-993	-1,055
<b>Loans CFR</b>		<b>126,674</b>	<b>148,648</b>	<b>154,276</b>	<b>158,219</b>
Liquidity allowance above net debt (liquidity buffer)		£250	£250	£250	£250
<b>Liability Benchmark (Gross Loans Requirement)</b>		<b>93,380</b>	<b>117,339</b>	<b>120,354</b>	<b>121,601</b>
<b>Forecast Investments</b>		<b>8,128</b>	<b>6,143</b>	<b>8,756</b>	<b>11,451</b>
<b>(Over)/Under Liability Benchmark</b>		<b>5,168</b>	<b>29,127</b>	<b>32,142</b>	<b>33,389</b>

### 1.4 Operational Boundary

Operational Boundary £m	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Debt	126,675	148,649	154,276	158,219
Other long-term liabilities	0	0	0	0
Total	126,675	148,649	154,276	158,219

## 1.5 Authorised Limit for external debt

Authorised Limit £m	2022/23	2023/24	2024/25	2025/26
	Estimate	Estimate	Estimate	Estimate
Debt	136,675	158,649	164,276	168,219
Other long-term liabilities	500	500	500	500
Total	137,175	159,149	164,776	168,719

## 1.6 Maturity Structure of Borrowing

Maturity analysis of loans	Average Rate %	Interest Payable £'000	2024/2025 £'000
Between 2 and 5 years	3.01	132.76	4,411
Between 5 and 10 years	3.30	145.55	4,411
Between 10 and 15 years	3.44	303.45	8,821
Between 15 and 20 years	3.50	308.74	8,821
Between 20 and 25 years	3.52	310.51	8,821
Between 25 and 30 years	3.53	621.89	17,642
Between 30 and 35 years	3.51	618.37	17,642
Between 35 and 40 years	3.49	615.72	17,642
Between 40 and 45 years			
Total	3.47	3,056.99	88,212

Maturity structure of borrowing	2022/23 Actual	2023/24 Estimate Limit	2024/25 Estimate Limit	2025/26 Estimate Limit	2026/27 Estimate Limit
Under 12 months	0%	0%	0%	0%	5%
12 months and within 24 months	0%	0%	0%	5%	0%
24 months and within 5 years	5%	5%	5%	0%	0%
5 years and within 10 years	5%	5%	5%	5%	5%
10 years and above	90%	90%	90%	90%	90%

## 1.7 Limits for Long Term Treasury Management Investments

Limits for Long Term Treasury Management Investments	2022/23 Actual %	2023/24 Estimate Limit %	2024/25 Estimate Limit %	2025/26 Estimate Limit %	2026/27 Estimate Limit %
Limit for investments > a year	0	Higher of £3m and 20%	Higher of £3m and 20%	Higher of £3m and 20%	Higher of £3m and 20%

## 1.8 Affordability Prudential Indicators

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

### **1.8.1 Ratio of Financing Costs to Net Revenue Stream**

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

Capital expenditure £m	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
<b>Non-HRA</b>	7,709	6,462	11,364	2,304	1,888
<b>HRA</b>	13,097	17,906	27,164	14,517	13,311
<b>Total</b>	<b>20,806</b>	<b>24,368</b>	<b>38,529</b>	<b>16,821</b>	<b>15,199</b>
<b>Ratio of Financing Costs to Net Revenue Stream</b>					
	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Non-HRA	-0.54%	-1.88%	0.05%	2.37%	2.72%
HRA	12.63%	13.37%	13.64%	14.14%	14.49%
<b>Non-HRA £,000</b>					
	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Interest received on existing investments	-398	-649	-544	-344	-344
Interest cost for new borrowing	0	0	147	166	166
Interest cost existing finance leases/PFI	0	0	0	0	0
Interest cost for new finance leases/PFI	0	0	0	0	0
Gains and losses on the repurchase or early settlement of borrowing	0	0	0	0	0
MRP and VRP	314	355	406	591	653
<b>Total Financing Costs</b>	<b>-84</b>	<b>-294</b>	<b>8</b>	<b>413</b>	<b>474</b>
Taxation, precepts	14,446	11,698	12,839	13,209	13,706
Non-specific grant income	1,186	3,934	4,839	4,563	4,302
<b>Net Revenue Stream</b>	<b>15,478</b>	<b>15,632</b>	<b>17,108</b>	<b>17,449</b>	<b>17,449</b>
Ratio of Financing Costs	-0.54%	-1.88%	0.05%	2.37%	2.72%
<b>HRA £,000</b>					
	2022/23 Actual	2023/24 Estimate	2024/25 Estimate	2025/26 Estimate	2026/27 Estimate
Interest received on existing investments	-78	-119	-119	-119	-119
Interest cost on existing borrowing	3,057	3,057	3,057	3,057	3,057
Interest cost for new borrowing	0	332	993	1,194	1,354
Interest cost existing finance leases/PFI	0	0	0	0	0
Interest cost for new finance leases/PFI	0	0	0	0	0
Gains and losses on the repurchase or early settlement of borrowing	0	0	0	0	0
MRP and VRP	350	375	388	402	402
HRA Depreciation	0	0	0	0	0
<b>Total Financing Costs</b>	<b>3,329</b>	<b>3,644</b>	<b>4,318</b>	<b>4,534</b>	<b>4,693</b>
<b>HRA Rental Income</b>	<b>26,354</b>	<b>27,254</b>	<b>31,664</b>	<b>32,062</b>	<b>32,382</b>
Ratio of Financing Costs	12.63%	13.37%	13.64%	14.14%	14.49%

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

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

%	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
Non-HRA	11.83%	8.43%	6.18%	6.08%	6.86%
£,000	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
Income from financial investments	0	0	0	0	0
Income from assets held primarily for financial return	3,107	2,253	2,463	2,480	2,438
Investment management costs	0	0	0	0	0
Other direct revenue costs of investments	-1,257	-935	-1,370	-1,399	-1,202
<b>Total Net Commercial &amp; Service Income</b>	<b>1,850</b>	<b>1,318</b>	<b>1,092</b>	<b>1,081</b>	<b>1,235</b>
Taxation, precepts	14,446	11,698	12,839	13,209	13,706
Non-specific grant income	1,186	3,934	4,839	4,563	4,302
<b>Net Revenue Stream</b>	<b>15,632</b>	<b>15,632</b>	<b>17,678</b>	<b>17,773</b>	<b>18,008</b>
Ratio of net income from commercial & service investments	11.83%	8.43%	6.18%	6.08%	6.86%

### 1.8.3 HRA Ratios

	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
HRA debt £,000	88,212	97,691	116,575	122,336	126,889
HRA revenues £,000	27,872	29,810	31,664	32,062	32,382
Ratio of debt to revenues %	<b>31.60</b>	<b>30.51</b>	<b>27.16</b>	<b>26.21</b>	<b>25.52</b>
	2022/23	2023/24	2024/25	2025/26	2026/27
	Actual	Estimate	Estimate	Estimate	Estimate
HRA debt £,000	88,212	97,691	116,575	122,336	126,889
Number of HRA dwellings	5,843	5,793	5,733	5,673	5,613
Debt per dwelling £	<b>15,097</b>	<b>16,864</b>	<b>20,334</b>	<b>21,565</b>	<b>22,606</b>

Assumed RtB sales of 60 per annum without replacement for 2024/25 onwards as per HRA Business Plan (from 50)



## 2. ECONOMIC BACKGROUND

The first half of 2023/24 saw:

Interest rates rise by a further 100bps, taking Bank Rate from 4.25% to 5.25% and, possibly, the peak in the tightening cycle.

Short, medium and long-dated gilts remain elevated as inflation continually surprised to the upside.

CPI inflation falling from 8.7% in April to 6.7% in September, its lowest rate since February 2022, but still the highest in the G7.

Core CPI inflation declining to 6.1% in September from 7.1% in April and May, a then 31 years high.

A cooling in labour market conditions, but no evidence yet that it has led to an easing in wage growth (as the 3myy growth of average earnings rose by 7.8% for the period June to August, excluding bonuses).

The registering of 0% GDP for Q3 suggests that underlying growth has lost momentum since earlier in the year. Some of the weakness in July was due to there being almost twice as many working days lost to strikes in July (281,000) than in June (160,000). But with output falling in 10 out of the 17 sectors, there is an air of underlying weakness.

The fall in the composite Purchasing Managers Index from 48.6 in August to 46.7 in September left it at its lowest level since COVID-19 lockdowns reduced activity in January 2021. At face value, it is consistent with the 0% q/q rise in real GDP in the period July to September, being followed by a contraction in the next couple of quarters.

The 0.4% m/m rebound in retail sales volumes in August is not as good as it looks as it partly reflected a pickup in sales after the unusually wet weather in July. Sales volumes in August were 0.2% below their level in May, suggesting much of the resilience in retail activity in the first half of the year has faded.

As the growing drag from higher interest rates intensifies over the next six months, we think the economy will continue to lose momentum and soon fall into a mild recession. Strong labour demand, fast wage growth and government handouts have all supported household incomes over the past year. And with CPI inflation past its peak and expected to decline further, the economy has got through the cost-of-living crisis without recession. But even though the worst of the falls in real household disposable incomes are behind us, the phasing out of financial support packages provided by the government during the energy crisis means real incomes are unlikely to grow strongly. Higher interest rates will soon bite harder too. We expect the Bank of England to keep interest rates at the probable peak of 5.25% until the second half of 2024. Mortgage rates are likely to stay above 5.0% for around a year.

The tightness of the labour market continued to ease, with employment in the three months to July falling by 207,000. The further decline in the number of job vacancies from 1.017m in July to 0.989m in August suggests that the labour market has loosened a bit further since July. That is the first time it has fallen below 1m since July 2021. At 3.0% in July, and likely to have fallen to 2.9% in August, the job vacancy rate is getting closer to 2.5%, which would be consistent with slower wage growth. Meanwhile, the 48,000 decline in the supply of workers in the three months to July offset some of the loosening in the tightness of the labour market. That was due to a 63,000 increase in inactivity in the three months to July as more people left the labour market due to long

term sickness or to enter education. The supply of labour is still 0.3% below its pre-pandemic February 2020 level.

But the cooling in labour market conditions still has not fed through to an easing in wage growth. The headline 3myy rate rose 7.8% for the period June to August, which meant UK wage growth remains much faster than in the US and in the Euro-zone. Moreover, while the Bank of England's closely watched measure of regular annual average total pay growth for the private sector was 7.1% in June to August 2023, for the public sector this was 12.5% and is the highest total pay annual growth rate since comparable records began in 2001. However, this is affected by the NHS and civil service one-off non-consolidated payments made in June, July and August 2023. The Bank of England's prediction was for private sector wage growth to fall to 6.9% in September.

CPI inflation declined from 6.8% in July to 6.7% in August and September, the lowest rate since February 2022. The biggest positive surprise was the drop in core CPI inflation, which declined from 6.9% to 6.1%. That reverses all the rise since March.

In its latest monetary policy meeting on 06 November, the Bank of England left interest rates unchanged at 5.25%. The vote to keep rates on hold was a split vote, 6-3. It is clear that some members of the MPC are still concerned about the stickiness of inflation.

Like the US Fed, the Bank of England wants the markets to believe in the higher for longer narrative. In terms of messaging, the Bank once again said that "further tightening in monetary policy would be required if there were evidence of more persistent inflationary pressures", citing the rise in global bond yields and the upside risks to inflation from "energy prices given events in the Middle East". So, like the Fed, the Bank is keeping the door open to the possibility of further rate hikes. However, it also repeated the phrase that policy will be "sufficiently restrictive for sufficiently long" and that the "MPC's projections indicate that monetary policy is likely to need to be restrictive for an extended period of time". Indeed, Governor Bailey was at pains in his press conference to drum home to markets that the Bank means business in squeezing inflation out of the economy.

This narrative makes sense as the Bank of England does not want the markets to decide that a peak in rates will be soon followed by rate cuts, which would loosen financial conditions and undermine its attempts to quash inflation. The language also gives the Bank of England the flexibility to respond to new developments. A rebound in services inflation, another surge in wage growth and/or a further leap in oil prices could conceivably force it to raise rates in the future.

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

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

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

produced its treasury management practices (TMPs). This part, TMP 1(1), covering investment counterparty policy requires approval each year.

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

- The strategy guidelines for choosing and placing investments, particularly non-specified investments.
- The principles to be used to determine the maximum periods for which funds can be committed.
- Specified investments that the Authority will use. These are high security and high liquidity investments in sterling and with a maturity of no more than a year.
- Non-specified investments, clarifying the greater risk implications, identifying the general types of investment that may be used and a limit to the overall amount of various categories that can be held at any time.

The investment policy proposed for the Authority is:

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

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

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

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

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

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

**The monitoring of investment counterparties** - The credit rating of counterparties will be monitored regularly. The Authority receives credit rating information (changes, rating watches and rating outlooks) from Link as and when ratings change, and counterparties are checked promptly. On occasion ratings may be downgraded when

an investment has already been made. The criteria used are such that a minor downgrading should not affect the full receipt of the principal and interest. Any counterparty failing to meet the criteria will be removed from the list immediately by the Head of Finance, and if required new counterparties which meet the criteria will be added to the list.

#### **4. TREASURY MANAGEMENT SCHEME OF DELEGATION**

##### **(i) Full board/council**

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

##### **(ii) Boards/committees/council/responsible body**

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

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

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

#### **5. THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER**

##### **The S151 (responsible) officer**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;

- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.
- preparation of a Capital Strategy to include capital expenditure, capital financing, non-financial investments and treasury management, with a long-term timeframe (*say 20+ years – to be determined in accordance with local priorities.*)
- ensuring that the Capital Strategy is prudent, sustainable, affordable and prudent in the long term and provides value for money
- ensuring that due diligence has been carried out on all treasury and non-financial investments and is in accordance with the risk appetite of the authority
- ensure that the Authority has appropriate legal powers to undertake expenditure on non-financial assets and their financing
- ensuring the proportionality of all investments so that the Authority does not undertake a level of investing which exposes the Authority to an excessive level of risk compared to its financial resources
- ensuring that an adequate governance process is in place for the approval, monitoring and ongoing risk management of all non-financial investments and long-term liabilities
- provision to members of a schedule of all non-treasury investments including material investments in subsidiaries, joint ventures, loans and financial guarantees
- ensuring that members are adequately informed and understand the risk exposures taken on by the Authority
- ensuring that the Authority has adequate expertise, either in house or externally provided, to carry out the above
- creation of Treasury Management Practices which specifically deal with how non treasury investments will be carried out and managed, to include the following: -
  - *Risk management (TMP1 and schedules), including investment and risk management criteria for any material non-treasury investment portfolios;*
  - *Performance measurement and management (TMP2 and schedules), including methodology and criteria for assessing the performance and success of non-treasury investments;*
  - *Decision making, governance and organisation (TMP5 and schedules), including a statement of the governance requirements for decision making in relation to non-treasury investments; and arrangements to ensure that appropriate professional due diligence is carried out to support decision making;*
  - *Reporting and management information (TMP6 and schedules), including where and how often monitoring reports are taken;*
  - *Training and qualifications (TMP10 and schedules), including how the relevant knowledge and skills in relation to non-treasury investments will be arranged.*





**LANDLORD SERVICES  
COMMITTEE (Cabinet Working  
Group): 17<sup>th</sup> January 2024**

**EXECUTIVE OVERVIEW &  
SCRUTINY COMMITTEE: 25<sup>th</sup>  
January 2024**

**CABINET: 6<sup>th</sup> February 2024**

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

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

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

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**SUBJECT: HOUSING STRATEGY 2024 - 2029**

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Wards Affected: Borough wide

## **1.0 PURPOSE OF THE REPORT**

1.1 To seek approval for the publication of the Housing Strategy 2024-2029 and associated Action Plan.

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

2.1 That the Housing Strategy 2024-2029 and associated Action Plan be considered by the committee and agreed comments of the Executive Overview and Scrutiny Committee be passed to Cabinet for their consideration.

## **3.0 RECOMMENDATIONS TO CABINET**

3.1 That the agreed comments of the Executive Overview & Scrutiny Committee, set out in Appendix F to the report, be considered.

3.2 That Cabinet approve the Housing Strategy 2024-2029 and associated Action Plan attached at Appendix A and B for consultation purposes.

3.3 That the Head of Housing, in consultation with the Housing Portfolio Holder, be given delegated authority to make drafting changes, arising from any consultation responses received and publish any such revised and final version of the Housing Strategy and Housing Strategy Action Plan in May 2024.

3.4 That the Head of Housing, in consultation with the Housing Portfolio Holder, be given delegated authority to make any changes to the Housing Strategy and Action Plan throughout the operating term of the Housing Strategy to ensure it reflects the Councils operating structures and resource capacity, any legislative and/ or regulatory amendments and/or emerging housing need issues and/or any other related matter that needs to be considered in order to ensure the Housing Strategy and Action Plan remains relevant throughout its operating term.

#### 4.0 BACKGROUND

4.1 The Councils current Housing Strategy initially covered the period 2014-2019. It was subject to two operating term extensions with the most recent extension, to the end of March 2024, being approved by Cabinet in November 2022.

4.2 Housing strategies can assist in:

- Providing an overview of housing related issues in the area
- Establishing priorities for action and spending priorities for the authority and its partners
- Providing an action plan and policy direction to address the housing challenges and problems in the borough.

4.3 In extending the operating period for the Housing Strategy to the end of March 2024, Cabinet previously considered the Housing Strategy achievements to date and re-endorsed the following Housing Strategy vision and six delivery priorities:

**Vision:** *The provision of good quality housing, in the right locations which also supports our economic and regeneration priorities, meets people's changing needs and is situated within pleasant, safe and sustainable communities.*

**Priorities:**

- Achieve the right supply of new homes including maximising affordable housing.
- Regenerate and remodel areas of Skelmersdale.
- Make the best use of all existing homes.
- Encourage well managed and maintained homes across all tenures.
- Encourage investment to meet specialist housing requirements.
- Deliver Priority 4, the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030.

4.4 This means that the vision and delivery priorities have recently been considered and re-endorsed.

#### 5.0 CURRENT POSITION



- 5.1 The Council's current Housing Strategy operating period ends in March 2024.
- 5.2 While not a statutory requirement, the Council has developed a new Housing Strategy to encompass the period from 2024 to 2029. This strategy is designed to provide insights into the housing challenges within the Borough. It outlines the Housing delivery priorities, all framed around an overarching vision. Additionally, it underscores the Council's unwavering commitment and ambition to enable the provision of high-quality housing, addressing the evolving needs of our residents.
- 5.3 If a Council decides to create a Housing Strategy, they have freedom regarding its content, length of publication, method of publication and duration of operation. This flexibility exists due to the absence of a prescribed format that must be adhered to.
- 5.4 The Council's new Housing Strategy is intended to be a useful and informative document for a range of interested parties such as:
- Residents
  - Council staff and councillors
  - Existing and future partners
  - Local advocacy / charity groups
  - Policy makers and government officials
  - Regulatory teams
  - Neighbouring authorities
  - Developers and housing providers
  - Researchers and academics
  - Businesses and investors
- 5.5 The strategy is structured as follows:
- Foreword.
  - Executive Summary.
  - Introduction.
  - The purpose of a housing strategy
  - National, regional, and local context.
  - What has changed since the last strategy?
  - The challenges in our housing market.
  - Our housing strategy priorities.
  - Resourcing and monitoring the housing strategy.
- 5.6 Each chapter, to a certain extent, offers insights into housing challenges and selected delivery priorities independently. While it's not entirely essential to read the entire strategy, doing so provides a clearer perspective on how priorities interrelate and highlights the changes in the delivery context since the last strategy was published.

- 5.7 The strategy also details some of the positive achievements made under the current Housing Strategy.
- 5.8 A draft Action Plan, presented in Appendix B, has been created and outlines proposed actions corresponding to each delivery priority. At this stage, the Action Plan is summarised, featuring each action alongside its intended outcome description. Before the final publication of the Housing Strategy, the Action Plan will be updated to incorporate specific details regarding delivery schedules and primary responsibility.

## **6.0 HOUSING CHALLENGES**

- 6.1 A desktop review of available data was undertaken, which included consideration of the Council-commissioned Housing and Economic Development Needs Assessment (HEDNA 2022).
- 6.2 This review was complemented by engagement with Council officers to ensure consideration of cross-service themes and housing related issues. This approach facilitated the identification of housing issues that needed to be considered.
- 6.3 There was also early involvement with local charities, specialising in supporting vulnerable clients and registered providers of social housing. This formed the foundation for developing the strategy to a stage where public consultation can further refine and shape its content and focus.
- 6.4 Appendix C provides detail of some of the housing challenges experienced in the Borough including some links to further information. They are also summarised below:
- West Lancashire faces various housing challenges, including high demand in both private and public sectors, population growth, an aging population, and affordability issues.
  - There is a need to develop quality housing, including affordable housing and there is increased demand for social housing.
  - Rehousing waiting times have increased, and the number of homeless individuals needing temporary accommodation is rising. The current level of housing-related support is not sufficient when taking account this new demand and the complex needs of some applicants.
  - Maintaining and improving existing private sector housing is important, and Skelmersdale, a former new town, faces legacy housing challenges due to its design and historical development.
  - There are also health inequalities in the Borough, impacting both duration and quality of life and a need to increase the supply of accommodation to address specialist housing needs including the needs of older people.
- 6.5 In developing the strategy and within the context of the above, the strategy needed to reflect the Council's Climate Change aspirations.

## **7.0 REFINING THE HOUSING STRATEGY VISION AND DELIVERY PRIORITIES**

- 7.1 It is important to establish delivery priorities and a vision that aligns with addressing the housing challenges specific to the Borough.
- 7.2 The data indicated that the delivery priorities endorsed by Cabinet in November 2022 were still applicable, though some minor adjustments would be advantageous to ensure their ongoing relevance.
- 7.3 The vision considered by Cabinet in November 2022 has been amended slightly by the addition of the words in bold and removal of the words in italics:
- The provision of **environmentally sustainable** and **high**-quality housing, in *the right* locations which *also* support our economic, regeneration **and health** priorities, meets people's changing **housing** needs and is situated within pleasant, safe, and sustainable communities.
- 7.4 The following priorities remain unchanged:
- Achieve the right supply of new homes including maximising affordable housing.
  - Deliver Priority 4, the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030
- 7.5 The priorities for:
- Make the best use of all existing homes and
  - Encourage well managed and maintained homes across all tenures.
- Have been merged to:
- Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.
- 7.6 In the previous Housing Strategy, the following priority was used to support investment for specialist client groups, including the housing needs of older people. Reference to older people is now included in the priority wording. This means that:
- Encourage investment to meet specialist housing requirements.
- Has expanded and changed to:
- Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.
- 7.7 The new wording also captures the need to increase the provision of housing related support and attract investment for ending homelessness.

7.8 To reflect that there is a need for continued regeneration in Skelmersdale but also a need to deliver place-based regeneration in other parts of the Borough when appropriate, the priority for:

- Regenerate and remodel areas of Skelmersdale.

Has been changed to:

- Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.

7.9 Following the minor adjustments mentioned above, the vision is:

### **Vision**

- The provision of environmentally sustainable and high-quality housing, in locations which support our economic, regeneration and health priorities, meets people's changing housing needs and is situated within pleasant, safe, and sustainable communities.

7.10 As a result of merging two delivery priorities and incorporating the previously mentioned amendments, the revised list now consists of five delivery priorities, outlined as follows:

### **Delivery Priorities**

- Achieve the right supply of new homes including maximising affordable housing.
- Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.
- Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.
- Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.
- Deliver the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030

## **8.0 HOUSING STRATEGY – NEXT STEPS**

8.1 Strategy Development and Stakeholder Engagement - When developing strategies and policies, various methods can shape their development and content, involving stakeholder engagement at different stages.

8.2 Foundation of the Strategy - Given the prior consideration of the housing strategy vision and delivery priorities by the Cabinet in November 2022, it appeared reasonable to use these as the foundational basis for this strategy,

unless data drastically contradicted the Borough's housing challenges. Fortunately, the initial approach aligned well.

8.3 Presenting the Strategy for Feedback - We have now reached a stage where it is important to present the strategy to residents and stakeholders for their feedback on the housing challenges and priorities outlined. To enable this and allow sufficient time for consideration, a 12-week consultation period is proposed, spanning from 12 February 2024 to 6 May 2024.

8.4 Incorporating Feedback and Finalising the Strategy - The Housing Strategy will be amended to incorporate any necessary changes based on feedback received. These proposed amendments will be subject to approval by the Head of Housing and Housing Portfolio Holder. The final version of the strategy is anticipated to be published by the end of May 2024.

## **9.0 SUSTAINABILITY IMPLICATIONS**

9.1 The Housing Strategy vision and delivery priorities are in harmony with the following housing related Corporate Priorities:

- Provide opportunities for regeneration, housing and economic business growth.
- Identify the housing needs of the borough and work with partners to address them.
- Provide safe, quality and affordable homes as a social landlord.

9.2 Appendix D shows the Housing Strategy vision and priorities within a National, Lancashire and local / Corporate context as well as additional links to the corporate priorities, where housing can influence the outcome.

## **10.0 FINANCIAL AND RESOURCE IMPLICATIONS**

10.1 The Housing Strategy is aspirational in nature with many of the delivery actions based, initially, upon existing staff capacity across service areas.

10.2 At this stage no specific resource related impacts have been identified. Key actions will need to be considered through future Service Action Plans including the evaluation of required resources.

10.3 These plans will align with the budget cycle and may involve seeking additional resources as needed. Furthermore, opportunities for securing external funding will be explored as required.

10.4 It is also recognised that collaborating with others might be necessary while carrying out the strategy. These partnerships could bring in various resources that will help us in successfully achieving our housing strategy aspirations.

## **11.0 RISK ASSESSMENT**

- 11.1 Failure to develop a housing strategy which has clear evidenced based housing delivery priorities will mean that the Council will not be able to target resources effectively to address the housing requirements of the Borough.
- 11.2 The consultation outlined in this report will play a part in shaping the Housing Strategy's development, including whether the proposed vision and priorities are suitable for the period from 2024 to 2029.

## **12.0 HEALTH AND WELLBEING IMPLICATIONS**

- 12.1 The Housing Strategy's vision, mentioned in paragraph 7.9, outlines the Council's aspiration for housing in West Lancashire. It's believed that striving to attain this vision will lead to positive effects on health and wellbeing. This is especially because living in a secure and well-maintained environment can significantly impact both physical and mental health positively. Conversely, substandard housing can contribute to health issues like chronic diseases and injuries, and negatively impact childhood development.

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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 E to this report.

### **Appendices**

- Appendix A - Housing Strategy 2024-2029
- Appendix B - Housing Strategy 2024-2029 Action Plan
- Appendix C - Summary of Housing Issues
- Appendix D - Housing Strategy Links Diagram
- Appendix E - Equality Impact Assessment
- Appendix F – Minute of Landlord Services Committee (Cabient Working Group)
- Appendix G – Minute of Executive Overview & Scrutiny Committee



# Appendix A

## Housing Strategy 2024 to 2029



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## Foreword

We are delighted to introduce West Lancashire Borough Council's Housing Strategy for the next five years.

The Strategy has been developed against a backdrop of change and uncertainty in both the housing and economic sectors. Since the publication of our last Housing Strategy, we have faced a global pandemic and a cost-of-living crisis which has created hardship for many.

A safe, secure, and affordable home has never been more important. As we look forward to the next five years, our Housing Strategy is a route map to tackling the current housing challenges and will shape the future of housing in the Borough.

The Strategy is evidence based and reflects the Council's corporate vision and priorities for the Borough. It has been developed after consultation with stakeholders.

The Strategy takes account of several Council strategies and plans including:

- Private Sector Housing Strategy 2017-2020
- Homelessness Strategy 2017-2022 and its emerging replacement
- Climate Change Strategy and Action Plan 2020-2030
- Tenancy Strategy 2022-2025
- Local Plan 2012-2027 – current adopted plan
- Health and Wellbeing Strategy 2018-2021
- Financial Inclusion Strategy 2021-2024
- Community Wealth Building Strategy 2023-2028

Ensuring that West Lancashire remains a place of choice to live, work, visit, and invest in is a key focus for the Council. Sustainable regeneration and growth and a Borough which looks and feels cared for remain our strategic priorities.

The crucial role that housing plays in the wider determinants of health is well established. Good housing contributes positively to both physical and mental health. Strengthening the links between housing, health, and the environment will be an essential part of this Housing Strategy, whilst maintaining opportunities for economic growth.

The Council retains and manages its own housing stock and so is well placed to provide access to good, quality, and affordable homes in the right location. We know that creating and maintaining sustainable neighbourhoods is important for our residents. The climate emergency has transformed the way we think about housing. We will continue to do all that we can to ensure that homes within the Borough will be sustainable, built to high environmental standards, consider energy conservation measures and are thermally efficient so our residents can benefit from reduced energy consumption and lower fuel bills. The future design of buildings and their location must be mindful of extreme weather events as well as broader infrastructure requirements.

The Council does not have the resources to do everything. The Housing Strategy therefore acknowledges the need to be innovative in our approach and to continue to work collaboratively with new and existing partners, seeking out different ways of working to help deliver the right housing offer with private developers and other housing providers who wish to work in the Borough. This Strategy is not intended to determine or be regarded as a replacement for Local Plan policy. The development of a new Local Plan for the Borough is



**Nicola Pryce-Roberts**  
Portfolio Holder for Housing

subject to its own statutory development process. This Strategy is a complementary document to be considered alongside existing and/or emerging Local Plan policy.

We have already achieved much since the publication of our last Housing Strategy. We are ambitious for the quality of the housing stock across the Borough and the role that it plays in the health and well-being of our residents. We take pride in our neighbourhoods and therefore as we look forward, we will continue to build on this success.

## Housing Strategy for West Lancashire – An Executive Summary





West Lancashire Borough Councils' housing strategy sets out our strategic housing delivery priorities which we aim to address over the five-year period from 2024 to 2029. Housing market conditions and housing needs will change over time, but it is important to establish direction and to set out strategies and targets for improving housing circumstances in the short to medium term.








We have based our strategy and action plan on analysis of our housing market and housing needs. We have also undertaken consultation which has influenced the priorities we have established. Achievement of these priorities will be subject to resource availability. Our key delivery actions which accompany our housing strategy priorities are shown on page 9. Our housing strategy delivery priorities are:



- Achieve the right supply of new homes including maximising affordable housing.
- Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.
- Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.
- Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.
- Deliver the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030

### Analysis of needs – Housing sector issues

The profile of West Lancashire is one of a Borough which is sought after, with a strong demand for housing in both the private and public sector.

	<p><b>House price data</b> suggests that there are three main housing markets. These consist of Skelmersdale, Ormskirk and the more rural areas of the Borough, containing smaller towns and villages. The housing issues within each area range from low to high demand for accommodation.</p>
	<p><b>Our population is growing</b> – The 2001 Census recorded a Borough population of 108,400. In 2011, the population was 110,700. The 2021 Census records a population of 117,400, an increase of 6.1% since 2011. We need to cater for this confirmed growth while also being mindful of population and household projections, which are also factored into the development of Local Plans.</p>
	<p><b>Our population is ageing</b> - Alongside population growth, we know that that our population is ageing, and this is in line with the national picture with Census 2021 results confirming there are more people than ever before in older age groups.</p> <p>The Office for National Statistics 2018-based national population projections to 2038, suggest the largest growth for West Lancashire, will be in people aged 65 and over. In 2038 it is projected that there will be 32,600 people aged 65 and over. This is an increase of 5,900 from 2023, representing growth of 22%. The population aged 85 and over is projected to increase by an even greater proportion, 56%. This is likely to increase demand for housing related support and other forms of social care to enable residents to remain in their own homes.</p>
	<p><b>It's expensive</b> - We know it's expensive to buy a home in most parts of the Borough. The median house price to median earnings ratio in the authority is well above many other Lancashire authorities.</p> <p>Income to house price ratios for Lancashire authorities in 2022 ranged from 4.17 to 7.22, with West Lancashire's ratio at 6.57 the third highest in Lancashire. Only Fylde at 6.63 and Ribble Valley at 7.22 showed ratios above West Lancashire.</p> <p>West Lancashire is seen as an attractive place to live, and this is reflected in the high demand for housing and high price values in many areas. While this is positive news from a demand perspective, we know that affordability is an issue for those seeking to buy a home.</p> <p>We know that economically active households, particularly those who would traditionally be classed as first-time buyers, struggle to find housing at an affordable price in our Borough and as a result may move away.</p>

	We will need to ensure we are providing the 'right' type of housing offer to retain and attract younger and economically active growing families and first-time buyers while at the same time provide suitable housing for older people and other specialist housing groups.
	<b>Affordable housing supply</b> - The Council-commissioned Housing and Economic Development Needs Assessment suggests an annual affordable housing shortfall of 277 homes per year (gross). While affordable housing has been developed in the Borough, we still have growing levels of unmet need each year.
	<p><b>Council Housing Register</b> - Demand for Social Housing is increasing with the number of active applications with West Lancashire HomeFinder, the Council's choice based letting scheme, increasing from 938 in April 2018 to 1365 in April 2023. The proportion of applicants experiencing a higher level of Housing need has also increased, with 20% of applicants now in the High Priority Category (Band B) compared to 10% in 2018.</p> <p>There has been a significant increase in the time taken for applicants in the Band B, to be rehoused (Band B is the banding awarded to those accepted as having a homeless duty owed to them). Applicants in Band B are now having to wait on average over 5 months longer to be rehoused than in 2018/19.</p> <p>It's clear that there has been an increase in demand for social housing and that the supply of accommodation to meet that demand is not there, leading to increased rehousing waiting times. While this statement may seem obvious, what it doesn't convey, is the fact that operationally there are increased pressures upon the Councils Homefinder / Homelessness Teams. For households who are waiting to be rehoused, they may have to live in temporary accommodation for longer periods, or other accommodation circumstances which may impact their health and wellbeing.</p>
	<b>Temporary Accommodation</b> - The numbers of homeless people needing to go into temporary accommodation is increasing as is their length of stay.
	<b>Rough Sleeping</b> - Whilst the last rough sleepers estimate recorded five rough sleepers; there are a significant number of people, particularly single persons, who are sofa surfing and therefore at risk of rough sleeping at any time.
	<b>Housing Related Support</b> – It has been noted that a higher proportion of those presenting as homeless have a history of mental health issues, rising from 41% in 2018/19 to 70% in 2021/22. Access to housing related support is becoming extremely challenging due to a lack of such provision in the Borough. This means there are clients who may require support but are not able to access it. It is known that access to housing related support can help improve the chances of a client moving on to independent living and/or transitioning to successfully living independently.
	<b>Health inequalities in West Lancashire</b> – We are aware that there are differences in both the duration and quality of life within our Borough. Although these disparities are typically addressed within the context of population health, it's important to recognise the housing aspect, where the provision of high-quality housing can play a role. As just one example, based on the data available, it indicates that the life expectancy of a female born in Birch Green is 12 years less than that of a female born in Parbold.
	<p><b>Private Sector Housing</b> – Building brand new homes is one way of addressing housing and affordable housing need. However, making best use of existing stock is also important, particularly when you consider that around 85% of the overall housing stock in the Borough is privately owned (including the 13.5% private rented stock). This means it's important to ensure that existing private housing remains in good condition, and in the case of the private rented sector, ensuring those homes are well managed as well as maintained, with the homes being maintained to safe and habitable standards – homes that are not a detriment to human health, either physically or mentally.</p> <p>The private rented sector can assist, in part, with some of the matters mentioned above by providing rented homes as an extension to the social rented sector, where waiting lists can mean a significant wait before rehousing occurs. It can also act as an alternative tenure for</p>

	<p>households currently unable to access the home ownership ladder, although the high cost of rent can also make it much harder for households to then save for a deposit to enable the purchase of a home. We are also aware that high demand for housing generally and a lack of overall supply nationally has driven up private rental levels, further creating affordability challenges for households, irrespective of whether this is a preferred tenure choice or not.</p> <p>We do know from the Private Sector Stock (PRS) condition survey 2016 that there are properties in the private sector that still need investment, and in some instances, this can impact on the occupiers' health. Funding to address these issues is limited and so we need to consider how we can tackle stock condition issues and advise and support householders to make their homes more energy efficient. This will also help address the issue of fuel poverty experienced by some households in the Borough.</p>
	<p><b>Skelmersdale</b> - The new town of Skelmersdale was built in the 1960's, and was the first new town in the North West. It has a vibrant community, but like many former new towns, face specific housing challenges that are a legacy of its development history. These relate to its functional housing market (although has seen improvement in recent years), physical design of the housing and neighbourhoods, along with age of the housing stock and environment.</p> <p>Despite these legacy issue, Skelmersdale continues to thrive as a desirable location due to its vibrant community, planned recreational improvements, existing green space, an improving housing market, evolving infrastructure, and promising prospects for a fulfilling lifestyle.</p>
	<p><b>Skelmersdale Town Centre</b> – The Council has been keen to improve the attractiveness and functionality of Skelmersdale Town Centre as it recognises that a robust and vibrant town centre serves as a cornerstone in fostering sustainable housing and place making solutions, while at the same time stimulating economic growth and community development.</p> <p>While it is well used, historically, it has not offered the shopping experience that can exist elsewhere in the region, which in many cases now offer entertainment venues, such as cinema or bowling and tend to include a range of well-known eating establishments. While it has taken some time, due to economic viability considerations, positive changes to the Town Centre, can now be clearly seen, with the introduction of new shopping facilities, a cinema in the Concourse and new housing.</p> <p>There are further plans to enhance the visitor and local resident offer. These plans include the development of a Wellbeing and Leisure Hub in Skelmersdale. The new Hub will replace the ageing Nye Bevan Pool and will provide modern fitness and leisure facilities. The proposed development forms part of a larger health and wellbeing vision for the Borough, to provide state-of-the-art facilities, giving people access to a high level of leisure and health support. The modern facility will significantly boost the area's appeal as a great place to live and visit.</p> <p>Ultimately, this work is intended to help improve the local economy by increasing visitors and enhance the overall appeal of the area.</p>

**Other relevant themes and housing market challenges** - We have highlighted in this executive summary some of the issues which we have considered during the development of this Housing Strategy. They relate mainly to our housing market and housing supply, making the best use of existing stock, the impact of population growth and changes in age profile in the years to come.

**Resources** - Delivering this Housing Strategy will require a significant amount of inward investment and there are likely to be competing financial demands in relation to financial allocation. The authority is not able to finance all its aspirations from existing resources and so all avenues will be considered to help make progress. To that end we are strongly committed to working in partnership to pursue all funding opportunities, which will allow this authority to deliver real and sustainable solutions, which meet its housing challenges.

**Our thanks** – We would like to thank all those who have assisted us in respect of achievements to date, responded to our consultation and who have otherwise contributed to this Strategy. We look forward to working with our partners to turn this Strategy in to a reality.

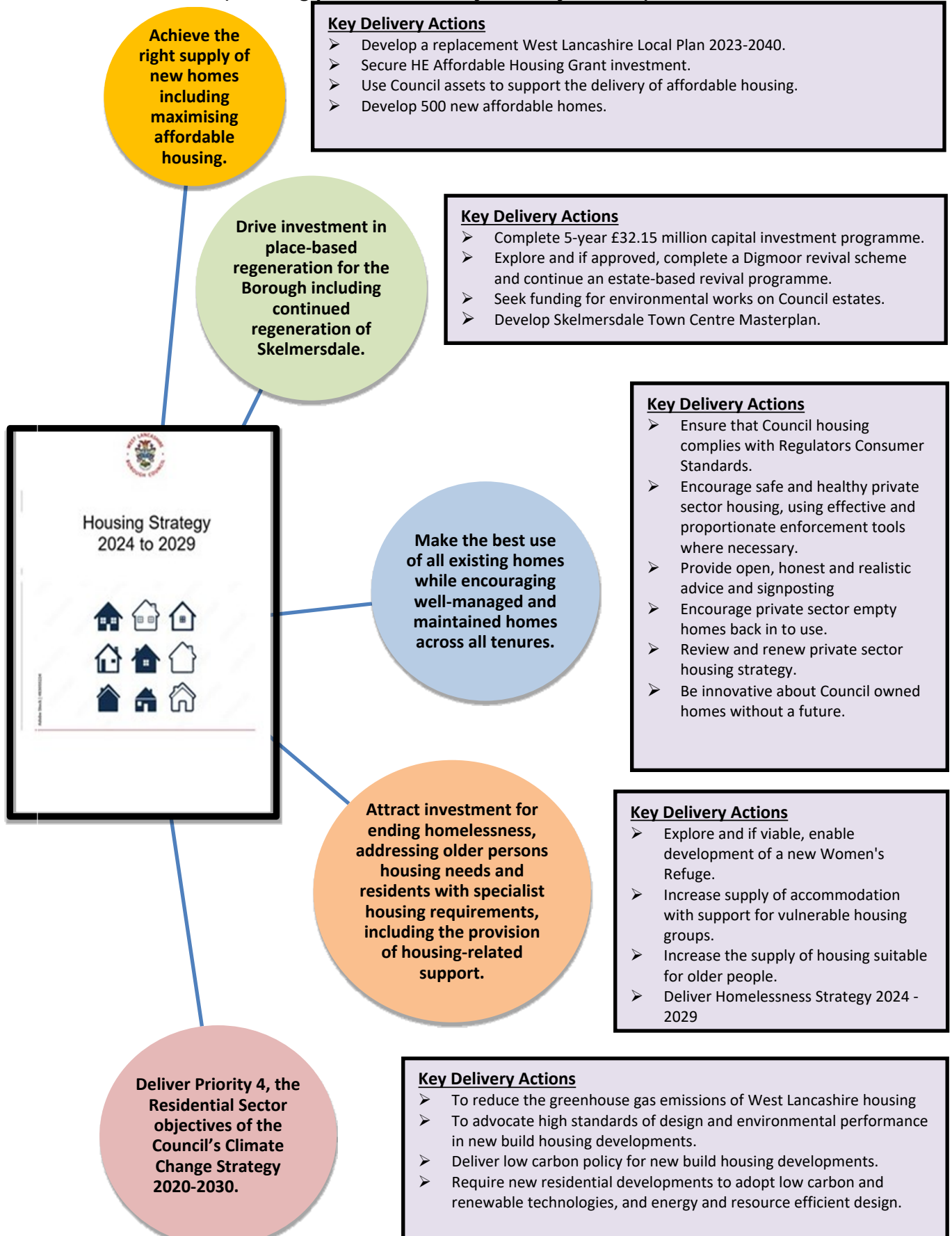
**Progress since our last housing strategy**

We have made good progress following the publication of our last Housing Strategy in 2014. Below is a summary of some of the achievements:

- Established the Council's development company, Tawd Valley Developments, which supports the delivery of Homes England grant funded units referred to above, as well as other residential / commercial development opportunities in line with its Business Plan.
- Worked with other Registered Providers of Social Housing to develop affordable housing and maximised the delivery of affordable housing through Section 106 agreements resulting in 977 affordable homes completed between 2015–2023 (averaging 108 a year).
- Used New Burdens funding to fund a Domestic Abuse Co-Ordinator to assist the Council in meeting its obligations under the Domestic Abuse Act 2021.
- Secured Homes England Investment Partner status, enabling the Council to directly benefit from Homes England grant funding of £4,345,000 to date, to develop 117 units across five affordable housing schemes, 13 of which use a new affordable tenure for the Council, called Rent to Buy.
- In addition to the five sites mentioned above, also achieved improvements to the Council housing stock by directly redeveloping two sites at Firbeck and Beechtrees in Skelmersdale which included the development of 78 affordable homes, plus new build development of 14 units at Fairstead.
- Redeveloped the former Westec House Council office site in Ormskirk developing 27 residential dwellings, including 9 affordable homes.
- Assisted the Liberty Centre, as part of a Lancashire wide bid, to secure £200k one off funding from the Ministry for Housing Communities and Local Government which enhanced Domestic Abuse service provision in the Borough.
- Made available two Council properties to the Birchwood Centre to operate a complex needs service funded by Lancashire County Council.
- Provided Council land and worked with Birchwood, Registered Provider (Calico Homes) and Homes England to enable the development of a 24 bed Foyer for young people.
- Undertaken reviews and amended the Council's Allocation Policy to better match households in need to the affordable housing available.
- Developed a Financial Inclusion Strategy 2021-2024
- Developed a new Tenancy Strategy 2022-2025
- Launched and extended the Rough Sleepers Support Service to provide accommodation with support for up to 2 years, to those either rough sleeping or at risk of rough sleeping.
- Delivered the Land Auction Pilot enabling a capital receipt to the Council and development of up to 630 new homes with 146 being affordable.
- Delivered significant energy efficiency improvements to Council housing stock to provide long term fuel efficiencies, reduce fuel poverty and ensure affordable warmth for tenants. Measures include insulation programmes, including external wall insulation, boiler replacements, fuel switching, and installation of renewable technologies including biomass boilers, air source heat pumps, and solar photovoltaic panels.
- Assisted households in the private sector to improve the energy efficiency of their homes through a range of schemes.
- Delivered four affordable units to Future Homes Standard ahead of its mandatory introduction in 2025.

# West Lancashire's Housing Strategy 2024 – 2029

*(Housing priorities and key delivery actions)*



## Section 1

# Introduction

### 1.0 Profile

West Lancashire has a population of 117,400 (Census 2021) spread across a mix of vibrant towns and villages sitting alongside tranquil countryside. It covers an area of 350 square kilometres (135 square miles) and contains a large proportion of Green Belt land at 89.5%.

The Borough is complex and diverse in its nature and includes rural areas together with the urban conurbation of Skelmersdale and the key service centres of Ormskirk / Aughton, and Burscough. Two thirds of the Borough's residents live in these settlements.

There are three distinct rural areas; the Northern, Eastern and Western Parishes, containing several villages, the largest of which are the linear settlements of Tarleton and Hesketh Bank.

West Lancashire's geographical location in the north west of England is unique. We have a dual identity, being the southernmost Borough in the County of Lancashire, whilst also being located within the Liverpool City Region and adjacent to the Manchester City Region.

The Borough is also adjacent to several large urban areas, including Southport to the west, Liverpool and parts of Knowsley to the south, St Helens and Wigan to the east and Chorley, Leyland and Preston to the northeast. It is a popular area for commuting to other parts of Lancashire and Manchester, whilst there are particularly strong links with the economy of Liverpool.

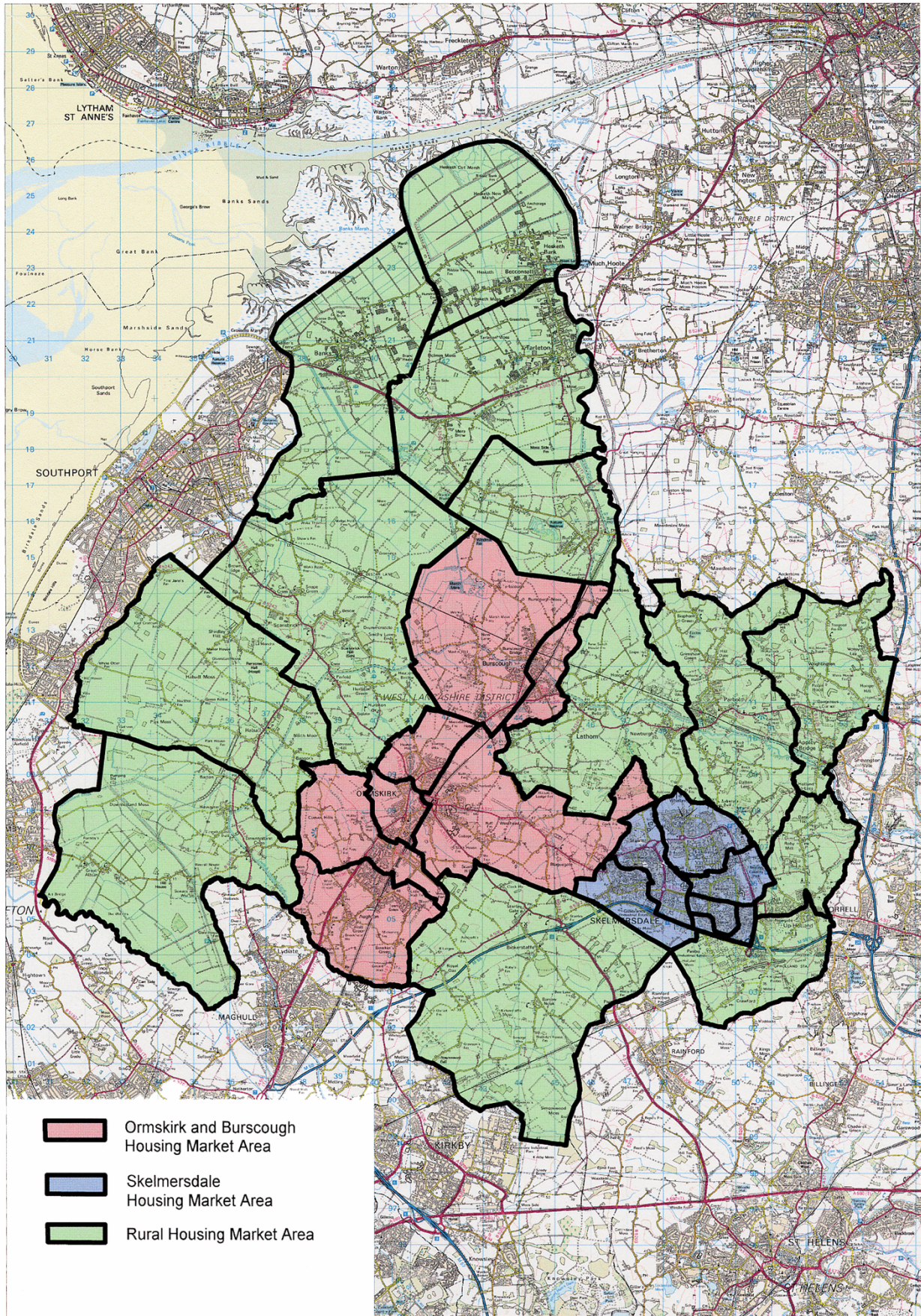
There is motorway access to Liverpool via the M58 and to Preston, Wigan, and St Helens via the M6. This defines one of the key features of the West Lancashire housing market, namely the strong linkages with surrounding areas which generates demand for housing in the area from higher income groups and those willing to commute, which can create affordability problems for those on lower incomes.

Analysis suggests that there are three main housing markets. These are:

- Skelmersdale which as well as being a free-standing employment centre and settlement has house prices which are typically below those elsewhere in the Borough.
- Ormskirk which is also a free-standing settlement and employment centre along with Burscough and Aughton;
- The more rural areas of the Borough, containing smaller towns and villages. These areas are generally distinguished by higher prices and in some cases a commuter function associated with employment centres outside the Borough. This sub-market covers a large area with significant differences in accessibility to large employment centres.

The profile of West Lancashire is one of a Borough with high demand for housing in the private and public sector, with the median house price to median earnings ratio in the authority well above many other Lancashire authorities.





# The purpose of a Housing Strategy

## 2.0 The purpose of a Housing Strategy

There is no longer a statutory requirement for councils to develop a Housing Strategy. Despite the removal of the requirement, however, most councils continue to prepare and publish a Housing Strategy as it is widely recognised that:

- Housing led initiatives can contribute to improving skills, education, and employment chances, whilst ill health can be improved or alleviated by living in homes which are adaptable and located in safe and supportive environments.
- Local authorities' work in producing housing strategies has been a lever for economic and social change in many areas, reflecting a shift towards ensuring local housing markets meet local demands, rather than a narrower focus on directly providing social housing.

In essence a Housing Strategy is a plan that considers housing issues in an area and sets out how to tackle them over a given period, having regard to identified housing needs and the resources available. It reflects the important strategic and enabling role of the Council in place shaping and meeting and facilitating housing needs in the Borough. It also must consider the delivery and policy context applicable at the time of its development and evolve as policies change. Section 3 considers the current national, regional, and local policy context in which this Housing Strategy should be considered.

The Housing Strategy is intended to be an over-arching document that establishes priorities for action, both by the local authority and, where appropriate, by other service providers and stakeholders and sets out a clear action plan.

The strategic housing role therefore has an important part to play in several locally based plans, as it can assist in promoting a joined-up approach to activity that helps support sustainable communities including:

- assessing and planning for current and future housing needs of the local population.
- making the best use of existing housing stock.
- planning and facilitating new housing supply.
- working in partnership to facilitate commissioning of housing support services which link homes to support and other services that people need to live in them.
- having working partnerships that secure effective housing and neighbourhood management.
- ensuring good design which encourages informal social mixing and supports community cohesion within estates and neighbourhoods.
- supporting the economy by having the right number of homes of the right tenure and price.
- linking where people live to the services they want and need.
- ensuring that all residents' voices feed into shaping strategy by encouraging their participation of the housing strategy development process.
- improving poor housing and the corresponding health problems associated with such housing.

In overall terms a Housing Strategy aims to provide an appropriate balance of high-quality housing, which meets the housing needs of the population, provides variety and choice, and is accessible and contributes positively to the well-being of the citizens of the local authority area. It involves making the best use of the housing that is already there, as well as working effectively with the market to supply new homes. It is also about looking and working across all housing tenures and ensuring that appropriate links are made to the support services which people need to live in their homes.

# National, regional and local context

## 3.0 West Lancashire's housing strategy within a national context

This Housing Strategy has been developed against a backdrop of evolving national policy and legislation in housing, welfare, and planning. There is a wide consensus that the country faces a shortage of housing and rising house costs, meaning that much of what is available is unaffordable. The Government has sought to tackle these housing issues through legislation that seeks to boost new housing supply, reduce homelessness, improve housing conditions and standards for tenants, assist people into home ownership, and reduce carbon emissions in new and existing homes. Some of the key policy interventions of recent years are outlined below.

### Reducing homelessness and supporting those in housing need

- The Homelessness Reduction Act 2017, regarded as the most significant change in homelessness legislation in 40 years, introduced new duties on councils to work with homeless households to prevent or relieve homelessness before a main homeless duty is accepted. Prevention and relief duties were extended to households vulnerable to homelessness within 56 days (increased from 28 days), as well as to individuals who are already homeless.
- The Domestic Abuse Act 2021 contains measures to promote awareness of domestic abuse, protect victims, including through the justice process, and ensure that safe accommodation is available to victims. Under the Act all eligible homeless victims of domestic abuse are regarded as being in priority need under the Housing Act 1996 and Homelessness Act 2002.
- The Rough Sleeping Strategy 2018 sets out the Government's vision for halving rough sleeping by 2022 and ending it entirely by 2027, following years of increasing numbers of people sleeping rough. The target to end rough sleeping has now been brought forward to 2024, with all local authorities required to produce an Ending Rough Sleeping Plan in 2021.

### Increasing the supply of new homes

- The Planning for the future White Paper in 2020, proposed a “once in a generation” reform of England's planning system and included a commitment to build 300,000 new homes a year, a quicker plan-making process, a shift to a new zone-based system and a national levy to replace the current system of developer contributions. The Levelling Up and Regeneration Bill (see below) has largely superseded the White Paper proposals.
- In May 2021, a written ministerial statement launched the implementation of First Homes in June 2021. First Homes are a type of affordable home ownership product available to first time buyers, with a minimum 30% discount on the full purchase price. All residential developments where an affordable housing requirement applies is expected to provide 25% of this in the form of First Homes. However, the Government introduced transitional arrangements for local authorities at an advanced stage of developing new local plans which exempt them from the requirements.
- The Town and Country Planning (General Permitted Development) (England) Order 2015 (as amended) sets out classes of development for which a grant of planning permission is automatically given. From 1 August 2021 a new change of use right was introduced which allows certain retail and business use classes to be converted to residential use. We will have to note whether these changes have any implications for the stock of retail and business premises in the Borough.

### Meeting housing, care and support needs

- The central piece of policy relating to adults with care and support needs is the Care Act 2014. It outlines how housing can support a more integrated approach to care and accommodation and the role of the Local Authority in shaping and developing the market for services to meet care and support needs.
- The Children and Social Work Act 2017 (CSWA) sets out the corporate parenting principles to be applied when supporting children in care and care leavers and the requirement to publish a Local

Offer, which sets out the services and the support available for care leavers. Local authorities have a duty to provide suitable accommodation for all care leavers aged 16 and 17.

- The 2021 White Paper Integration and innovation: working together to improve health and social care for all seeks greater integration and collaboration across services and proposes new Integrated Care Systems, to bring providers and commissioners of NHS services together with local authorities and other local partners to coordinate and plan services.

### **Improving housing standards and tenants' rights**

- The Social Housing white paper 2020 proposed a new Charter for social housing residents and changes to the regulatory regime.
- The Social Housing (Regulation) Bill, which was published in June 2022, gives the Regulator of Social Housing (RSH) stronger powers to regularly inspect landlords on things such as health and safety and repairs performance and to order emergency repairs, with landlords footing the bill. Unlimited fines will be levied at housing associations and councils that are persistently under-performing, while the government will begin a programme of naming and shaming the worst culprits. Housing associations will be subject to a new Freedom of Information-style information-sharing process. The Bill became law in July 2023 and is now known as - Social Housing (Regulation) Act 2023.
- The fairer private rented sector white paper published in June 2022 aims to improve the situation of households in private rented sector accommodation by removing Section 21 of the 1988 Housing Act, which currently allows landlords to evict tenants without giving a reason, and blanket bans on benefit claimants or families with children. It will double notice periods for rent increases and give tenants stronger powers to challenge them and introduce a new ombudsman for private landlords to help resolve issues without having to go to court.
- The Licensing of Houses in Multiple Occupation (Prescribed Description) (England) Order 2018 reformed the mandatory HMO licensing regime, extending mandatory licensing to cover certain HMOs, including flats, occupied by five or more persons in two or more households, regardless of the number of storeys. It also prescribes minimum room sizes for the first time and maximum number of occupants permitted to use each room.
- The Homes (Fitness for Human Habitation) Act 2018 seeks to ensure that rented houses and flats are 'fit for human habitation', which means that they are safe, healthy and free from things that could cause serious harm. It gives tenants the right to take their landlord to court in cases where their rented property poses health risks, e.g. if their house or flat is too cold and cannot be heated. The Act applies to all tenancies created after 20 March 2019, with all existing tenancies being covered from 20 March 2020.

### **Reducing carbon emissions**

- The Future Homes Standard April 2019 introduced changes to Part L and Part F of the Building Regulations for new dwellings in order that from 2025 new homes will be zero-carbon ready. Homes built under the Future Homes Standard should produce 75-80% less carbon emissions compared with current levels.
- The Heat and buildings strategy 2021 sets out government plans to decarbonise homes and commercial, industrial and public sector buildings, including five core principles, to achieve a net zero carbon target by 2050.
  - A whole-buildings and whole-system approach to minimise costs of decarbonisation.
  - Innovation to drive down costs, improve options and inform future decisions.
  - Futureproofing, building the market and technical expertise.
  - Providing stability for investment and enabling different approaches.
  - Targeted support to enable action for those in most need.

Additional funding through the Social Housing Decarbonisation Fund and Home Upgrade Grant aimed to improve the energy performance of low-income households' homes, support low-carbon heat installations, help reduce fuel poverty and build the green retrofitting sector.

## **Levelling Up**

- The February 2022 Levelling Up the United Kingdom White Paper aimed to reduce regional inequalities by investing in infrastructure, education, skills training, job creation, and extending devolution opportunities, beyond metropolitan areas, all to foster growth and economic prosperity for all. This was followed by the Levelling-up and Regeneration Bill May 2022 which received Royal Assent on 26 October 2023.

## **Armed Forces & Veterans**

- The Armed Forces Act 2021 enshrines the national Armed Forces Covenant in law for the first time to help prevent service personnel and veterans being disadvantaged when accessing essential services like healthcare, education, and housing.

Whenever new legislation is introduced, it is necessary for the Council to establish whether it needs to respond in some way. At a local level this may involve changing operational approaches and policies alongside responding to any consequential resource implications.

## **Homes England**

Homes England, the Government's housing and regeneration body established its five-year Strategic Plan for 2023-2028, setting out how it will support communities and families by enabling the delivery of more high quality, affordable homes alongside the regeneration of towns and cities across England.

With sustainability, decency, and good design at its heart, and underpinned by over £16 billion of HM Government funding, the updated plan is both a call-to-arms and an offer to the entire housing and regeneration sector. It sets out how, working with its partners, the Agency can deliver a revitalised built environment across England that serves the needs of all communities. The body says it has five objectives:

- Supporting the creation of vibrant and successful places that people can be proud of
- Helping to create homes people need, intervening where necessary to ensure places have enough homes of the right type and tenure.
- Building a housing and regeneration sector that works for everyone.
- Promoting the creation of high-quality homes in well-designed places that reflect community priorities.
- Enabling sustainable homes and places

### **3.1 West Lancashire's housing strategy within a regional context**

One notable advantage of West Lancashire Borough lies in its geographical positioning. While it is not officially part of the Liverpool City Region, the Borough is situated adjacent to some Liverpool metropolitan boroughs. This results in housing market linkages, along with strong economic and transportation ties with Liverpool. We are also influenced by Greater Manchester City Region and being part of the three-tier arrangement of Lancashire County and Parish Council, we recognise the significant housing market linkages between the northern part of West Lancashire and Central Lancashire. This geographical placement means we have strong linkages with surrounding areas which generate demand for housing in our locality from higher income groups and those willing to commute; this creates affordability problems for those on lower incomes.

Understanding the nature of West Lancashire's placement within the region and how the housing and economic issues of nearby city areas and authorities might affect us is important. We highlight some of the regional influences below.

### **3.2 The Liverpool City Region**

Liverpool City Region and its economic and strategic influence is relevant to West Lancashire. With the abolition of Regional Development Agencies in 2012, Local Enterprise Partnerships (LEPs) became the focus of activity responsible for determining local economic priorities and undertaking activities to drive economic growth and local job creation. The Liverpool City Region LEP has focused on growth and increased productivity and a rebalanced economy with private sector led growth driven by low carbon

economy, knowledge economy, visitor economy and the opening in 2016 of Liverpool's "Superport", a deep-water container terminal which is an extension of the Port of Liverpool and is designed to accommodate larger container ships that are becoming increasingly common in global trade.

The establishment of Liverpool City Region Combined Authority (LCRCA), in 2014 and its plans for transport, economic development, and housing within the region also influence West Lancashire. This is recognised with West Lancashire being an associate member of LCRCA in relation to spatial planning matters with attendance at LCRCA Chief Planners group.

The LCRCA housing ambitions for 2019-2024 are:

- Delivering more homes, improving housing choice and quality
- Supporting our Ageing Population
- Regenerating our Neighbourhoods
- Improving the Quality of Renting
- Tackling Homelessness

The strategic aims and delivery priorities of the LCRCA and Liverpool City Region LEP# may afford opportunities for West Lancashire and so continued dialogue and partnership working on housing, economic and planning issues will remain important to us.

*# The government has decided to withdraw central government support (core funding) for Local Enterprise Partnerships from April 2024 and transfer their functions to local and combined authorities.*

### **3.3 Lancashire**

In Lancashire the LEP's Strategic Framework has been aligned to sectors which have been identified as being key to Lancashire's economic growth. These include tourism and culture, manufacturing, energy, and low carbon, digital, food and agriculture, and health. The importance of housing and regeneration has also been recognised by the LEP as being a positive contributor to driving economic growth.

The Lancashire LEP has been successful in helping to grow the economy across Lancashire, while also enabling training and improved job prospects to help support economic growth generally. The recent withdrawal of Government support for LEPs means that a new delivery framework will need to be developed at County level to address and try to continue the important work, previously undertaken by the Lancashire LEP.

In contrast to Liverpool, which operates with a combined authority system, Lancashire follows a two-tier structure of local government (not taking account of parish councils). This structure comprises the unitary authorities of Blackpool and Blackburn with Darwen, in addition to 12 Borough Councils. Each of these authorities faces its own distinct local challenges. This situation can pose difficulties, especially when formulating comprehensive, future-oriented plans for the entire region of Lancashire. Such plans may necessitate substantial external investment.

Recognising this, in January 2022, Lancashire's local authorities collectively considered and endorsed a proposal to develop a long-term Strategic Plan for Lancashire. This plan is designed around a strategic framework known as "Lancashire 2050." The aim is to unite the community with a common vision, shared aspirations, collective goals, and mutual priorities. The strategic framework is structured around eight themes:

- Economic Prosperity / Transport and infrastructure / Environment and climate / Housing
- Early years and education / Employment and skills / Health and wellbeing / Communities and place

The Housing theme aims to deliver decent and affordable housing for every community and in doing so:

- Improve and increase the availability of good quality housing – both on new sites and through existing stock.
- Link housing regeneration to economic and transport plans.
- Secure urban renewal by demolishing and replacing housing stock in some areas.
- Improve the attractiveness of the built environment of our communities.

Lancashire 2050 sets out what this will mean for Lancashire residents:

- We will have higher quality homes and neighbourhoods across the County, that are more energy efficient, and better connected to opportunities through our transport infrastructure.
- We will help tackle concentrated deprivation and provide the housing choices to attract and retain workers in the economy. These actions will help relieve pressures on housing in more attractive locations.

It is expected that in doing so, high quality housing will benefit existing residents, as well as attract and retain the people required to drive the economy over the long term.

It is hoped that establishing Lancashire 2050, as a Lancashire wide, "collective voice" will assist Lancashire to make the case for more devolved powers and investment for the whole of Lancashire, and to strengthen local collaborative decision making.

This Lancashire wide approach may also help to insulate against ongoing policy uncertainty and to take best advantage of emerging opportunities. While councils will continue to decide which of these emerging opportunities will best suit their own priorities on a case-by-case basis, the Lancashire 2050 strategic framework provides an additional tool, that not only helps inform this judgement, but also boosts the credibility of Lancashire's collective engagement with government.

### 3.4 Opportunity

The economic and housing agendas in both the Liverpool City Region and Lancashire provide significant opportunities for West Lancashire. New employment opportunities are likely to present themselves and local business will be able to benefit. West Lancashire will continue to position itself to ensure that it is considered as an attractive place to live and work, and that local people can benefit from opportunities that develop through our regional partnerships.

In overall terms we recognise the importance of, and need to be part of and influence relevant housing and economic agendas beyond that of our own Borough Council boundary. With that in mind we aim to maximise any opportunities and work within any partnership arrangements across Liverpool, Manchester, and Lancashire to enable us to achieve our broader Council priorities.

The launch of Homes England's Strategic Plan 2023-2028 also provides opportunities for the Council to lever additional funding streams into the Borough to support the development of affordable and supported housing.

### 3.5 West Lancashire's housing strategy within a local context

In October 2023, The Council refreshed its Vision and Corporate Priorities for the Borough. The Council's Corporate vision is:

**West Lancashire together; the place of choice to live, work, visit and invest.**

Our Corporate Priorities and corresponding areas of focus are shown below. The Housing Strategy will particularly, contribute to those marked with an asterisk:

- **Create a clean and environmentally sustainable borough.**
  - Build resilience to climate change and reduce our carbon footprint - \*
  - Reduce waste production and increase reuse and recycling.
  - Enhance and improve a safe, built environment - \*
  - Preserve the natural environment, biodiversity, and landscape - \*
- **Generate prosperity in our borough.**
  - Attract investment, support businesses and direct wealth into the local economy and support co-operatives.
  - Provide opportunities for regeneration, housing, and economic business growth - \*
  - Identify the housing needs of the borough and work with partners to address them - \*
  - Attract high quality job opportunities and support people into employment and training.

- **Foster inclusive and healthy communities**
  - Reduce health and wellbeing inequalities - \*.
  - Design services around residents and communities
  - Provide safe, quality, and affordable homes as a social landlord - \*.
  - Support our Armed Forces and vulnerable residents - \*.
  
- **Manage a resilient, financially strong Council.**
  - Maintain a balanced budget and transparent decision-making.
  - Continue to improve our services and deliver value for money.
  - Attract, retain, and develop an engaged, skilled and motivated workforce, including through an Employee Recognition Scheme

The Council's Local Plan 2012-2027 remains in harmony with our new corporate priorities. The Local Plan is underpinned by the delivery of good quality housing in terms of type, tenure, size, and location in sustainable neighbourhoods supported by quality services, amenities, and good transport links and this is reflected within the key objectives within the Plan to *'provide a range of new housing types in appropriate locations to meet the needs to West Lancashire's population, including affordable housing and specialist accommodation.'*

The vision for this Housing Strategy is:

***The provision of environmentally sustainable and high-quality housing, in locations which also support our economic, regeneration and health priorities, meets people's changing housing needs and is situated within pleasant, safe, and sustainable communities.***

Diagram 1 below shows the Housing Strategy as it sits within the National, Lancashire and Local / Corporate context of the authority. Section 5 highlights the housing market challenges we face.



**Diagram 1 – Housing Strategy in the National, Lancashire and Local / Corporate Context**

**Homes England Strategic Plan 2023-2028 Delivery Objectives**

Supporting the creation of vibrant and successful places that people can be proud of

Helping to create homes people need, intervening where necessary to ensure places have enough homes of the right type and tenure.

Building a housing and regeneration sector that works for everyone.

Promoting the creation of high-quality homes in well-designed places that reflect community priorities.

Enabling sustainable homes and places

**Council Vision**

“West Lancashire together; the place of choice to live, work, visit and invest.”

**Generate prosperity in our borough.**

Provide opportunities for regeneration, housing, and economic business growth.  
Identify the housing needs of the borough and work with partners to address them.

**Council Corporate Priorities**

**Create a clean and environmentally sustainable borough.**

Build resilience to climate change and reduce our carbon footprint.  
Enhance and improve a safe, built environment.  
Preserve the natural environment, biodiversity, and landscape.

**Foster inclusive and healthy communities**

Reduce health and wellbeing inequalities.  
Support our Armed Forces and vulnerable residents.  
Provide safe, quality, and affordable homes as a social landlord.

**Lancashire 2050 Vision**

“Lancashire 2050 is about bringing people together with a shared vision, shared ambition, shared goals, and shared priorities.”

**Housing Strategy Vision**

“The provision of environmentally sustainable and high-quality housing, in locations which also support our economic, regeneration and health priorities, meets people’s changing housing needs and is situated within pleasant, safe, and sustainable communities.”

**Housing Strategy Delivery Priorities**

**Priority 1**

Achieve the right supply of new homes including maximising affordable housing.

**Priority 2**

Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.

**Priority 3**

Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.

**Priority 4**

Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.

**Priority 5**

Deliver Priority 4, the Residential Sector objectives of the Council’s Climate Change Strategy 2020-2030.

# What has changed since the last Strategy?

## 4.0 Introduction

Since our last Housing Strategy there have been significant changes to the policy context within which we operate. We outline below some of the most relevant changes and impacts for housing and local people in West Lancashire and how the Council has responded to date.

## 4.1 Welfare reforms

Since 2013, the UK has undergone significant welfare reforms, with the Welfare Reform Act 2012 at the forefront. This legislation introduced transformative measures, including the consolidation of various benefits into Universal Credit a single monthly paid benefit aimed at simplifying the benefit process. Changes to housing benefit and disability benefits have also taken place.

For housing benefit, the Act introduced, in April 2013, the Spare Room Subsidy, or bedroom tax. Primarily affecting social housing tenants, it reduces housing benefit for those deemed to have surplus bedrooms. Simultaneously, the Benefit Cap, initiated in 2013 and adjusted in 2016 limited the total amount of benefit that could be paid to claimants.

A freeze on most working-age benefits from 2016 to 2019 and the Two-Child Limit in 2017, restricting certain benefits to the first two children in a family, were also introduced.

By 2014, Incapacity Benefit claims had largely ceased being replaced by Employment and Support Allowance (ESA) as the primary means of providing support for individuals with limited capability for work due to illness or disability. Personal Independence Payment (PIP) was introduced in April 2013, replacing Disability Living Allowance (DLA) for individuals aged 16 to 64. PIP is designed to provide financial assistance to people with long-term health conditions or disabilities. The rollout of PIP occurred gradually, with a focus on new claims and individuals undergoing reassessment.

In 2017, changes to Universal Credit led to the abolition of the Severe Disability Premium for new claimants. There were some transitional arrangements subsequently introduced to address the financial losses experienced by certain claimants. The phased rollout of Universal Credit continued, signifying an ongoing transformation in the welfare system.

The summary above does not capture all welfare changes and it should be noted that these welfare reforms have not been without controversy with some arguing that they promote government fiscal responsibility and encourage self-sufficiency, others contend that these changes disproportionately affect vulnerable households and exacerbate poverty.

Throughout this period the Council recognised the need for practical support and timely advice, particularly for Council tenants facing potential housing benefit reductions due to under-occupied homes. Early interventions in 2013 included the appointment of a financial inclusion officer and additional staff, extending support to tenants in the private rental sector through joint working with partners.

The Council's proactive response has led to the establishment of a dedicated Financial Inclusion Team. This team actively respond to the changing welfare and economic landscape. They are on hand to provide advice and support to tenants and residents, assisting them in navigating financial pressures stemming from welfare reform and the cost-of-living crisis.

The Council is committed to addressing the disproportionate impact on low-income households by enhancing financial resilience and inclusion. To reinforce this commitment, the Council will be developing a new Financial Inclusion Strategy for publication in 2024.

## 4.2 Funding for affordable housing

Since 2015, the UK has witnessed significant changes in affordable housing funding, transitioning from the Homes and Communities Agency (HCA) to Homes England. The HCA, established in 2008, was a non-departmental public body in England which focused on the development of affordable housing, supporting

regeneration and economic growth. In 2018, it evolved into Homes England, with an increased emphasis on accelerating home construction and addressing the housing crisis.

Under Homes England, there's been a commitment to increasing the overall supply of affordable homes, fostering partnerships with private developers and local authorities. The Affordable Homes Programme (AHP), a key initiative, has aimed to deliver a substantial number of affordable homes.

The current Affordable Housing Programme 2021-2026 consists of a larger, £11.5bn Affordable Homes Programme 2021-26, including funding for social rent, supported housing, and a renewed commitment to delivering homes using modern methods of construction (MMC).

The programme plans to deliver up to 180,000 new homes and underscores the continued commitment to addressing housing challenges, with the programme including the provision of grant funding as a crucial component. Homes England grant funding is allocated to support the development and construction of affordable homes, aiming to encourage a mix of affordable tenures and promote sustainable, quality developments. This financial assistance is often provided to housing developers, local authorities, and other stakeholders involved in affordable housing projects. The grants serve to make the overall cost of construction more feasible, encouraging the creation of affordable homes that meet specific affordability criteria for a range of income groups. Grant funding is a key tool used to stimulate the supply of affordable housing and address the housing shortage and affordability challenges in the UK.

In mid-2023 Homes England announced that grant funding provided through the Affordable Homes Programme 2021-26 can now be used to fund replacement homes, alongside new affordable homes, as part of wider estate regeneration plans. This flexibility may help to replace housing that is outdated and no longer fit-for-purpose, with a larger number of high-quality, energy efficient new affordable homes.

It is recognised that Homes England plays a pivotal role in supporting the Council and its Registered Provider partners to develop much needed affordable housing in the Borough.

In addition to funding from Homes England the Council continues to commit its own capital funding, retained right to buy receipts from the sale of Council housing through Right to Buy, as well as making its own land available to support new affordable and supported housing schemes.

### **4.3 Investment Partner Status / Tawd Valley Development Company**

To be eligible to apply for an AHP grant, it is necessary to hold the status of Homes England Investment Partner.

In 2008, the Council obtained Investment Partner status and developed affordable homes. However, the absence of a delivery mechanism, such as a development company, posed challenges in scaling up the Council's affordable housing development efforts.

This didn't prevent affordable homes being developed in the Borough as the Council works effectively with Registered Providers of social housing to help increase affordable home supply as part of the Council's enabling role. It did however, mean that the Council was not able to directly intervene in the development of affordable housing at scale. This limitation meant the Council didn't fully benefit from any grant funding through the affordable housing programme and meant there was a reliance on the Council's enabling role to facilitate affordable housing development in the Borough.

The Council recognised, to directly build affordable homes at scale, we needed to establish a development company. This led to the establishment of Tawd Valley Developments which now enables the Council to build houses to be retained as Council owned affordable homes as well as develop market sale housing and help support other Council strategic projects.

The establishment of the Development company means that as the Council is the only shareholder, any financial surplus made by Tawd Valley Developments is returned to the authority to be reinvested. To further support our approach, the Council re-applied for Investment Partner status in 2020 to enable the Council to apply for grant funding from Homes England. This then supports Tawd Valley to develop much needed affordable homes.

Since securing Homes England Investment Partner status in 2020, the Council has directly benefited from grant funding of £4,345,000 supporting the development of 117 units across five affordable housing schemes.

## 4.4 Access to affordable housing

Access to affordable housing must be equitable, ensuring those in genuine need have access regardless of their socio-economic background. It is therefore important to ensure that the tenancy approach and allocation policies that underpin the allocation of Council Housing and other social housing in the Borough not only makes the best use of existing housing but strikes a balance in addressing a range of housing needs and housing circumstances. The legislative framework provides direction to local authorities on how it should consider local housing circumstances to help shape allocation policies including the provision of different types of tenancy.

The Localism Act 2011 gave social landlords the option of introducing fixed term tenancies which gave social housing providers the ability to provide flexible fixed term tenancies rather than having to provide a 'lifetime' tenancy. In 2013 the Council decided to introduce five-year fixed term tenancies as this was seen as a way of making best use of Council housing. The use of fixed term tenancies for our tenancies ended in July 2019, as the Council values the stability that a lifetime tenancy offers to its tenants particularly those in the most vulnerable client groups.

The allocation of Council rental properties uses a choice-based lettings approach through a website called West Lancs Homefinder with introductory and secure tenancies being granted. The introductory tenancy is a probationary tenancy for twelve months. After the trial period, an introductory tenant will become a secure tenant if they meet the conditions in their tenancy agreement.

With a rise in the number of applicants on the Councils Homefinder list, the Housing service has documented an increased level of homelessness and a significant use of temporary accommodation since the production of the last Housing strategy. Recognising the increases and being mindful of the requirements of the Homelessness Reduction Act, the Council reviewed and introduced a new allocation policy in 2023 with the aim of making the best use of council housing stock, and addressing issues associated with the increased level of homelessness. The allocation policy had been updated in 2018. Its introduction provided a fair and transparent way of allocating homes, however the increased homelessness challenge prompted a fresh review. Some recent changes are mentioned below:

- A 6-month time limit has been introduced to those applicants who require urgent re-housing to actively encourage them to bid for accommodation which addresses their housing needs, rather than waiting for their preferred property.
- Applicants assessed as being owed a homelessness relief duty or those where a statutory decision has been issued finding them to be unintentionally homeless and in priority need and owed the 'main housing duty' will be made an offer of accommodation through Direct Matching. This offer will discharge the Councils duty.
- The allocation policy takes people's earnings and savings into consideration. Feedback from consultation suggested that existing income and asset rules were fair, however in order to take account of cost-of-living pressures, the threshold for household income has been increased from £40,000 to £50,000 and for assets, an increase from £60,000 to £80,000.
- The needs of mums-to-be will now be considered at an earlier stage to support expectant parents in securing suitable accommodation prior to the birth of their child along with more flexibility to allow single people or couples to bid on both small two-bedroom properties and one-bedroom properties, subject to an affordability assessment.

Council housing is the main source of affordable housing in the Borough with Registered Providers providing in the region of 1600 affordable homes. The Council has established nomination rights for the rented homes and works closely with our partners to allocate them in line with the principles established by our Allocation Policy 2023 and updated Tenancy Strategy 2022.

## 4.5 Council housing finance

The Localism Act 2011 set about reforming the system for financing Council housing by introducing a model known as self-financing. Previously, the Government decided the level of rent that local authorities could charge, this was then 'pooled' nationally and redistributed in line with an agreed formula. West Lancashire was a loser under this arrangement in that up to £6.2 million pounds per year of rental income out of £20 million was paid into this national pool.

In 2012 the Council opted to become a self-financing local authority so that it would have greater control over housing finances by being able to retain all the rent received from tenants for use within West Lancashire housing stock. At the time the Council had to buy itself out of the national subsidy arrangement and took on debt in the region of £88 million.

However, in 2016, the Welfare Reform and Work Act, introduced a rent cap over a four-year period which saw rents in social housing reduce by 1% a year. According to the Local Government Association, this led to an estimated 12 per cent reduction, in real terms, in average rents by 2020/21.

This legislative measure restricted annual rent increases, a move aimed at fostering tenant affordability and supporting treasury savings estimated to be £1.4 billion by 2020/21 primarily in reduced Housing Benefit expenditure. The policy ended in 2020 but during its duration, it created substantial financial challenges for social landlords, including West Lancashire, as it constrained rental income which could have otherwise been used to support much needed investment in homes and housing services. This was set against a backdrop of social landlords, having been previously informed that from 2015-16 social rents will rise by the Consumer Price Index (CPI) plus 1% each year for 10 years. This had been welcome news as it seemed to bring about a degree of certainty in terms of rental income growth, however this was soon short lived as the rent cap became the new reality.

Until 2018, local authorities were constrained by a borrowing cap within the housing revenue account, limiting their capacity to invest in housing projects. This cap, designed to manage public debt and ensure financial prudence, unfortunately restricted councils' flexibility in responding to local housing needs. However, in 2018, a significant policy shift occurred as the cap was lifted, granting local authorities the freedom to borrow without predefined limits for housing-related investment, giving Councils flexibility to address housing needs in their areas.

As a Council landlord it has been challenging to not only remain financially prudent but maintain quality housing services, invest in improving our existing housing and embark upon the delivery of new affordable homes. We know that other Registered Providers of social housing will have faced similar challenges when addressing the financial realities of being a social landlord.

#### **4.6 West Lancashire Local Plan 2012-2027**

In October 2013, the Council adopted its current local plan, which continues to guide development within West Lancashire. It sets out:

- The distinctive features, issues, and challenges in the Borough.
- A vision of how we would like the Borough to be.
- What we need to do to achieve this vision.
- Key policies to help meet our goals.

It contains clear objectives for housing 'to provide a range of new housing types in appropriate locations to meet the needs of West Lancashire's population'. This includes delivering on brownfield sites where the sites are available, viable and deliverable. They will also be provided, where available, in the major urban areas, where services and transport facilities are established. The plan allows for the delivery of 4,860 net new dwellings with 2000 of the homes being in Skelmersdale. Over the plan period this breaks down to 302 per year for the period 2012-2017 and 335 per year for the period 2017-2027.

The existing Local Plan remains in operation and has contributed to making West Lancashire a place where people want to live. It is, however, nearing the end of its operating term so work is underway to develop a new Local Plan for the Borough which will need to take account of changes in national planning policy.

#### **4.7 Planning Reform and the National Planning Policy Framework**

The current Government has diagnosed the planning system as central to the failure to build enough homes, particularly where housing need is at its most severe.

The Planning for the future White Paper in 2020, proposed a "once in a generation" reform of England's planning system and included a commitment to build 300,000 new homes a year, a quicker plan-making process, a shift to a new zone-based system and a national levy to replace the current system of developer contributions. The Levelling Up and Regeneration Bill (see below) introduced to the House of Commons in May 2022, largely superseded the White Paper proposals.

The Levelling-up and Regeneration Act became law in October 2023 and introduces fundamental changes to local planning and infrastructure regulations, as well as measures to increase local devolution and levelling up. Some of the key changes in the Act shown below, also aim to support the Government housing delivery targets:

- The national planning policy framework (NPPF) to be amended to remove the current requirement for a five-year supply of housing land where the local plan is up to date to help “curb perceived ‘speculative development’ and ‘planning by appeal’”.
- A “simple, non-negotiable, locally set” infrastructure levy to replace the Community Infrastructure Levy and most S106 obligations to deliver affordable housing, schools, health care, roads etc based on gross development value rather than floorspace, with local authorities able to determine what portion of the levy they should receive ‘in-kind’ as onsite affordable homes through a new ‘right to require’.
- Every local planning authority to be required to produce a design code for its area, which will have full weight in making decisions on development.
- New ‘street vote’ powers to allow residents to bring forward proposals to extend or redevelop their properties, in line with prescribed development rules and other statutory requirements, which will be put to a referendum of residents on the street, to determine if they should be given planning permission.
- National development management policies to be introduced on issues such as green belt and heritage protection.
- Local Plans to be given greater weight when decisions on applications are made.
- New penalties will be issued to slow developers failing to build already approved homes
- Compulsory purchase powers to be strengthened.

The Council has embarked on creating a new Local Plan for the Borough while also monitoring proposed changes to the Local Plan development process. The objective is to understand how these potential changes might influence our course of action and the expected timetable for implementing the new Plan.

#### **4.8 Economic Strain: Impact on Housing**

The cost-of-living crisis coupled with the wider economic turmoil of rising energy prices, high inflation, stagnating growth, increasing cost of building materials and recession will all present barriers to improving our housing offer. Incomes will be squeezed, and our residents will continue to struggle to set up home and live in warm and healthy housing that meets their needs. High demand for housing, particularly for affordable options, will continue to place enormous pressure on our housing supply, especially on the social and private rented sectors.

In the post-COVID recovery world the UK has high employment but continues to have low-productivity and low paid jobs, which leads to difficulties delivering economic growth and tackling the housing crisis. An uncertain political terrain and emerging pressures on public funding, creates a challenging mix to navigate and deliver the high-quality housing in the numbers that we need for the Borough.

#### **4.9 Regulator of Social Housing Consumer Standards.**

The Regulator of Social Housing is responsible for regulating registered social housing providers to ensure their financial viability, governance, and the quality of services they deliver to tenants. Its role includes monitoring and assessing the performance of social housing providers to maintain standards and protect the interests of tenants and the public.

In July 2023, the Social Housing (Regulation) Act 2023 became law and updated the regulators responsibilities and powers in the way they regulate social housing providers. From April 2024, social housing providers will be assessed against a new set of consumer standards, namely:

- The Safety and Quality Standard will require landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.

- The Transparency, Influence and Accountability Standard will require landlords to be open with tenants and treat them with fairness and respect so they can access services, raise concerns, when necessary, influence decision making and hold their landlord to account.
- The Neighbourhood and Community Standard will require landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods and feel safe in their homes.
- The Tenancy Standard sets requirements for the fair allocation and letting of homes, as well as requirements for how tenancies are managed by landlords.

Collectively, the new consumer standards aim to prioritise the well-being and rights of tenants including ensuring tenants receive high-quality services, fair treatment, and effective resolution of issues within the social housing sector. By implementing consumer standards, the regulator seeks to promote transparency, accountability, and a better quality of living for tenants, emphasizing their importance in driving improved services and fostering trust between landlords and tenants in the social housing sector.

In preparation for the introduction of the new standards the Councils has established a work programme looking at all areas of the landlord function and related broader Council functions. This is to ensure that our services and systems not only meet the standards but also remain flexible enough to adjust as necessary, ensuring our services consistently uphold the highest quality standards.

#### **4.10 Armed Forces Act 2021**

The Armed Forces Act enshrines the national Armed Forces Covenant in law for the first time to help prevent service personnel and veterans being disadvantaged when accessing essential services like healthcare, education and housing. The provisions apply to:

- a) members of the regular forces and the reserve forces.
- b) members of British overseas territory forces who are subject to Service law.
- c) former members of any of Her Majesty's forces who are ordinarily resident in the UK (veterans/ex-service personnel; and
- d) relevant family members [of those in (a) to (c) above

The national Armed Forces Covenant sets a framework for how the armed forces community can expect to be treated by certain public bodies, including local authorities, governing bodies of certain state schools, various NHS bodies, and other organisations.

Because of the Armed Forces Act, the Council needs to undertake work to ensure that the services offered and the way in which they are provided, take account of the principles of the national Armed Forces Covenant, namely:

- No member of the Armed Forces Community should face disadvantage in the provision of public and commercial services compared to any other citizen.
- In some circumstances special treatment may be appropriate especially for the injured or bereaved.

This means that the Council and particularly in its capacity as a landlord will need to ensure that it delivers its service which are not in conflict with the above. To support this aim, an Officer Working Group has been established to review relevant services to ensure they operate in line with the required principles.

The following Section considers our housing challenges.

# The challenges in our housing market

## 5.0 Introduction

Our Borough is predominately rural in nature and is widely recognised as a very popular place to live but we also face challenges, some of which are explained in this Section:

## 5.1 Population growth

Our population is on the rise. According to the 2001 Census, the Borough had a population of 108,400. The 2021 Census reveals a 6.1% increase in the population between 2011 and 2021, growing from approximately 110,700 to 117,400. West Lancashire's population increase of 6.1% surpasses the North West's increase of 5.2% over the same period, although it's not the highest percentage increase in Lancashire, when compared to Chorley and Fylde, whose populations have grown by approximately 9.9% and 7.4% respectively. We must accommodate this confirmed growth while also considering population projections as part of our future plans.

In our current population, West Lancashire's age distribution tends to be skewed towards older age groups when compared to the sub-region, the wider region, and England as a whole. We have a higher proportion of residents aged 35 and above, while the proportion of individuals under the age of 35 is notably lower, as indicated in the following tables. The data source for this information is the Office for National Statistics (ONS).

	2021_West Lancashire_%	2021_North West_%	2021_England_%
85 years and over	2.6	2.3	2.4
75 to 84 years	7.6	6.2	6.1
65 to 74 years	11.7	10.2	9.8
50 to 64 years	21.3	19.8	19.4
35 to 49 years	16.6	18.7	19.4
<b>Total 35 and over</b>	<b>59.8</b>	<b>57.2</b>	<b>57.1</b>

There are, however, variations in the population age structure between settlements. In general, the rural areas of West Lancashire are more attractive to people of middle or retirement age, whilst Skelmersdale has a younger, more varied population structure.

	2021_West Lancashire_%	2021_North West_%	2021_England_%
25 to 34 years	10.5	13.2	13.6
20 to 24 years	6.9	6.1	6
16 to 19 years	6.5	4.6	4.6
10 to 15 years	6.7	7.3	7.2
5 to 9 years	5.1	6	5.9
4 years and under	4.5	5.5	5.4
<b>Total under 35</b>	<b>40.2</b>	<b>42.7</b>	<b>42.7</b>

England experienced a baby boom of 6.9 million live births between 2001 and 2013. The first children from this boom will now be of an age where they may be looking to move out, find work and kick-start their adult lives. It is important that West Lancashire doesn't lose its younger households to other areas as younger people support economic growth and ensure the future supply of a skilled and active labour force.

This means that one of our priorities is to deliver more homes for the future needs of our residents including downsizing opportunities for those households requiring smaller accommodation. Housing is a long-term issue, and we need to plan accordingly. Our housing offer will need to be realistic and market facing, and we must consider how best to encourage development by using all the tools at our disposal including seeking out new models for housing delivery. The Council's 2022 Housing and Economic Development Needs Assessment highlights, along with other housing data research, a general need to ensure we are providing a



range of both affordable and market tenures as well as different sizes of homes to reflect our existing and projected population profile. This will aid in retaining and appealing to younger, economically active families who are growing, potentially including those who had previously departed from the Borough. It will also serve to entice first-time buyers to consider the Borough as an attractive option.

## 5.2 An ageing population

We know that our population is ageing, and remaining in their own homes for longer which has an impact on the flow of housing supply. This is in line with the national picture with Census 2021 results confirming there are more people than ever before in older age groups. The Office for National Statistics 2018-based sub-national population projections to 2038 suggest the largest growth for West Lancashire will be in people aged 65 and over. In 2038 it is projected that there will be 32,600 people aged 65 and over, an increase of 5,900 (22%) from 2023. The population aged 85 and over is projected to increase by an even greater proportion, 56%. This is likely to increase demand for housing related support and other forms of social care to enable residents to remain in their own homes.

It is therefore important to work to develop suitable housing tenure and property type housing offers, including specialist supported housing solutions for our ageing population. In instances where designated accommodation for older people is developed then it will also contribute to freeing up, what may be a former family sized dwelling, back into the market.

## 5.3 Specialist housing requirements

We recognise that there are vulnerable client groups who need particular types of housing of housing to help them have an opportunity to live independently. The following should not be regarded as a definitive list of potential client groups, but is provided to give an indication of who may have a specialist housing need and where there also may be a need for housing related support services to be provided.

- Vulnerable clients with a range of complex needs.
- Victims of Domestic Abuse.
- Homeless people including young homeless people / young people leaving care.
- Single adults with mental health / drug induced psychosis.
- People with Disabilities such as Learning Disability, Autism, Acquired Brain Injury, Physical Disability.
- Older People who require support / Extra Care type accommodation.
- Refugees and Asylum Seekers.
- Veterans
- Ex-offenders

Specialist housing can come in many forms and often, "no one size, fits all". This means that it can be difficult to create a supply of ready-made accommodation and support services suitable for such a wide range of client groups.

Our own records show an increase in the number of homeless individuals needing temporary accommodation, along with a lengthening of their stays. It's been noted that a higher proportion of those seeking help for homelessness have a history of mental health issues, rising from 41% in 2018/19 to 70% in 2021/22. Some homeless individuals could benefit from accessing housing related support.

Some individuals may exhibit significant disorderly behaviour, which introduces potential risks when it comes to relocating them to permanent housing. Consequently, it may be necessary to initially place these clients in a form of temporary accommodation with a tailored support plan and services. This plan with support, would offer the opportunity for clients to acquire essential independent living skills and receive additional support to facilitate their transition to more stable, long-term housing.

We are aware that there is more work required to increase the supply of temporary and permanent accommodation for a range of client groups and so we will continue to work with the voluntary sector and statutory agencies in health and social care services to try to assist in increasing accommodation provision.

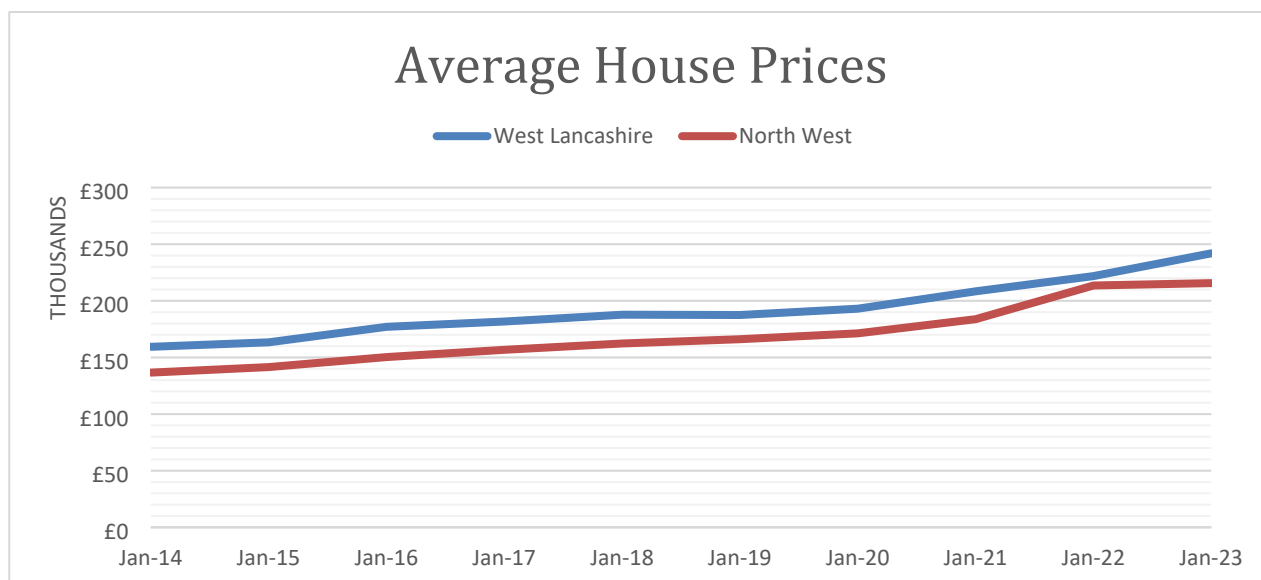
We know from these agencies that the lack of appropriate supported accommodation options available has meant that people have been placed in out-of- area residential placements, moving them away from their localities – family, friends, and community infrastructure.

We want to work with health and social care statutory agencies to stop this happening. We have the desire to assist, however the challenge is providing the right type of accommodation along with the right model of support that proves both economically viable and provides a suitable housing solution for the target client group.

## 5.4 It is expensive to buy a home.

According to data from the UK House Price Index, the average house price in West Lancashire in July 2023 stood at £241,973 for all property types. This figure reflects a notable 9.1% rise from the previous July when it was £221,845. While West Lancashire's average property price is lower than the national average in England, which stands at £308,633 (and is skewed by London prices), it's evident that purchasing a home in West Lancashire comes at a relatively high cost, especially when considering the substantial price increase over the 12-month period mentioned. In comparison, the North West region recorded an average house price of £215,648 in July 2023.

The average prices and the lower quartile prices, often geared towards first-time buyers, in West Lancashire surpass the Northwest regional averages. As a result, neighbouring local authorities offer more affordable housing options, making them an appealing choice for households considering moving to the area. In their property search to enter the housing market, these households can find more budget-friendly properties outside West Lancashire, and in certain cases, they may choose to relocate to a more affordable home in a different borough. This decision, however, might also mean they cannot live near their families. The chart below visually illustrates the consistent trend of West Lancashire house prices being higher than the Northwest regional average.



House price is just one aspect of the issue of affordability. Household incomes need to be understood along with other factors such as changes to financial institutions lending criteria or deposit requirements for those wishing to buy a home. Lending criteria and deposit requirements do not remain static.

Recent increases in mortgage rates and high deposits required to purchase a property has made home ownership even less accessible for first time buyers in the Borough and there are a growing number of households that make up what has become known as the 'excluded middle market'; those unable to access home ownership and unlikely to qualify for social housing. It is important that we have a housing offer for this group.

The Government has responded with different house purchase initiatives to help households bridge the deposit gap, historically with equity loan type products or stamp duty holidays. When available, these products are helpful, however they do not assist all household income types and so we need to ensure that purchasers in West Lancashire can access a range of low-cost home ownership products, such as shared ownership and rent to buy options which are currently in short supply.

An attractive option for first time buyers is new build properties, having relatively low maintenance costs, and are often offered with moving in 'incentives. However, these homes tend to come to the market with a new build premium built into the price, which makes it a challenge, for many first-time buyers to afford a new build

home, even with the added incentives. The Land Registry recorded, in May 2023 that the average new build price in the Borough was £377,822, whereas the average price for an existing property was £228,519.

There are house price variations across the Borough with property values being more affordable in Skelmersdale.

We need housing that's not just affordable but also attracts and keeps young, working families and first-time homebuyers. This is important because it helps the economy grow and ensures the future supply of a skilled and active labour force. Offering Low-Cost Home Ownership options can be a helpful as part of a housing solution.

The table below illustrates the ratio of median house price to median earnings average earnings in relation to neighbouring authorities and Liverpool and Lancashire wide. This table, which has used ONS data, further demonstrates that housing affordability is an issue in the Borough and that neighbouring authorities are likely to be more appealing to prospective purchasers from a house price perspective.

Location	Ratio as at 2022	Median House Price	Median Earnings
West Lancashire	6.57	£200,000	£30,424
Chorley	5.64	£183,000	£32,453
South Ribble	5.99	£185,000	£30,899
Sefton	6.45	£200,000	£31,031
Wigan	5.65	£167,000	£29,553
St Helens	4.74	£156,000	£32,885
Knowsley	5.34	£165,000	£30,901
Lancashire	5.61	£170,000	£30,300
Liverpool	4.90	£150,000	£30,590

For those looking to enter the housing market for the first time, then its useful to consider the ratio of lower quartile house prices to lower quartile earnings. This is shown in the table below.

Location	Ratio as at 2022	Lower Quartile House Price	Lower Quartile Earnings
West Lancashire	6.28	£149,995	£23,894
Chorley	5.64	£136,000	£24,125
South Ribble	6.44	£145,000	£22,506
Sefton	6.26	£140,000	£22,380
Wigan	5.55	£125,000	£22,506
St Helens	4.74	£115,000	£24,268
Knowsley	5.42	£123,000	£22,678
Lancashire	5.30	£120,000	£22,648
Liverpool	5.02	£112,500	£22,399

When adopted, the Local Plan (2012-27) anticipated a significant increase in housing delivery from 2015 onwards. It was expected that the increased housing delivery would help to increase the supply of affordable housing. This is because there is a planning policy requirement to provide affordable housing on market housing sites, where certain criteria are met. The increase in housing delivery has indeed, contributed to an increase in the supply of affordable housing. That said, there remains a need to increase the supply of affordable housing suitable for those wishing to get on to the home ownership ladder.

## 5.5 We need more affordable housing.

As stated previously housing is relatively expensive in West Lancashire. This coupled with a household's income and lending criteria can affect whether a household is able to find housing, whether to rent or buy within their household budget.

However, when household income is considered within the context of a household trying to gain access to the housing ladder, then even the cheapest of homes, remain unaffordable for some households.

Based on data as of April 2023, there were a total of 1,365 households on the Council's Housing Register, which is a notable increase compared to the 938 households in April 2018.

The Council commissioned Housing and Economic Development Needs Assessment (HEDNA 2022) suggests an annual affordable housing shortfall of 277 homes per year (gross). While affordable housing has been developed in the Borough, we still have growing levels of unmet need each year.

Affordable housing is also geographically limited in West Lancashire, with the majority located in Skelmersdale. This is an important factor, and one we need to consider when looking at affordable housing requirements and supply at local level. While there has been significant affordable housing development success in recent years, there remains a pressing need for affordable housing in the Borough, particularly in rural areas and the towns of Ormskirk, Burscough and Aughton.

Rebalancing the housing market, to increase the proportion of affordable housing outside of Skelmersdale and increase the proportion of affordable housing for families and accommodation for older people in Skelmersdale, will be a priority within our overall aim of increasing the supply of affordable housing across the Borough.

## **5.6 Use of the private rented sector.**

The construction of new homes is one solution to help address housing supply and affordable housing need, but it's equally important to consider the existing housing supply. Maximising the use of the existing housing stock holds significance, especially given that roughly 85% of the Borough's housing comprises privately owned properties, including 13.5% within the private rental sector.

The rising demand for market-rented homes nationwide underscores the potential of this sector:

- It already is an extension to the social rented sector, where lengthy waiting lists and allocations based predominately on need mean many households are less likely to ever gain access.
- Provides an alternative tenure for households who are priced out of the home ownership market or require the flexibility of rental accommodation.

It is noted though that escalating private sector rent levels heighten affordability challenges for numerous households seeking housing in this sector. The substantial rise in rents limits the capacity to save for a mortgage deposit, as a higher proportion of household income is directed toward rent payments, further compounded by increasing living costs. The increasing costs could also affect the tenant's ability to efficiently heat their home while striving to manage their finances effectively.

Despite the affordability and supply issues within the private sector, it plays an important role in meeting housing needs and supporting economic growth. It enables individuals to relocate within or to the Borough in response to job opportunities and changing household circumstances.

Therefore, ensuring the upkeep of existing private housing, including in the rental sector is sensible. This involves maintaining well-managed and habitable homes that do not compromise human health, both physically and mentally.

## **5.7 Many properties still need investment.**

The relationship between poor housing and poor health has been recognised for a long time. Poor housing conditions can have detrimental effects on individuals, particularly children residing in such environments, impacting their health, education, and overall well-being. In addition to the wider benefits to society of improving housing, there is a direct benefit to the NHS through reduced injury rates and treatment costs where the condition of housing is improved.

Our 2016 report on Private Sector House Stock Modelling offers detailed information into the condition of housing within the Borough. It identifies that where homes have failed the decent home standard and the proportion of properties with specified category one and category two hazards under the Housing Health and Safety Rating System that there is often a link between improvement works being necessary and the household residing in the property not being able to cover the costs. This results in improvements that could remedy problems such as inadequate heating, damp and mould and any associated health conditions not being undertaken. Funding to address these issues is limited and so we need to consider how we can tackle stock condition issues and advise and support householders to make their homes more energy efficient. This will also help address the issue of fuel poverty experienced by some households in the Borough.

In addition to stock condition in the private sector, the Council, as a landlord ensures it understands the condition of its homes so that it can undertake any works to ensure they are well maintained. directing capital investment where required. This includes evaluating where upgrades, such as installing new bathrooms and

kitchens, are needed. Making these improvements, including enhancing energy efficiency, and resolving identified damp issues, presents challenges due to non-standard construction in some Skelmersdale homes.

## 5.8 Reducing greenhouse gas emissions of homes.

As a landlord of around 5,800 council owned properties, we understand our responsibility to provide good quality housing to our tenants that meet the decent homes standard. We also understand that we have a responsibility to make sure our properties are as energy efficient, warm, and comfortable as possible, keeping fuel bills manageable and greenhouse gas emissions low.

Our Council owned homes consist of both standard and non-standard construction, with each having a different requirement in terms of increasing its energy performance to reduce greenhouse gas emission and energy costs. Our capital investment plan includes activity to improve the energy efficiency of our homes, but as would be expected, cost is always a consideration. Due to the cost of undertaking such work, it is necessary to seize upon funding opportunities as they arise to support the Councils own investment goals.

Heating of both the home and cooking (if from gas) needs to be decarbonised, which will also improve indoor air quality. Council owned homes are mainly heated using gas, including for communal heating systems. A sheltered accommodation property has a biomass boiler to supplement gas heating in the winter and 149 properties have air source heating pumps. While the Council has taken a fabric first approach to reduce heating demand, it has also invested in renewable technology, by installing solar photovoltaic panels to generate electricity on 588 properties.

In 2023, the Council secured £1.8m from the Social Housing Decarbonisation Fund which, with £5m in funding from the Council, enabled decarbonisation works to commence on 250 homes Council homes. Continual energy improvements to our homes will remain an integral part of our ongoing property management approach.

While the Council remains dedicated to enhancing and investing in its existing stock, it also prioritises the development of new energy-efficient homes for affordable housing through its development company Tawd Valley Developments (TVDL). TVDL successfully constructed four homes meeting the new Future Homes Standard (a set of building regulations), ahead of its mandatory introduction in 2025. The Future Homes Standard aims to ensure that new homes built from 2025 will produce 75-80% less carbon emissions than homes built under the current Building Regulations.

Turning to the private sector, the Councils 2010 Private Sector Stock Condition survey reported a median Standard Assessment Procedure (SAP) rating of 53. The SAP is the government's method for calculating the energy performance of dwellings. At the time this was better than the then national average of 48, but it was noted that there was scope to reduce emissions from this sector. It went on to say that, typically, the lower SAP ratings are found in older, pre-1919 dwellings and converted flats, which suffer with high heat loss. The privately rented dwellings across the Borough at the time had a mean SAP rating of 51.

The 2016 Private Sector House Stock Modelling report presented 55 as the SAP figure for owner occupied homes while for private rented it was 56. This shows a slight improvement from 2010. The Council does not have an up-to-date modelling report and so our understanding of stock condition in the private sector needs to be refreshed. This will help the Council to understand private sector stock condition, any emerging themes and how we might provide support and advice to enable households and private landlords to improve their homes.

The table below shows the latest Government SAP data for West Lancashire to March 2023, the data shows new dwellings are more energy efficient than existing dwellings.

### Median Energy Efficiency of Dwellings in West Lancashire to March 2023

All Dwellings	Existing House	New Houses	Existing Flats	New Flats
67 (EPC Band D)	65 (EPC Band D)	84 (EPC Band B)	71 (EPC Band C)	81 (EPC Band B)

Data Source: Department for Levelling Up, Housing and Communities – Energy Performance Certificate data on Open Data Communities and Valuation Office Agency - Property Attributes data.

## 5.9 Housing, health, and social care system

It is recognised that enhancing housing quality positively impacts health, yet aligning efforts with health and social care sectors holds greater potential to maximise the health of West Lancashire residents and minimise health inequalities through housing.

The challenge in this context is aligning our organisational strategic priorities and wider resources, as well as developing a strategic and operational framework, in which health, housing and social care collaborations can work effectively in partnership.

## **5.10 Housing digitalisation and health**

While not a historic challenge, it could be a challenge for the future if its potential is not considered at this time.

Digital technology has an important role in supporting people to be healthy and independent in their home. Through the life of this strategy the digital opportunities will no doubt develop considerably, and it is important that the housing and health sector in West Lancashire embrace suitable and viable opportunities, perhaps working proactively with developers to bring innovation to the market.

Such innovation will include using digital technology to monitor the conditions of the home and associated health risks and create healthier living environments, using digital assisted living technologies to support independence, providing support services digitally and maximising digital opportunities for data sharing/referral pathways across the sectors.

# Our housing strategy priorities

## 6.0 Introduction

In developing our housing strategy priorities, we have examined housing data, reviewed our existing policies, and identified potential areas for action for the Council. Based on these findings; the wider strategic housing agenda and following discussions with officers we started to shape our draft priorities. We then consulted with relevant partners and residents of the Borough to determine if the housing strategy priorities are the right ones to focus upon over the next five years.

Throughout the consultation process it has been made clear that the Council has finite resources. It was acknowledged that the Council, as it works on delivering this Housing Strategy, will therefore have to:

- Manage housing demand by having open and honest conversations with our customers and provide quality advice so they have a clear understanding of their housing options. This empowers them to make informed choices, potentially adjusting their housing expectations to find solutions for their housing situation.

We have chosen five housing strategy delivery priorities which are discussed further in this section.

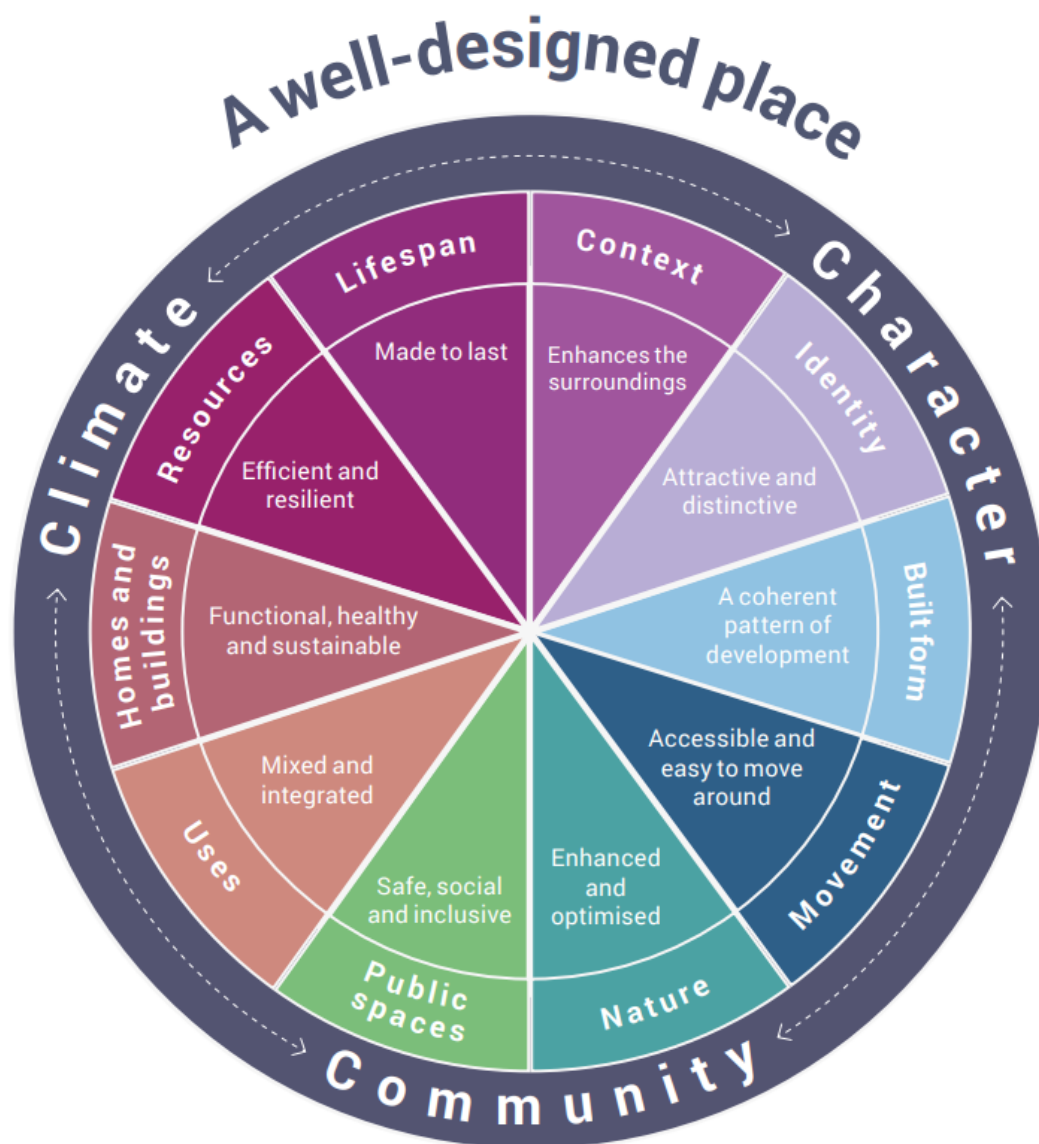
## 6.1 Priority 1 - Achieve the right supply of new homes including maximising affordable housing.

For this priority we want to encourage a choice of environmentally sustainable and high-quality homes that meet the needs of our existing residents, including a housing offer for those households wishing to downsize as well as provide a suitable housing offer for those households wishing to invest and make their home in West Lancashire. The homes should be in locations which support our economic, regeneration and health priorities, be able to meet people's changing housing needs and be situated within and/or contribute to creating pleasant, safe, and sustainable communities.

Defining what high-quality housing might look and feel like can be challenging. Nonetheless, the following is provided to give a sense of what it might mean and the elements that should be considered:

- High-quality developments that not only meet or exceed established construction standards but also ensure optimal land use by delivering an ideal density tailored to the site and location, all while considering and adhering to any specified density requirements outlined in the Local Plan.
- Aiming to achieve Nationally Described Space Standards for all new homes
- Superior craftsmanship and durable materials ensuring longevity and comfort.
- Incorporation of sustainable energy-efficient and low greenhouse gas emission features and modern amenities
- Thoughtful design elements for a positive living experience, e.g., higher ceiling heights to kitchen, bathrooms, and circulation areas to accommodate services. This can positively impact on how spacious, light, comfortable the dwelling is and improve the amount and quality of natural light and ventilation.
- Consideration of accessibility, safety, and integration with the environment including maximising opportunities to provide designs which improve access to natural light and cross ventilation.
- Holistic approach for enhancing residents' well-being and satisfaction.
- Internal layouts that are ergonomic and adaptable to facilitate flexible use of space, increase living choices, enable home working, and make life easier for wheelchair users.
- Consideration of environmental quality in relation to how air and noise pollution can be mitigated in dense urban environments adjacent to busy vehicular routes.
- Schemes that deliver a comfortable micro-climate for occupants and respond positively to the existing context.
- Contribution towards creating a vibrant and equitable neighbourhood.
- Access, car parking and servicing have been creatively integrated into the scheme as well as enhancing opportunities to access active travel and low carbon transport
- Promotion of a sense of community and healthier living experiences.
- Developments which are designed to take account of extreme weather events and consider what resilience will be needed in relation to the design of buildings and the location of the development.

The Levelling-up and Regeneration Act 2023 introduces a new requirement for Local Planning Authorities to develop Design Codes, which set out design requirements for the physical development of a site or area – a well-designed place. Design code guidance introduces the following graphic which aims to capture some of the "place" considerations.



It is hoped that private developers, other housing providers and potential partners who wish to work in the Borough, will recognise the importance of creating high quality housing and neighbourhoods and will wish to be a part of that journey, developing homes and neighbourhoods to be proud of.

Supporting this priority is the Council's adopted Local Plan 2012-2027 which sets out the Council's land use policies. In the case of affordable housing, Local Plan policy RS2 requires the provision of affordable housing from market housing sites as shown in the box below:



<b>Proposed development size (Number of units)</b>	<b>Affordable housing requirement (minimum % of units)</b>
8-9	25%
10 to 14	30%
15 and above	35%

Other than in Skelmersdale, affordable and specialist housing will be required as a proportion of new residential developments of eight or more dwellings in the boroughs key service centres, key sustainable villages and rural sustainable villages as shown above.

Within residential developments in Skelmersdale town centre 10% of units will be required to be affordable, in accordance with local plan policy SP2. Elsewhere in Skelmersdale, no affordable housing will be required for developments of fewer than 15 units, whilst on sites of 15 or more dwellings, 20% of units will be required to be affordable, with up to 30% on greenfield sites on the edge of the built-up area.

Within small rural villages, as defined by the settlement hierarchy in policy SP1, affordable housing should be provided on sites comprising five or more dwellings, as defined in policy RS1.

In addition to affordable housing being delivered through planning policy, the Council will continue to be proactive and seek opportunities to build both market and affordable housing through Tawd Valley Developments Ltd, the Councils development company. In doing so we will consider using Council owned land where appropriate to support development.

The Council will continue to work in partnership with Registered Providers of Social Housing to further increase affordable housing supply, including supporting where appropriate, their applications for grant funding to Homes England.

In developing affordable housing in the Borough, we will seek to deliver Affordable Rent, Shared Ownership and Rent to Buy tenures which are aimed at helping varied household income profiles. Depending on feasibility, we may also need to consider incorporating Social Rent. Specifically concerning Affordable Rent properties, it will be important to monitor how market rent increases might influence rent setting for these properties. Given that Affordable Rent is usually set at up to 80% of market rent values, rising market rents directly affect Affordable Rent values, potentially impacting affordability.

It is also important to remember the critical link between housing and physical and mental health. By delivering the right type of housing to a high standard, this will contribute to improved health and well-being outcomes, particularly for people who are able to relocate to the new housing where their existing housing is having a negative impact upon their wellbeing. In this regard, accessibility to housing is also important.

As part of delivering high-quality homes, the Council will work to ensure both the new and the existing housing offer works towards promoting health and wellbeing, so that we have in place the best conditions for people in West Lancashire to live healthy & fulfilling lives.

## **6.2 Priority 2 - Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.**

This priority is principally focused upon the continued regeneration of Skelmersdale while also acknowledging that across the Borough there will be circumstances where investment in place-based regeneration will be of benefit.

Formerly a small mining town, Skelmersdale was designated in 1961 as a New Town to accommodate some of the rapidly expanding population of Liverpool and wider Merseyside. It has clearly defined industrial and

residential areas and a significant green space resulting from its New Town status. It has a good central location, near main transport routes such as the M58 and M6, providing excellent links with the wider region.

Today, Skelmersdale is the largest and most densely populated settlement in West Lancashire. It has a vibrant community, but like many former new towns, faces specific housing challenges that are a legacy of its development history. These relate to its functional housing market, although this has seen much improvement in recent years, along with the construction approach used for some of the housing and use of Radburn design principles in neighbourhoods. The Radburn layout, placed an emphasis on pedestrian-friendly, green spaces and separates vehicular traffic from pedestrians. The approach aimed to create a more organised and community-oriented urban environment.

For many years West Lancashire Borough Council has recognised the need to regenerate the town by improving existing facilities and attracting new retail and leisure elements. This work is well underway, the benefits of which can be seen locally with the opening of Tawd Valley Centre, a partnership between the Council and developer St. Modwen and supported by £2 million from the Lancashire Local Enterprise Partnership's Growth Deal Fund.

The new town centre complex is part of the regeneration plan for Skelmersdale. This also includes drawing up a detailed masterplan for the site of the former Glenburn Sports College to further support delivery of a night-time economy, a further improved retail offer within the town centre, along with public realm improvements.

Continuing to improve the housing offer is seen as an essential part of supporting town centre regeneration. For housing, we are aware of:

- Some areas of low demand, in both social housing and owner-occupied stock, associated with poor design and/or neighbourhood reputation.
- High housing densities and poor estate layout can contribute to feelings of insecurity.
- Low house prices when compared with the rest of the Borough and a lack of variety in housing types, leading to more affluent households moving out of the area.
- Some evidence of properties being bought up by absentee private landlords, with unstable private tenancies undermining the sustainability of some neighbourhoods.
- Relatively high concentrations of deprivation in some areas.

This is not unusual in former New Towns as reported in the Department for Transport, Local Government and Regions report (2002) - 'The New Towns: Their Problems & Future' which highlights some of the problems faced by former new towns.

Skelmersdale is known to have a higher percentage of people affected by a long-term illness, or a physical health problem, than elsewhere in the Borough and this means there is a continuing and long-term demand for specialist and adapted accommodation. It is important to ensure that these health inequalities are considered as part of the regeneration activity in the town, so that improvements in health outcomes are achieved, including better life expectancy outcomes.

Over the last two decades there has been building of new private housing estates, mainly on the outskirts of the town. These estates have proved popular, but there is still a need to diversify the style and range of homes.

The Council, as a social housing landlord with a significant number of homes in Skelmersdale, understands its responsibility towards ensuring its existing homes and estates are maintained to a high standard, so that its own social housing offer supports not only housing needs but the broader goal of regenerating Skelmersdale.

The regeneration activity linked to this priority will also be a catalyst and driver of growth, exploiting Skelmersdale's location, to help develop Skelmersdale as a strategic location on the Liverpool-Manchester corridor and motorway network.

### **6.3 Priority 3 - Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.**

It is important to make the most of our existing housing resources, including reducing the number of properties left empty for extended periods. Our goal is to maximise the effective use of all available homes

throughout the Borough, connecting people with improved housing options, whether they need a bigger or smaller home or one with specific adaptations.

The Council recognises private sector renting as an important part of meeting the Borough's housing needs. It is important that landlords understand their obligations and so the Council will ensure that signposting and advice is in place to assist owners and managing agents. However, where landlords fail to maintain health and safety standards within properties proportionate regulation will be put in place to achieve compliance.

Longstanding empty properties can have significant impacts on neighbouring properties and the wider community and bringing properties back in to use has wider social, economic, and environmental benefits. The Council will continue to work with property owners to encourage empty properties back into use and will use proportionate regulatory tools where necessary to seek improvement. This will include exploring options for their use as affordable homes.

The Council will also continue to assist vulnerable owner occupiers as far as they are able, in order to provide signposting and advice and connect vulnerable people with available resources and assistance.

The increased focus on housing conditions, particularly dampness and mould, through media coverage, legislation, and recent regulatory changes, underscores the need for this housing strategy priority. It aims to make best use of all housing, ensuring it is of a standard that does not harm the health and well-being of the occupants.

#### **6.4 Priority 4 - Attract investment for ending homelessness, addressing older person housing needs and residents with specialist housing requirements, including the provision of housing-related support.**

We are keen to encourage investment in all parts of the Borough, including our rural communities to help assist in meeting specialist housing requirements. Vulnerable client groups such as individuals with age related needs, a learning disability, physical disability, those subject to domestic abuse, sensory impairment, and those with mental health issues sometimes require both accommodation and appropriate support to help sustain independent living. Dependant on the circumstances, such support may also be required for young people who are affected by homelessness, are estranged from home or are in need of appropriate support for some other reason. Older people's health or social circumstances can also mean that on a case-by-case basis, older members of the population may need access to specialist housing, such as extra care and/ or other form of support. This priority aims to develop suitable housing tenure and property type housing offers, including specialist supported housing solutions for our ageing population.

This is a diverse area of development that not only requires use of capital assets but also revenue funding to support the provision of the required support services. Encouraging investment and achieving delivery will be challenging in the current environment as budgets continue to be squeezed. The Council, along with statutory agency colleagues across the social care and health spectrum will need to work together and explore the availability of funding streams and delivery models to support investment. This will include exploring funding availability from the recently established NHS Lancashire and South Cumbria Integrated Care Board, a replacement for Clinical Commissioning Groups.

#### **6.5 Priority 5 – Deliver the residential building objectives of the Council's Climate Change Strategy 2020-2030**

West Lancashire Borough Council recognises the impact of climate change, both locally and globally. We strongly support the need for urgent action to tackle the impacts that greenhouse gas emissions are having on our climate and the associated risks this presents. In support of this, the Council declared a Climate Emergency in July 2019. The declaration included an aspiration to be a carbon neutral Council by 2030 and to act across the Borough.

Following our Climate emergency declaration, the Council developed and adopted a Climate Change Strategy 2020-2030 which sets out our aspirations to reduce emissions directly associated with Council operations and across the wider Borough.

Based upon the information available at the time of the Climate Change Strategy's development, the Council identified key contributors of greenhouse gas emissions both from Council operations and Borough-wide activities and developed seven key priority areas for action:

- Priority 1 - Delivering a Carbon Neutral Council

- Priority 2 - Sustainable Procurement
- Priority 3 - Transport and Travel
- Priority 4 - Residential buildings
- Priority 5 - Commercial activity
- Priority 6 - Community Action
- Priority 7 - The Natural Environment

It is important to recognise the importance of the Climate Change Strategy. Its Priority 4 theme relates to housing and so has a significant role to play in terms of reducing fuel poverty, improving the energy efficiency of existing housing stock, and ensuring that all new housing built is sustainable, built to adapt to a changing climate and resilient to the effects of extreme weather events. This housing strategy will, in its action plan, replicate in summary form the priority 4 residential buildings action plan.

The following narrative is taken from the Climate Change Strategy:

### **Background**

Residential buildings account for approximately 20% of greenhouse gas emissions both nationally and locally. Not only do inefficient homes enlarge our carbon footprint, but they also have a negative effect on quality of life. Fuel poverty and the negative health impacts of living in a cold home are also major considerations that need to be addressed.

The Council has a housing stock of circa 5,880 properties located across the borough, predominantly in Skelmersdale and Ormskirk. Whilst much work has been done over the last decade to improve the energy efficiency of these homes, there is still far more to be done. Similar to our corporate work, this will be a primary focus for us, to get our own homes in order and lead by example, whilst also supporting homeowners and the private rented sector to do the same.

The Climate Change Strategy then introduces the following **residential** building objectives:

- To deliver energy efficiency in Council owned housing and support housing retrofit opportunities.
- Decarbonise home heating by supporting local energy and district heating networks, where viable.
- To lead by example and increase renewable energy generation in the housing sector.
- To utilise available funding streams to deliver energy efficiency measures to privately owned and rented housing stock.
- To advocate high standards of design and environmental performance in new build housing developments.

Whilst the primary link of this strategy to the Climate Change Strategy is Priority 4: The Residential Sector, the challenge is to implement the other Climate Change Strategy priorities beyond the house structure to enable low carbon living and resilience to climate change, they are:

- Priority 2: Sustainable Procurement. To consider products purchased and their impact at all stages of their life, such as the construction of new builds by TVDL or bulk buying of energy efficient white goods and reuse schemes.
- Priority 3: Travel and Transport. To enable active travel, e.g. walking and cycling, and low carbon travel, e.g. electric vehicle charging infrastructure, by residents to move away from fossil fuel vehicles.
- Priority 7: Natural Environment. To use Council owned Housing land to plant native trees, that will not only provide shade during extreme heat, but will also provide biodiversity benefits, and to reduce the impact of extreme rainfall by slowing the flow.

As with all the priorities presented in this Housing Strategy, they will be dependent on the availability of finance and establishing partnerships where required. For this priority however, it will be important to also recognise, not only the financial outlay, but the value of the positive impact that will be achieved. There may be more than one positive impact which can be described as co-benefits. Co-benefits of climate actions refer to the positive outcomes and advantages that arise from implementing measures to address climate change. These benefits extend beyond environmental considerations. Examples are shown below.

- **Health Improvements:** Climate actions like reducing air pollution and promoting active transportation can lead to cleaner air and better public health.
- **Economic Opportunities:** Investing in renewable energy and sustainable practices can create new job opportunities and stimulate economic growth.
- **Energy Efficiency:** Energy-efficient technologies and practices to reduce energy demand can reduce energy costs for individuals and businesses.
- **Reduced Vulnerability:** Climate adaptation measures can enhance the resilience of communities to extreme weather events and disasters.
- **Biodiversity Conservation:** Protecting ecosystems and conserving natural habitats can safeguard biodiversity and support ecosystem services.
- **Improved Water Quality:** Climate actions often involve better management of water resources, leading to improved water quality for both human and ecological systems.
- **Social Equity:** Climate policies can be designed to address social justice issues and reduce disparities in vulnerable communities.
- **Reduced Energy Dependency:** Diversifying energy sources can enhance energy security and reduce dependence on fossil fuels.
- **Innovation and Technological Advancement:** Climate actions drive innovation and the development of new technologies that have broader applications.
- **Enhanced Quality of Life:** Implementing climate solutions can create more liveable and sustainable communities, with benefits for overall quality of life.

This priority involves considering necessary resilience measures for future building designs and locations to adapt to climate change.

## 6.6 Summary of our housing strategy priorities.

We show in the next few pages the high-level key delivery actions which we consider will make the greatest impact to achieving the following five priorities:

- Achieve the right supply of new homes including maximising affordable housing.
- Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.
- Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.
- Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.
- Deliver the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030

## Priority 1 - Achieve the right supply of new homes including maximising affordable housing

### **Delivery Action - Develop a replacement West Lancashire Local Plan 2023-2030.**

**We will:** develop a new plan, based upon the most current economic, housing, and population projections for the new planning period will support the development of a sustainable high-quality housing offer suitable for the housing and economic needs of the local population.

### **Delivery Action - Secure HE Affordable Housing Grant investment.**

**We will:** Acting as an Investment Partner and in partnership with Registered Providers, secure inward investment from Homes England to develop affordable housing.

### **Delivery Action - Use Council assets to support the delivery of affordable housing.**

**We will:** use Council land and / or other assets, where appropriate, to support the delivery of affordable housing. This will encourage investment in the Borough while also meeting affordable housing need.

### **Delivery Action - Develop 500 new affordable homes.**

**We will:** encourage and enable the delivery of no less than 500 affordable homes during the life of this housing strategy which shall consist of a range of affordable housing tenures including, where appropriate, tenure suitable for First Time Buyers. This will be achieved by using planning policy requirements, development of 100% affordable housing schemes with Registered Providers and through the Councils new build programme through Tawd Valley Developments Ltd.

**Priority 2 - Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale.**

**Delivery Action - Complete 5-year £32.15 million capital investment programme.**

**We will:** Improve tenant comfort and day to day living experience by undertaking upgrades to Council homes, not limited to but including new kitchens, new bathrooms, new windows, doors, roofs, heating and electrical upgrades, external wall insulation, environmental improvement works to open spaces in various locations.

We aim to deliver the programme on time and in budget.

**Delivery Action - Explore and if approved, complete a Digmaor revival scheme**

**We will:** Fully engage with tenants and residents to explore delivery of a Digmaor revival scheme. If approved, develop a comprehensive scheme that is not only viable to deliver but will see existing homes improved along with some demolition and regeneration provided by new homes being built. There will also be wider environmental and street scene improvements.

**Delivery Action - Seek funding for environmental works on Council estates.**

**We will:** seek to secure any suitable funding opportunities to lever in investment to enable wider scale environmental improvements to our housing estates.

In contrast to our current capital investment in our Council housing stock, our ability to invest in the environment is significantly limited, yet we are aware of the benefits of doing so.

**Delivery Action - Develop Skelmersdale Town Centre Masterplan.**

**We will:** Complete development of a Masterplan which reflects Local Plan policy, that includes mixed-use and mixed-tenure housing, designed to further support the ongoing Skelmersdale town centre regeneration, which already includes a planned new, state-of-the-art Wellbeing and Leisure facility for the local community.

A project aimed at supporting the economic growth of Skelmersdale including the provision of both market and affordable housing.

### Priority 3 - Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.

#### **Delivery Action - Achieve Regulator of Social Housing compliance.**

**We will:** undertake the existing work programme to enable the Council to meet and /or exceed:

The Safety and Quality Standard / The Transparency, Influence and Accountability Standard  
The Neighbourhood and Community Standard / The Tenancy Standard

#### **Delivery Action - Encourage safe and healthy private sector housing, using effective and proportionate enforcement tools where necessary.**

**We will:** respond as required. A large proportion of private landlords do provide good quality accommodation and fulfil their legal obligations. However where this is not the case we will make use of the enforcement powers available.

We do often find that where there are problems, they can be remedied with the Council providing advice and support. In some instances the landlord may be inexperienced and so we provide them with guidance so that they can comply with their legal obligations.

#### **Delivery Action - Provide open, honest and realistic advice and signposting**

**We will:** offer clear housing advice for informed decision-making on housing options. Our aim is to set realistic expectations, empower choice, and assist individuals in finding their own housing solutions. Ensuring easy access to quality housing advice is crucial for those facing housing challenges. People want us to be honest about their chances of being rehoused.

#### **Delivery Action - Encourage private sector empty homes back in to use.**

**We will:** Provide owners with signposting and advice to encourage empty properties back into use.

#### **Delivery Action - Renew the new private sector housing strategy.**

**We will:** Review and renew the private sector housing strategy.

#### **Delivery Action - Be innovative about Council owned housing stock without a future.**

**We will:** undertake an options appraisal to consider alternative uses for buildings or the land when they have come to the end of their natural life and their future use needs to be considered.

This may be because they don't meet modern day family living or because they cannot support the changing needs of older people.



**Priority 4 - Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.**

**Delivery Action - Explore and if viable, enable development of a new Women's Refuge.**

**We will:** explore the development of a modern refuge facility that provides safe emergency accommodation for women fleeing domestic abuse, often with their children which will not only provide safe shelter but will provide support to enable survivors and their children to rebuild their lives

**Delivery Action - Increase supply of accommodation with support for vulnerable housing groups.**

**We will:** work in partnership with Commissioning Leads at Lancashire County Council to bring forward supported living schemes for vulnerable housing groups including people with learning and/or physical disabilities and/or mental health issues, in order to increase the existing provision.

**Delivery Action - Increase the supply of housing suitable for older people.**

**We will:** work towards increasing the supply of housing suitable for older people as it enhances accessibility and accommodates specific needs, fostering independent living and promoting a comfortable, age-friendly environment. It allows older persons to live more comfortably and safely in their homes, supporting their well-being and quality of life as they age.

**Delivery Action - Deliver Homelessness Strategy 2024 - 2029**

**We will:** upon publication of the Strategy, expected in 2024, aim for the provision of services, support, and accommodation options which will support Homeless Strategy vision, "To prevent homelessness in West Lancashire, helping residents to find and keep their home."

## Priority 5 - Deliver Priority 4, the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030.

### **Delivery Action - To reduce the greenhouse gas emissions of West Lancashire housing.**

**We will:** work towards reducing energy demand and improving the energy efficiency of housing as it not only enhances the comfort and well-being of occupants by creating a more comfortable living environment but also aids in reducing utility bills, thereby easing financial burdens. Simultaneously, by curbing energy consumption, it contributes to mitigating climate change by lowering carbon emissions.

### **Delivery Action - To advocate high standards of design and environmental performance in new build housing developments.**

**We will:** advocate for high standards of design and environmental performance in new housing developments as it enhances the occupants' quality of life by offering healthier, more functional living spaces while potentially reducing long-term maintenance costs. Moreover, it uplifts the neighborhood by creating aesthetically pleasing and sustainable communities, fostering a sense of pride and well-being among residents, all while contributing to the broader goal of mitigating climate change through reduced energy consumption and environmentally conscious practices.

### **Delivery Action - Deliver low carbon policy for new build housing developments.**

**We will:** produce a low carbon policy for new build housing developments as its an important step to mitigate the environmental impact of construction activities, reducing carbon emissions and promoting sustainable building practices, thus contributing to global efforts to combat climate change. Additionally, it helps create energy-efficient homes, cutting long-term energy costs for occupants

### **Delivery Action - Require new residential developments to adopt low carbon and renewable technologies, and energy and resource efficient design.**

**We will:** consider this action as part of replacement Local Plan and Design Code development.

This will benefit occupants by offering reduced utility bills, healthier living spaces. Additionally, these measures significantly contribute to mitigating climate change by curbing carbon emissions, fostering sustainable practices, and creating environmentally responsible communities for a better, greener future.

# Resourcing and monitoring the Housing Strategy

## 7.0 Introduction

We are mindful that we are aiming to deliver this aspirational Housing Strategy at a time when resources are already stretched, with the cost of goods, energy and services generally putting pressure on our ability to deliver our priorities.

Delivering the Housing Strategy in such circumstances where funding in the public sector is reduced will mean that partnership working to deliver this Strategy may become more challenging as resources become more stretched. The Action Plan that accompanies this Housing Strategy will establish timelines for activity, but because of resource pressures there will need to be flexibility and an acknowledgement that timescales may need to change to respond to funding opportunities and / or funding issues.

It is important to note the distinction between the funding of Council housing and the funding of private sector housing stock in the Borough.

- Council housing and improvements to Council housing stock are funded through receipt of rents paid by Council tenants. Council housing operates a Housing Revenue Account and is not subsidised by any Council Tax revenue. Council housing, although operated and administered by the Council, has its own income stream, through the rent it receives, in which to operate, manage and maintain its service and housing stock. Rental income received from Council tenants cannot be used to improve private sector housing.
- Income received by the Council through collection of Council Tax is used to help pay for the local services such as refuse collection, policing, roads, and schools. It is collected on behalf of the Borough Council, Lancashire County Council (including Adult Social Care), Lancashire Police Authority, Lancashire Combined Fire Authority, and some parish councils. Any housing initiatives that help to improve private sector housing would need to come from this income stream unless other funding is available from the private sector and/or part of any government initiatives.

## 7.1 Resources

Significant resources would be required to deliver the priorities set out in this Housing Strategy. Staffing resources are key to this and span many teams, both internal and external to the Council. The Council holds land and property assets that could potentially support delivery.

It is anticipated that any Council funds or assets, made available to support this Housing Strategy will generally be framed around consideration of:

- financial planning based upon realistic and prudent assumptions about the resources available to the Council and its partners.
- capital and revenue resources used in such a manner as to extend and enhance finances under our direct control.
- priorities aligned to local, regional, and national funding streams to maximise capital income.
- service users, residents and partners also influence and participate in financial decision-making processes.
- pro-active approaches to new funding opportunities

Additionally, the Council will need to be satisfied that any projects derived from this Housing Strategy align with our corporate priorities and fully consider any governance arrangements related to partnership working along with wider stakeholder involvement and revenue implications upon the authority.

There are sources of funding to help support some aspects of delivery; however, we will also have to try and maximise external funding opportunities as they present themselves, work with partners, and think creatively about the use of any of our own funds and assets to support our Housing Strategy priorities. Paragraphs 7.2 to 7.6 refer to existing funding types / routes / opportunities.

## **7.2 Housing Revenue Account**

Council housing - As a stock retained landlord the Council produces housing investment plans. The plans consider the capital investment needs of our housing stock to ensure that we keep our properties to a high standard. The plans also consider whether there are any particular investment needs to assist in regenerating parts of our Council housing estates and take account of the need to have appropriate staffing levels to manage the Council housing service.

## **7.3 Right to Buy Receipts**

Legislation allows for most Council tenants to exercise their right to buy their Council home. Under existing rules, when a Council home is sold, the Council can keep a proportion of the sales receipt, also known as Retained Right to Buy receipts, which can then be used to fund new affordable housing homes. Only 40% of the cost of a new home can be sourced from retained Right to Buy receipts, meaning that 60% must be sourced from other budgets and/or use of borrowing. The Affordable Housing Programme 2021-2026 mentioned below, cannot be used to fund the 60%.

It is not possible to forecast how many homes will be sold in any financial year. However, receipts from such sales can be used to support affordable housing development.

## **7.4 National Affordable Housing Programme**

Affordable housing – Homes England is a Government agency that aims to meet Government aspirations to develop affordable homes across the country. Homes England provides affordable housing grant to Registered Providers of Social Housing to develop affordable housing. Grant is awarded via a bidding cycle where bid applications are considered against specific criteria. The amount of grant provided does not cover the full build cost and so the Registered Provider will have to fund the gap between the development cost and the amount of grant received. As an Investment Partner with Homes England, the Council can bid for grant through the Affordable Housing Programme.

The current Affordable Housing Programme 2021-2026 consists of a larger, £11.5bn budget, including funding for social rent, supported housing, and a renewed commitment to delivering homes using modern methods of construction (MMC).

## **7.5 Affordable Housing Capital Fund**

The Council has also committed capital resources of £256k to support affordable housing delivery. This resource has been committed for use by Tawd Valley Developments, the Councils development company. In using this fund there is an expectation that it will be used in a manner that:

- Supports development of affordable housing that may wish to test MMC approaches and / or maximise the energy efficiency of the new homes using a range of technologies (particularly considering increasing energy costs) and/or
- Enables the Council to secure grant over and above typical Homes England grant levels, by encouraging Homes England to increase the grant they would ordinarily provide in return for the Council also increasing its contribution out of this fund. This is particularly beneficial for sites with higher-than-usual development costs and
- Demonstrates that the housing developed could not ordinarily be developed without the financial contribution from this fund.

Overall, the fund's intended purpose is to leverage funding, enabling development under circumstances where financial constraints would otherwise hinder progress.

## **7.6 Integrated Care Board**

Clinical commissioning groups (CCGs) were established under the Health and Social Care Act in 2012, replacing primary care trusts on April 1, 2013. On July 1, 2022, the Health and Care Act 2022 led to the official establishment of integrated care systems (ICSs), resulting in the closure of CCGs.

Integrated Care Systems are partnerships of organisations that come together to plan and pay for health and care services to improve the lives of people who live and work in their area. Each integrated care system has

two statutory elements, an integrated care partnership (ICP) and integrated care board (ICB). Covering West Lancashire is the NHS Lancashire and South Cumbria Integrated Care Board.

Although the availability of funding from NHS Lancashire and South Cumbria Integrated Care Board is not known at this stage, this new arrangement and operational focus may afford funding opportunities across mental health and learning disability and other vulnerable groups. The Council will therefore explore if the ICB will be able to support deliver positive outcomes for Priority 4 - Attract investment for ending homelessness, addressing older persons housing needs and residents with specialist housing requirements, including the provision of housing-related support.

## **7.7 Monitoring**

The Council produces several strategies and plans directed at achieving our Corporate vision and priorities. These plans and strategies contain numerous tasks and targets which, when completed successfully, are the building blocks of our success.

To keep track of our progress we use a performance monitoring framework. This helps us monitor progress and take any remedial action to make sure that what is supposed to be done gets done. Each of our service areas produce Service Action Plans which reflect the key delivery actions we are working on as contained in our strategies and plans. These are monitored regularly through our monitoring framework with performance updates being provided to relevant service managers and service heads. Performance and achievement are also reported to our Elected Members in line with our constitution so that progress is fully understood.

The Housing Strategy Action Plan will be monitored as part of the process outlined above.



## Appendix B

### DRAFT Housing Strategy 2024-2029 Action Plan Items – YET TO BE FINALISED

*(As at 10.1.24 further consultation required with colleagues to help refine this action plan further)  
(This may involve removal of some action plan items; their amendment or additional actions being added)*

At this stage, the action plan is summarised, featuring each action alongside its intended outcome description. Before the final publication of the Housing Strategy, the action plan will be updated to incorporate specific details regarding delivery schedules and primary responsibility.



#### Achieve the right supply of new homes including maximising affordable housing.

	Action	Outcome
1	Implementation of the current West Lancashire Local Plan 2012-2027	<ul style="list-style-type: none"> <li>• A sustainable housing offer suitable for the housing and economic needs of the local population</li> <li>• Provide New Homes Bonus for the Borough</li> </ul>
2	Develop a replacement Local Plan 2023-2040	<ul style="list-style-type: none"> <li>• The creation of a new Local Plan that aligns with the most current economic, housing, and population projections for a new planning period, while also meeting the requirements of national legislation and guidance.</li> </ul>
3	Achieve development of no less than 500 new affordable homes during the life of this strategy - 2024-2029. <ul style="list-style-type: none"> <li>• 2024/25 = 60</li> <li>• 2025/26 = 110</li> <li>• 2026/27 = 110</li> <li>• 2027/28 = 110</li> <li>• 2028/29 = 110</li> </ul>	<ul style="list-style-type: none"> <li>• Increase the supply of affordable housing to help households in affordable housing need.</li> <li>• Provide New Homes Bonus at the higher rate.</li> </ul> <p><b><u>Important note</u></b></p> <p>The overriding aim is to deliver 500 affordable homes during the life of the strategy. This figure is not a planning related aspiration. The annual figures are indicated to help structure the delivery approach. The new homes shall include a range of dwelling types and bed sizes including 1 bed accommodation where it will meet housing need.</p>

	<b>Action</b>	<b>Outcome</b>
4	Ensure the Council maintains its Investment Partner Status with Homes England	<ul style="list-style-type: none"> <li>The Council's ongoing capability to seek Homes England grant remains in place, bolstering our efforts to promote the construction of affordable housing in collaboration with our development company, Tawd Valley Developments.</li> </ul>
5	Council to continue to bid for Homes England Affordable Housing Grant Investment.	<ul style="list-style-type: none"> <li>Allows the Council to independently construct affordable housing by securing investment from Homes England's Affordable Housing Grant programme.</li> </ul>
6	Work with Registered Providers of Social Housing to increase affordable housing supply, including supporting where appropriate, their applications for grant funding to Homes England.	<ul style="list-style-type: none"> <li>Increase the supply of much needed affordable homes in the right locations and of the right type and tenure</li> </ul>
7	Review affordable housing schedule of Section 106 template and upload to website	<ul style="list-style-type: none"> <li>To provide developers with example affordable housing heads of terms as the basis of Section 106 drafting.</li> </ul>
8	Maximising the provision of affordable housing on market led sites through Section 106 requirements	<ul style="list-style-type: none"> <li>Obtain the maximum affordable housing contribution able to be supported by the economic viability of each application site.</li> </ul>
9	Investigate whether Section 106 obligations can be used to support development of affordable supported housing.	<ul style="list-style-type: none"> <li>An understanding of whether Section 106 can be used to support the development of supported accommodation.</li> </ul>
10	Deliver the Business Plan of Tawd Valley Developments	<ul style="list-style-type: none"> <li>Delivery of a range of housing and other projects which have been previously endorsed by Council which support the Councils corporate priorities.</li> </ul>
11	Work with Tawd Valley Developments to develop an affordable housing new build specification that sets out the design principles and other matters that need to be considered when developing affordable housing on behalf of Housing Services	<ul style="list-style-type: none"> <li>A specification for each property type that (not a full list): <ul style="list-style-type: none"> <li>Reflects and contributes to the Councils Climate Change Strategy greenhouse emission targets.</li> <li>Aims to be a trailblazer for reducing energy demand, achieving high standards of energy efficiency and renewable technology where possible.</li> <li>Meets customer expectations in terms of internal and external dimensions and layout.</li> <li>Is set at an affordable rent level, ideally not greater than Local Housing Allowance levels, unless the development is under viability pressure.</li> <li>Looks to the future to enable the Council to transition to low carbon heating systems for existing and new housing.</li> <li>Where viable and practical, uses modern methods of construction.</li> <li>Addresses other related matters.</li> </ul> </li> </ul>
12	Expand the range of affordable housing options provided by the Council by introducing affordable	<ul style="list-style-type: none"> <li>The introduction by the Council of affordable home ownership products as part of its affordable housing tenure offer, which will support households into home ownership.</li> </ul>



	<b>Action</b>	<b>Outcome</b>
	homeownership products as part of its tenure offer.	
13	Develop a plan for investing Council Right to Buy receipts to meet our housing need requirements.	<ul style="list-style-type: none"> <li>Provides a framework for the allocation of Right to Buy proceeds to ensure their timely and efficient use to support housing need.</li> </ul>
14	Continue to identify sites suitable for use of the Affordable Housing Capital Budget currently linked to Tawd Valley Developments	<ul style="list-style-type: none"> <li>Leveraging the Affordable Housing Capital budget to generate added value through its strategic allocation.</li> </ul>
15	Use Council land assets to support the delivery of affordable housing	<ul style="list-style-type: none"> <li>Making use of Council land in a suitable manner to increase the affordable housing stock, all while aiming to achieve other benefits, such as the redevelopment of abandoned sites or buildings, which can bring about community benefits.</li> </ul>
16	Promote all new affordable housing schemes	<ul style="list-style-type: none"> <li>By promoting all upcoming affordable housing schemes to the local community in good time, we facilitate the timely registration of applicants in need of affordable housing, ensuring their consideration in line with the Council Allocation policy.</li> </ul>
17	Conduct a review of our custom and self-build register and policy.	<ul style="list-style-type: none"> <li>The Self-Build and Custom Housebuilding Act 2015 places a duty on local councils in England to keep a register of people who are interested in self-build or custom build projects in their area and the review will help determine whether the current approach is fit for purpose.</li> </ul>



**Drive investment in place-based regeneration for the Borough including continued regeneration of Skelmersdale**

	<b>Action</b>	<b>Outcome</b>
1	Complete 5-year £32.15 million capital investment programme.	<ul style="list-style-type: none"> <li>• Upgrades in Council Housing Stock, not limited to but including:               <ul style="list-style-type: none"> <li>○ new kitchens</li> <li>○ new bathrooms</li> <li>○ New windows, doors, roofs, heating and electrical upgrades, external wall insulation, environmental improvement works to open spaces in various locations</li> </ul> </li> <li>• Improvement in tenant comfort and day to day living experience.</li> </ul>
2	Explore and if approved, complete a Digmoor revival scheme and continue an estate-based revival programme	<ul style="list-style-type: none"> <li>• Street scene improvements.</li> <li>• Provision of additional affordable housing.</li> <li>• Demolition of unsustainable stock</li> </ul>
3	Develop, as required, an ongoing estate-based revival programme, using Neighbourhood Renewal Methodology where appropriate	<ul style="list-style-type: none"> <li>• Improvements to economic and social indicators</li> <li>• A programme for Skelmersdale Housing Estates designed to improve residents' quality of life, foster community well-being, and ensure the estates thrive in the long run.</li> <li>• Improvements to economic and social indicators</li> </ul>
4	Seek funding for environmental works on Council estates.	<ul style="list-style-type: none"> <li>• Improve street scene and community space.</li> <li>• Make neighbourhoods more inclusive and accessible for people of all ages and abilities.</li> </ul>
5	Develop Skelmersdale Town Centre Masterplan	<ul style="list-style-type: none"> <li>• The development of a Masterplan which reflects Local Plan policy, that includes mixed-use and mixed-tenure housing, designed to further support the ongoing Skelmersdale town centre regeneration, which already includes a planned new, state-of-the-art Wellbeing and Leisure facility for the local community.</li> <li>• A project aimed at supporting the economic growth of Skelmersdale including the provision of both market and affordable housing.</li> </ul>

	Action	Outcome
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**Make the best use of all existing homes while encouraging well-managed and maintained homes across all tenures.**

	Action	Outcome
1	Be honest about whether we can help by ensuring the provision of regularly reviewed and updated information about Council Services.	<ul style="list-style-type: none"> <li>The provision of accurate information and appropriate advice to our customers, so it enables households to make informed choices about their housing options in relation to their query.</li> </ul>
2	Refresh the current Financial Inclusion Strategy	<ul style="list-style-type: none"> <li>Empowers residents with financial knowledge and skills.</li> <li>Helps residents manage debt and avoid financial crises.</li> <li>Increases housing security and prevents evictions.</li> <li>Promotes residents' financial independence and well-being.</li> </ul>
3	Commission Private Sector Stock Condition Survey and /or a desktop study	<ul style="list-style-type: none"> <li>An understanding of the condition of privately owned properties in the Borough, which can contribute to the development of a Private Sector Housing Strategy.</li> </ul>
4	Review and renew Private Sector Housing Strategy	<ul style="list-style-type: none"> <li>Identification of private sector housing delivery priorities and the development of an action plan to address the private sector housing challenges and issues in the borough.</li> </ul>
5	Encourage safe and healthy private sector housing, using effective and proportionate enforcement tools where necessary	<ul style="list-style-type: none"> <li>Appropriate use of enforcement powers where required.</li> </ul>
6	Evaluate whether Tawd Valley Developments can assist the Council to bring back into use, private sector empty homes.	<ul style="list-style-type: none"> <li>An understanding whether Tawd Valley Developments can assist in bringing private sector empty homes back in to use.</li> <li>If able, in principle, then develop an approach where Tawd Valley Developments can assist on a when a need arises basis.</li> </ul>
7	Encourage private sector empty homes back in to use.	<ul style="list-style-type: none"> <li>Brings empty housing back into use.</li> <li>May attract New Homes Bonus.</li> </ul>

	Action	Outcome
		<ul style="list-style-type: none"> <li>• Improve street scene.</li> </ul>
8	Review all housing association nomination agreements	<ul style="list-style-type: none"> <li>• Will enable the nomination process to be understood by our Registered Provider colleagues within the context of West Lancs HomeFinder and any local connection criteria.</li> <li>• May assist in maximising the take up of L/A nominations.</li> <li>• Will ensure that the agreements reflect current operational practice following Allocation Policy amendments.</li> </ul>
9	Introduce annual Registered Provider Forum	<ul style="list-style-type: none"> <li>• A formal meeting which provides the opportunity to engage with other Registered Providers who have housing stock in the Borough.</li> <li>• It allows for the examination of common issues, discussions on potential joint initiatives, addressing mutual concerns, sharing best practices, and collaborating to enhance services for social housing tenants in the locality.</li> </ul>
10	Examine the practicality of mapping all properties owned by Registered Providers in West Lancashire within the Councils Geographic Information system, and if it proves to be viable, proceed with the mapping process.	<ul style="list-style-type: none"> <li>• Will enable the identification of properties owned by registered providers, particularly when examining the possibility of working together on estate regeneration efforts.</li> </ul>
11	Review West Lancashire Downsizing Scheme and relaunch / promote as necessary	<ul style="list-style-type: none"> <li>• Determine whether the downsizing scheme needs to be amended to achieve more people downsizing or if there is a way of better targeting the availability of the scheme to those households currently under occupying their Council homes.</li> </ul>
12	Deliver existing work programme to enable the Council to meet and /or exceed the Regulator of Social Housing Consumer Standards.	<ul style="list-style-type: none"> <li>• Achieve Regulator of Social Housing compliance across: <ul style="list-style-type: none"> <li>○ The <b>Safety and Quality Standard</b> will require landlords to provide safe and good-quality homes for their tenants, along with good-quality landlord services.</li> <li>○ The <b>Transparency, Influence and Accountability Standard</b> will require landlords to be open with tenants and treat them with fairness and respect so they can access services, raise concerns when necessary, influence decision making and hold their landlord to account.</li> <li>○ The <b>Neighbourhood and Community Standard</b> will require landlords to engage with other relevant parties so that tenants can live in safe and well-maintained neighbourhoods, and feel safe in their homes.</li> <li>○ The <b>Tenancy Standard</b> sets requirements for the fair allocation and letting of homes, as well as requirements for how tenancies are managed by landlords.</li> </ul> </li> </ul>

	Action	Outcome
13	Deliver Property Services Restructure Action Plan – (128 point)	<ul style="list-style-type: none"> <li>Restructuring of the service to align with both current and future service demands, resulting in an improved customer experience and more effective management of Council housing homes.</li> </ul>
14	Continue to develop and deliver strategic investment plans based upon Saville's Council Housing Stock Condition survey.	<ul style="list-style-type: none"> <li>A series of focused actions to improve Council homes, with the goal of extending their lifecycle and making them resilient in a changing climate which our customers take pride in, feel safe, and can thrive in as they live and grow.</li> <li>Achieve compliance with any required standards.</li> <li>Best use of Council assets including the development of options where properties are considered uneconomical to maintain/improve -e.g. disposal</li> </ul>
15	Aligned to the strategic investment plans mentioned at <b>number 14</b> above, develop a maintenance and investment strategy to meet minimum energy efficiency requirements.	<ul style="list-style-type: none"> <li>The introduction of measures to increase the energy performance of council housing to a minimum of Energy Performance Certificate level of grade C.</li> <li>Contributes to climate change mitigation and resilience including adaptation.</li> <li>Provides fuel bill benefits for our customers.</li> <li>Where appropriate, the development and implementation of a retrofit action plan for existing council housing stock</li> <li>Compliance with legislation.</li> </ul>
16	Deliver Social Housing Decarbonisation Fund (SHDF) programme of works following retrofit assessments	<ul style="list-style-type: none"> <li>Improvement of the energy efficiency rating of 250 homes in West Lancashire which are currently rated Energy Performance Certificate level of D or below.</li> </ul>
17	Identify long-term vacancies within Council-owned housing stock and develop an action plan for each, outlining the steps to address and use the asset effectively.	<ul style="list-style-type: none"> <li>Identification of long-term voids in Council owned housing stock</li> <li>A strategic approach for each long-term vacant property, determining whether to bring it back in to use in some way, sell, demolish, ultimately deciding on the best course of action for that asset.</li> </ul>
18	Undertake a sheltered housing review.	<ul style="list-style-type: none"> <li>An assessment of whether the Council's sheltered housing homes are still aligned with customer expectations, determining if investment is needed for specific properties, and considering whether decommissioning or repurposing certain sheltered housing units is necessary.</li> </ul>
19	Work with Lancashire County Council to review existing extra care allocation processes	<ul style="list-style-type: none"> <li>An understanding of whether existing assessment and allocation processes are fit for purpose and enabling the allocation of extra care housing in the Borough to those who need such a facility / accommodation.</li> <li>Ensure that existing extra provision is being used as intended.</li> </ul>
20	Carry out an audit of existing council housing homes and options needed to increase digital connectivity	<ul style="list-style-type: none"> <li>Will aid management of the housing stock and improve the life chances of council tenants.</li> </ul>

	<b>Action</b>	<b>Outcome</b>
21	Establish operational process to facilitate the sale of Rent to Buy homes	<ul style="list-style-type: none"> <li>• Operational processes have already been developed to facilitate the allocation of Rent to Buy homes.</li> <li>• This particular action will create an internal operational process to enable Rent to Buy properties to be sold to the tenancy holder (should the tenant be in a position to purchase) at the end of their five-year occupation period in line with the Rent to Buy Policy.</li> </ul>

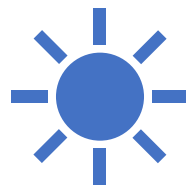


**Attract investment for ending homelessness, addressing older person housing needs and residents with specialist housing requirements, including the provision of housing-related support.**

	<b>Action</b>	<b>Outcome</b>
1	Enable the development of a purpose-built women's refuge	<ul style="list-style-type: none"> <li>The development of a modern refuge facility that provides safe emergency accommodation for women fleeing domestic abuse, often with their children which will not only provide safe shelter but will provide support to enable survivors and their children to rebuild their lives.</li> </ul>
2	Enable the development of an Extra Care scheme in Skelmersdale	<ul style="list-style-type: none"> <li>An alternative housing offer for those who require self-contained homes with design features and support services available to enable self-care and independent living. The 'extra' in extra care housing may consist of access to care services that can: <ul style="list-style-type: none"> <li>Respond quickly to residents changing needs.</li> <li>Provide unplanned care as and when required in addition to planned care.</li> <li>Provide an emergency response.</li> <li>Access to social and recreational activities</li> </ul> </li> </ul>
3	To work in partnership with Commissioning Leads at Lancashire County Council to bring forward supported living schemes for people with learning and/or physical disabilities/mental ill health - To increase the existing provision by a further [yet to be populated] homes over a five-year period	<ul style="list-style-type: none"> <li>An increase in supported housing provision which takes account of Lancashire County Councils Housing with Care &amp; Support Delivery Plan.</li> </ul>
4	Undertake a review of supported exempt accommodation in West Lancashire.	<ul style="list-style-type: none"> <li>An understanding of the extent of exempt supported accommodation supply in the Borough and an evaluation of whether this supply is adequate in both quality and quantity to address present and future requirements.</li> </ul>
5	Develop a Local Supported Housing Strategy	<ul style="list-style-type: none"> <li>A strategy that lays out a framework for coordinated efforts with various partners to enable the provision of quality supported housing and housing-related support, facilitating independent living for individuals with support needs in West Lancashire.</li> </ul>

	<b>Action</b>	<b>Outcome</b>
6	Deliver the Homelessness Strategy 2024-29	<ul style="list-style-type: none"> <li>The provision of services, support, and accommodation options with the principal aim of delivering the vision of, "<i>To prevent homelessness in West Lancashire, helping residents to find and keep their home.</i>"</li> </ul>
7	Increase temporary accommodation provision	<ul style="list-style-type: none"> <li>Provision of quality temporary accommodation of a scale suitable to meet temporary accommodation needs.</li> <li>A reduction in the use of hotel and or bed and breakfast establishments</li> </ul>
8	Conduct a comprehensive assessment of funding options and, where feasible, expand the delivery of housing-related support, including both floating and resettlement support	<ul style="list-style-type: none"> <li>Helps identify funding options, if any.</li> <li>If services are introduced, then enhances independent living by offering visiting in-home support, promoting self-sufficiency, and facilitating positive tenancy sustainment outcomes.</li> </ul>
9	Increase the supply of one-bedroom accommodation and where possible, in a dispersed setting for people with complex needs/ex-offenders	<ul style="list-style-type: none"> <li>Will contribute towards community safety, offender management and prevent homelessness.</li> </ul>
10	Increase the supply of purpose-built wheelchair properties to M4(3) building regulation standard	<ul style="list-style-type: none"> <li>Building purpose-built wheelchair-accessible properties can contribute to creating a more inclusive and accessible community. It can benefit not only individuals with disabilities but also the older population.</li> <li>May result in a reduction of at-home care and delayed or avoided residential care. Assists the occupier to remain independent for longer.</li> </ul>
11	Review and update Housing Service policies to align with the provisions of the Armed Forces Act 2021 (Armed Forces Covenant Duty)	<ul style="list-style-type: none"> <li>Housing related policies that meet the following legal obligation of having have due regard to: <ul style="list-style-type: none"> <li>a) the unique obligations of, and sacrifices made by, the armed forces;</li> <li>b) the principle that it is desirable to remove disadvantages arising for Service people from membership, or former membership, of the armed forces; and,</li> <li>c) the principle that special provision for Service people may be justified by the effects on such people of membership, or former membership, of the armed forces.</li> </ul> </li> </ul>





## Deliver Priority 4, the Residential Sector objectives of the Council's Climate Change Strategy 2020-2030


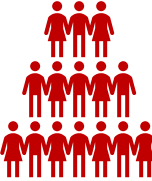

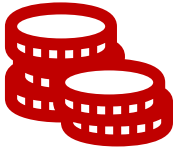
The action items below have been taken from the Council's Climate Change Strategy 2020-2030

	Action / Theme	Milestone Progress	Outcome
1	Energy efficiency improvements on Council housing stock	<ul style="list-style-type: none"> <li>Continued delivery of energy efficiency improvements through Programmed Works.</li> </ul>	<ul style="list-style-type: none"> <li>Achieve year-on-year improvements on the average SAP rating for Council housing stock.</li> </ul>
2	Communal Housing	<ul style="list-style-type: none"> <li>Investigate the installation of energy efficiency measures in sheltered housing schemes and communal stairwells.</li> <li>Continued roll-out of LED lighting programmes.</li> </ul>	<ul style="list-style-type: none"> <li>Reduced energy consumption in communal areas of housing.</li> </ul>
3	Heat Network Decarbonisation	<ul style="list-style-type: none"> <li>Support the phase out of gas heating in communal boilers.</li> <li>Investigate renewable heating options and undertake feasibility investigations.</li> </ul>	<ul style="list-style-type: none"> <li>Decarbonisation of heating on communal heat networks.</li> </ul>
4	Renewable Energy	<ul style="list-style-type: none"> <li>Investigate feasibility of renewable energy opportunities for all suitable housing projects. Pilot Solar PV with battery storage project on communal blocks delivered.</li> </ul>	<ul style="list-style-type: none"> <li>Increased renewable energy capacity installed</li> <li>on Council housing stock.</li> </ul>
5	Council New Build Housing	<ul style="list-style-type: none"> <li>Delivery of twelve new homes that achieve operational zero carbon status.</li> <li>On-going monitoring to validate performance.</li> <li>Inclusion of electric vehicle charge points.</li> </ul>	<ul style="list-style-type: none"> <li>All new build housing delivered by the Council to aspire to achieve operational zero carbon status and be climate resilient.</li> </ul>
6	Tawd Valley Developments	<ul style="list-style-type: none"> <li>Establish a communication link with Tawd Valley Developments Ltd</li> </ul>	<ul style="list-style-type: none"> <li>Adoption of zero carbon build targets, in line with those adopted by the Council.</li> </ul>
7	Local Planning Policy	<ul style="list-style-type: none"> <li>Deliver low carbon policy for new build housing developments.</li> <li>Require new residential developments to adopt low carbon and renewable technologies, and energy and resource efficient design</li> </ul>	<ul style="list-style-type: none"> <li>Future housing developments will be low carbon in build and operation.</li> </ul>

	Action / Theme	Milestone Progress	Outcome
8	Cosy Homes in Lancashire (CHiL) scheme.	<ul style="list-style-type: none"> <li>Continue to participate, contribute and promote the Cosy Homes in Lancashire (CHiL) scheme.</li> </ul>	<ul style="list-style-type: none"> <li>Improved energy efficiency of privately owned homes in West Lancashire</li> </ul>
9	Energy Tariff Switching	<ul style="list-style-type: none"> <li>Investigate delivery of a campaign/ scheme to encourage residents to switch energy providers and consider a renewable energy tariff.</li> </ul>	<ul style="list-style-type: none"> <li>Residents make savings on energy bills and support renewable energy schemes.</li> </ul>
10	External Wall Insulation (EWI) Scheme	<ul style="list-style-type: none"> <li>Investigate available funding streams to help homeowners invest in external</li> </ul>	<ul style="list-style-type: none"> <li>Large-scale delivery of EWI project across Skelmersdale.</li> </ul>
11	Minimum Energy Efficiency Standards (MEES)	<ul style="list-style-type: none"> <li>Continue to enforce the Energy Efficiency (Private Rented Property) Regulations 2015</li> </ul>	<ul style="list-style-type: none"> <li>All privately rented properties meet a minimum standard of EPC Band E or above.</li> </ul>

## Analysis of needs – Housing sector issues

The profile of West Lancashire is one of a Borough which is sought after, with a strong demand for housing in both the private and public sector.

	<p><b>House price data</b> suggests that there are three main housing markets. These consist of Skelmersdale, Ormskirk and the more rural areas of the Borough, containing smaller towns and villages. The housing issues within each area range from low to high demand for accommodation.</p>
	<p><b>Our population is growing</b> – The 2001 Census recorded a Borough population of 108,400. The 2021 Census records a population increase by 6.1%, from around 110,700 from the 2011 Census to 117,400 in 2021. We need to cater for this confirmed growth while also being mindful of population projections, which are also factored into the development of Local Plans.</p>
	<p><b>It's ageing</b> - Alongside population growth, we know that that our population is ageing, and this is in line with the national picture with Census 2021 results confirming there are more people than ever before in older age groups.</p> <p>The Office for National Statistics 2018-based national population projections to 2038, suggest the largest growth for West Lancashire, will be in people aged 65 and over. In 2038 it is projected that there will be 32,600 people aged 65 and over. This is an increase of 5,900 from 2023, representing growth of 22%.</p> <p>The population aged 85 and over is projected to increase by an even greater proportion, 56%. This is likely to increase demand for housing related support and other forms of social care to enable residents to remain in their own homes.</p>
	<p><b>It's expensive</b> - We know it's expensive to buy a home in most parts of the Borough. The median house price to earnings in the authority is well above many other Lancashire authorities. Income to house price ratio for Lancashire in 2022 ranged from 4.17 to 7.22 times earnings with West Lancashire's ratio at 6.57, the third highest ratio in Lancashire, with authorities of Fylde at 6.63 and Ribble Valley at 7.22 showing ratios above West Lancashire.</p> <p>West Lancashire is seen as attractive place to live and this is reflected in the high demand for housing and high price values in many areas. While this is positive news from a demand perspective, we know that affordability is an issue for those seeking to buy a home.</p> <p>We know that economically active households, particularly those who would traditionally be classed as first time buyers, struggle to find housing at an affordable price in our Borough and as a result may move away.</p> <p>We will need to ensure we are providing the 'right' type of housing offer to retain and attract younger and economically active growing families and first-time buyers while at the same time provide suitable housing for older people and other specialist housing groups.</p>



**Affordable housing supply** - The Council commissioned Housing and Economic Development Needs Assessment (HEDNA) suggests an annual affordable housing shortfall of 277 homes per year (gross). While affordable housing has been developed in the Borough, we still have growing levels of unmet need each year.



**Council Housing Register** - Demand for Social Housing is increasing with the number of active applications with West Lancashire HomeFinder, the Council's choice based letting scheme, increasing from 938 in April 2018 to 1365 in April 2023. The proportion of applicants experiencing a higher level of Housing need has also increased with 20% of applicants now in the High Priority Category (Band B) compared to 10% in 2018.

There has been a significant increase in the time taken for applicants in the High Priority, Band B, to be rehoused, which is the banding awarded to those accepted as having a homeless duty owed to them. Applicants in Band B are having to wait on average over 5 months longer to be rehoused than in 2018/19.

It's clear that there has been an increase in demand for social housing and that the supply of accommodation to meet that demand is not there, leading to increased rehousing waiting times.



**Temporary Accommodation** - The numbers of homeless people needing to go into temporary accommodation is increasing as is their length of stay.



**Rough Sleeping** - Whilst the last rough sleepers estimate recorded five rough sleepers; there are a significant number of people particularly single persons who are sofa surfing and therefore at risk of rough sleeping at any time.



**Housing Related Support** – It has been noted that a higher proportion of those presenting as homeless have a history of mental health issues, rising from 41% in 2018/19 to 70% in 2021/22. Access to housing related support is becoming extremely challenging due to a lack of such provision in the borough. This means there are clients who may require support but are not able to access it. It is known that access to housing related support can help improve the chances of a client moving on to independent living and/or transitioning to successfully living independently.



**Health inequalities in West Lancashire** – We are aware that there are differences in both the duration and quality of life within our Borough. Although these disparities are typically addressed within the context of population health, it's important to recognize the housing aspect, where the provision of high-quality housing can play a role. As just one example, based on the data available, it indicates that the life expectancy of a female born in Birch Green ward is 12 years less than that of a female born in Parbold ward.



**Private Sector Housing** – Building brand new homes is one way of addressing housing and affordable housing need, however making best use of existing stock is also important, particularly when you consider that around 85% of the overall housing stock in the Borough is privately owned, when including the 13.5% private rented stock. This means it's important to ensure that existing private sector housing remains in good condition, and in the case of the private rented sector, ensuring those homes are well managed as well as maintained, with the homes being provided to safe and habitable standards – homes that are not a detriment to human health, both physically and mentally.

The private rented sector can assist, in part, with some of the matters mentioned above by providing rented homes as an extension to the social rented sector, where waiting lists can mean a significant wait before rehousing occurs. It can also act as an alternative tenure for households currently unable to access the home ownership ladder, although, the high cost of rent can also make it much harder for households to then save for a deposit to enable the purchase of a home. We are also aware that high demand for housing generally and a lack of overall supply nationally has driven up private rental levels, further creating affordability challenges for households.

We do know from the Private Sector Stock (PRS) condition survey 2016 that there are properties in the private sector that still need investment and in some instances, this can impact on the occupiers' health. Funding to address these issues is limited and so we need to consider how we can tackle stock condition issues and advise and support householders to make their homes more energy efficient. This will also help address the issue of fuel poverty experienced by some households in the Borough.



**Skelmersdale** - The new town of Skelmersdale was built in the 1960's, and was the first new town in the North West. It has a vibrant community, but like many former new towns, face specific housing challenges that are a legacy of its development history. These relate to its functional housing market (although has seen improvement in recent years), physical design of the housing and neighbourhoods, along with age of the housing stock and environment.

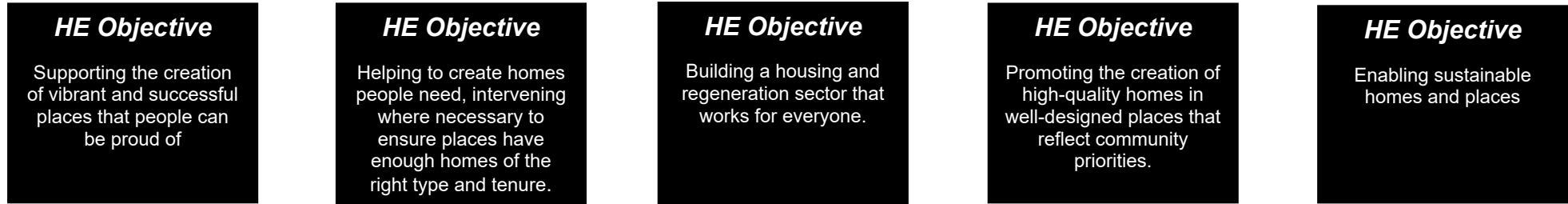


Office for National Statistics - [www.ons.gov.uk](http://www.ons.gov.uk)  
Land Registry - <https://www.gov.uk/government/organisations/land-registry>  
English Housing Survey - [English Housing Survey - GOV.UK \(www.gov.uk\)](http://EnglishHousingSurvey.gov.uk)  
Shelter Databank - [https://england.shelter.org.uk/professional\\_resources/housing\\_databank](https://england.shelter.org.uk/professional_resources/housing_databank)  
West Lancashire Local Plan Evidence - [Evidence Base - West Lancashire Borough Council \(westlancs.gov.uk\)](http://EvidenceBase-WestLancashireBoroughCouncil.gov.uk)



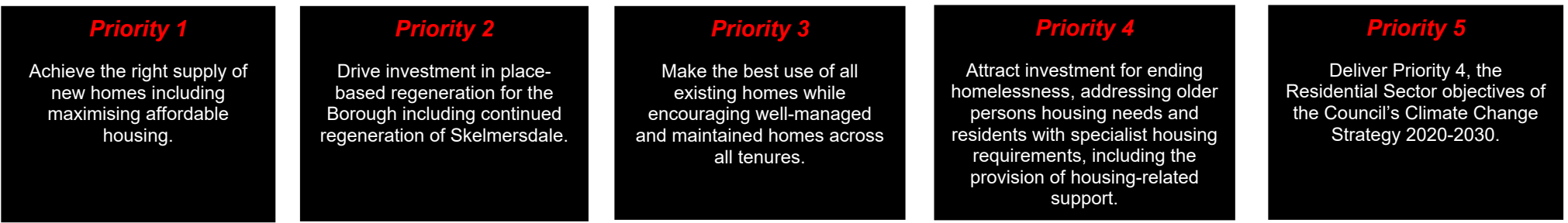
**Appendix D – Housing Strategy in the National, Lancashire and Local / Corporate Context**

**Homes England Strategic Plan 2023-2028 Delivery Objectives**



**Housing Strategy Vision**  
“The provision of environmentally sustainable and high-quality housing, in locations which also support our economic, regeneration and health priorities, meets people’s changing housing needs and is situated within pleasant, safe, and sustainable communities.”

**Housing Strategy Delivery Priorities**







# Equality Impact Assessment Form



<b>Directorate: Transformation, Housing &amp; Resources</b>	<b>Service: Housing Strategy</b>
<b>Completed by: Jonathan Mitchell</b>	<b>Date: 21 November 2023</b>
<b>Subject Title: Housing Strategy</b>	
<b>1. DESCRIPTION</b>	
Is a policy or strategy being produced or revised:	Yes
Is a service being designed, redesigned or cut back:	No
Is a commissioning plan or contract specification being developed:	No
Is a budget being set or funding allocated:	No
Is a programme or project being planned:	No
Are recommendations being presented to senior managers and/or Councillors:	Yes
Does the activity contribute to meeting our duties under the Equality Act 2010 and Public Sector Equality Duty ( <b>Eliminating unlawful discrimination/harassment, advancing equality of opportunity, fostering good relations</b> ):	Yes
Details of the matter under consideration:	Seeking: a) Seeking approval for the publication of the Housing Strategy 2024-2029 and Action Plan
<p><i>If you answered <b>Yes</b> to any of the above go straight to Section 3</i></p> <p><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):	N/A
If <b>Yes</b> , provide details of how this impacts on service users, staff or Councillors (stakeholders): <i>If you answered <b>Yes</b> go to Section 3</i>	N/A
If you answered <b>No</b> to both Sections 1 and 2 provide details of why there is no impact on these three groups: <i>You do not need to complete the rest of this form.</i>	N/A

<b>3. EVIDENCE COLLECTION</b>	
Who does the work being carried out impact on, i.e. who is / are the stakeholder(s)?	Council Departments, partner organisations, current and future users of Council Services, residents of the borough and those interested in moving to West Lancashire.
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>The housing strategy aims to deliver interventions that support the housing strategy vision of, "The provision of environmentally sustainable and high-quality housing, in locations which support our economic, regeneration and health priorities, meets people's changing housing needs and is situated within pleasant, safe, and sustainable communities."</p> <p>In that regard, any interventions are aimed at having a positive impact across all EIA groups who are regarded as being in housing need in line with national guidance, legislation and policy.</p>
<p>Which of the protected characteristics are most relevant to the work being carried out?</p> <p>Age Gender Disability Race and Culture Sexual Orientation Religion or Belief Gender Reassignment Marriage and Civil Partnership Pregnancy and Maternity</p>	<p>All protected characteristics might be relevant as the housing strategy aims to tackle housing needs throughout the entire borough.</p> <p>Housing is a basic need for all people and therefore the Housing Strategy has potential to impact all current and future residents in West Lancashire.</p> <p>The Housing Strategy is focussed on creating a positive impact on residents, housing availability, current housing stock conditions, quality of new build homes and housing related support and other services provided by the Council and others, helping to lever in funding to do so.</p>
<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?	Current and future users of Councils Services and those households looking to secure housing /move to or within the borough.
What will the impact of the work being carried out be on usage / the stakeholders?	The strategy aims to have a positive impact by working towards achieving the housing strategy vision of, "The provision of environmentally sustainable and high-quality housing, in locations which support our economic, regeneration and health priorities, meets people's changing housing needs and is situated within pleasant, safe, and sustainable communities."
What are people's views about the services? Are some customers more satisfied than others, and if	The Housing Strategy does not relate to any one single service area. It aims to shape local policy and intervention across a range of service areas

<p>so what are the reasons? Can these be affected by the proposals?</p>	<p>and wider partnerships in the private sector, voluntary and statutory sectors to try and improve housing circumstances in West Lancashire in a manner that helps with housing need whilst also providing health and wellbeing benefits and broader economic benefits.</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>By regularly reviewing our achievements to date we can measure success when measured against the housing strategy vision and five delivery priorities.</p> <p>The Housing Strategy and its action plan will be subject to 12 weeks consultation where the Boroughs residents and stakeholders will be able to share their views in order to ensure the vision and delivery priorities are relevant.</p>
<p>If any further data / consultation is needed and is to be gathered, please specify:</p>	
<p><b>5. IMPACT OF DECISIONS</b></p>	
<p>In what way will the changes impact on people with particular protected characteristics (either positively or negatively or in terms of disproportionate impact)?</p>	<p>The Housing Strategy will assist in the Council meeting its duties under the Equality Act 2010.</p>
<p><b>6. CONSIDERING THE IMPACT</b></p>	
<p>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.).</p>	<p>We do not envisage any negative impact associated with the introduction of the Housing Strategy for 2024-2029 and action plan.</p>
<p>What actions do you plan to take to address any other issues above?</p>	<p>N/A</p>
<p><b>7. MONITORING AND REVIEWING</b></p>	
<p>When will this assessment be reviewed and who will review it?</p>	<p>If concerns related to the EIA are raised during the mentioned consultation, a review of the EIA will occur to address these concerns. However, after the final publication of the Housing Strategy, there are no plans to conduct further reviews of this EIA.</p> <p>It's important to highlight that certain actions outlined in the action plan might be more complex or project-oriented, potentially warranting individual EIA development based on specific needs as these projects arise.</p>





## AGENDA ITEM:

**EXECUTIVE OVERVIEW & SCRUTINY  
COMMITTEE: 25 JANUARY 2024**

**CABINET: 6 FEBRUARY 2024**

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

**Relevant Portfolio Holder: Councillor R Molloy**

**Contact for further information: Ms A Grimes  
(E-mail: [alison.grimes@westlancs.gov.uk](mailto:alison.grimes@westlancs.gov.uk))**

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**SUBJECT: COUNCIL PERFORMANCE DELIVERY – Q2 2023/24**

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Wards affected: Borough wide.

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

1.1 To present performance monitoring data for the quarter ended 30 September 2023.

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

2.1 That the Council's performance for its key performance indicators for the quarter ended 30 September 2023 be noted and agree comments as appropriate.

### **3.0 RECOMMENDATIONS TO CABINET**

3.1 That the Council's performance for its key performance indicators for the quarter ended 30 September 2023 be noted following consideration of any agreed comments from Executive Overview & Scrutiny Committee.

3.2 That the call-in procedure is not appropriate for this item as the report was submitted to the meeting of the Executive Overview & Scrutiny Committee on 25 January 2024.

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## 4.0 CURRENT POSITION

- 4.1 Members are referred to Appendix A of this report which provides a summary of the quarterly key performance indicators.
- 4.2 A replacement monitoring framework for the new Council Priorities 2023-2028 that were adopted by Council in October 2023 will be taken through Executive Scrutiny and Cabinet in February/March 2024. Interim reporting arrangements for quarter performance reporting for the remainder of 2023/24 were also approved which will focus on the existing KPI suite approved through Scrutiny and Cabinet in March 2023 and presented by service area.
- 4.3 During this time, much of the Council's key activity will continue to be reported through to Members via individual reports to committees and service continue to manage and monitor performance.
- 4.4 Appendix A refers to 44 items within the approved quarterly suite, 10 of which are 'data only' (no target). Of the 34 PIs with targets reported quarterly:

	Current Quarter	Previous Quarter	Current vs previous Quarter
Indicators meeting or exceeding target ('Green')	24	21	↑
Indicators narrowly missing target ('Amber')	2	6	↑
Indicators 5% or more off target ('Red')	6	5	↓
Data not yet available	1	1	-
Data that will not be provided (Reason given in Appendix comments)	1	1	-

Data will not be provided for *WL132-c19 FTE working days lost due to sickness absence* due to issues with transfer to new HR system. LCC is aware of the impact of this and are in the process of addressing the issue.

Data for *NI 192 % kerbside household waste sent for reuse, recycling and composting* is pending whilst it is externally verified.

- 4.5 Performance plans are prepared by service managers for those performance indicators where performance is below the target by 5% or more for this quarter where they can improve performance. These plans (Appendix B) provide further narrative and context behind the outturn.

## 5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 The information set out in this report aims to help the Council achieve its vision 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.

## **6.0 FINANCIAL AND RESOURCE IMPLICATIONS**

6.1 There are no direct financial or resource implications arising from this report.

## **7.0 RISK ASSESSMENT**

7.1 This item is for information only and makes no recommendations. It therefore does not require a formal risk assessment and no changes have been made to risk registers.

Monitoring and managing performance information data helps the authority to ensure it is achieving its corporate priorities and key objectives and reduces the risk of not doing so.

We are continuing to embed risk management in the Council understanding that this will help us in the achievement of our priorities. We want to identify those risks that will stop us achieving our vision, priorities and key activities as defined by the delivery plan in development so that they can be mitigated, and therefore support progress and good performance. We consider where we are now, where we want to get to, and what may stop us getting there. These events, that may or may not happen, are our key risks which then need assessment, management, and reporting. These strategic, high-level council risks are currently reported to Members through the Key Risk Register report.

## **8.0 HEALTH AND WELLBEING IMPLICATIONS**

8.1 There are no health and wellbeing implications arising from this report. The Council Priorities support the improvement of health and wellbeing within West Lancashire.

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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: Quarterly Corporate Performance Delivery Report

Appendix B: Performance Plans

# APPENDIX A: CORPORATE PERFORMANCE DELIVERY

## Quarter 2 2023/24 (July-September)

### INDICATOR STATUS

OK (within 0.01%) or exceeded ...



Data only (no target) ...



Warning (within 5%) .....



Awaiting data .....






Alert (by 5% or more) .....



### Corporate & Customer Services











Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
B1 % of Council Tax collected	93.79%	52.28%	79.02%	93.79%	27.76%	53.67%	57.31%	↑	Although under target, Q2 outturn continues the quarterly trend for this year with an improvement on same quarter of the previous year. Performance Plan provided in Appendix B1	🛑
B3 % of Business Rates Collected (NNDR)	95.78%	57.42%	77.96%	95.78%	31.23%	56.06%	55.55%	↓		✅
B5 Speed of Processing Housing Benefit (days)	4	5	5	4	5	6	12	↓		✅
WL85a Website: no. visits	772,061	195,685	164,440	181,806	200,565	169,101		↓	Most visited pages were Pay a Bill, Council Tax, Refuse and Recycling	
WL85c Website: No. of payments processed online	67,094	14,416	15,338	14,629	23,290	29,075		↑	Revised data collection from Cash receipting (Icon) which shows the total web payments received.	
WL90 % of Contact Centre calls answered	93.4%	93.2%	94.7%	93.5%	92.8%	94.7%	88.0%	↑		✅
WL108 Average answered waiting time for callers to the contact centre (seconds)	94	99	88	77	82	65	145	↑		✅
WL130 No. Service Now Customer Accounts	54,194	51,821	52,913	54,194	56,005	57,305		↑		
WL131 No. Social Media Followers (WLBC FB, Twitter)	15,647	15,391	15,523	15,647	15,779	15,974		↑	Most popular posts were Green Fayre, Police Incident in Ormskirk, Tawd Valley Artwork, Call for Market Traders for Christmas events, Recycling delay	
WL132-c19 FTE working days	N/A	2.19	0.73	N/A	N/A	N/A	0.67	N/A	Continuing issues following the changeover of HR	N/A



Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
lost due to sickness absence per average FTE (COVID Inclusive) <sup>1</sup>									system mean that the provider is unable to provide the data for this period and it cannot be manually calculated. The system issue is being worked on with LCC Payroll colleagues. Information will be provided in future reports when available.	
WL165 % Staff Turnover Rate <sup>1</sup>	N/A	2.57%	2.93%	N/A	2.47%	1.92%			Continuing issues following the changeover of HR systems is being worked on with LCC Payroll colleagues. Data is now being manually calculated.	

<sup>1</sup> Due to the system issues Q4 data and therefore annual outturn is not available for 2022/23.

### Environmental Services

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
ES01 No. grass cuts undertaken on the highway between April-October	8	7	8	8	3	7	7			
ES02 No. grass cuts undertaken in Sheltered Accommodation between April-October	10	9	10	10	2	6	9		Ongoing improvements are expected until end of grass cutting season, however due to the performance in Q1 the annual target (10) is unlikely to be achieved.  Performance Plan provided in Appendix B2	
ES04 % locations inspected falling into categories A/B - Litter (cumulative)	96.8%	99.1%	98.2%	96.8%	96.9%	98.3%	97.0%			
ES06 % locations inspected falling into categories A/B - Dog Fouling (cumulative)	96.8%	100.0%	100.0%	96.8%	100.0%	100.0%	97.0%			
ES07 % locations inspected falling into categories C/D - Overflowing Litter Bins (cumulative)	00.4%	08.3%	00.0%	00.4%	00.0%	00.0%	05.0%			

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
ES08 % locations inspected falling into categories A/B - grounds maintenance (includes grass and shrubbery) (cumulative)	100.0%	94.8%	N/A <sup>2</sup>	100.0%	66.6%	95.0%	95.0%	↑		✓
ES11 % locations inspected falling into categories C/D - Detritus (cumulative)	09.7%	05.2%	09.9%	09.7%	12.1%	17.3%	05.0%	↓	Performance Plan provided in Appendix B3	✗
ES19a % successful planned bin collections (grey)	99.9%	99.8%	99.8%	100.0%	99.9%	99.9%	97.0%	↑		✓
ES19b % successful planned bin collections (blue)	99.9%	99.9%	99.9%	99.9%	99.9%	99.9%	97.0%	—		✓
ES19c % successful planned bin collections (brown)	99.7%	99.8%	98.7%	99.9%	99.6%	99.5%	97.0%	↓		✓
ES19d % successful planned bin collections (green)	99.9%	99.9%	99.8%	99.9%	99.9%	99.9%	97.0%	—		✓
ES192 Percentage of kerbside household waste sent for reuse, recycling and composting	44.53% <sup>3</sup>	44.40% <sup>3</sup>	43.17% <sup>3</sup>	41.45% <sup>3</sup>	40.80% <sup>4</sup>	?	47.80%	?	Q1 & Q2 figures are not yet verified/available for reporting.	?

<sup>2</sup> Data not available as there were below expected visits for the quarter (Q3 ES08). Data cannot be provided retrospectively for the period.

<sup>3</sup> 2022/23 quarter figures have been restated through the service based on data from Waste Data Flow. <sup>4</sup> Provisional data until externally verified.

### Finance, Procurement & Commercial Services

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
BV8 % invoices paid on time (within quarter)	95.29%	93.81%	97.38%	94.57%	97.03%	93.55%	98.75%	↓	Performance Plan provided in Appendix B4	✗

Housing Services

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
E01 % rent loss through empty commercial properties available to rent	6.4%	4.7%	5.5%	6.4%	5.9%	5.8%	10%	↓		✔
TS1a Rent collected from current and former tenants as a % of rent owed (excluding arrears b/f).	100.47	99.67	100.86	100.47	102.21	99.09	100	↓	Two vacancies have now been filled. Although below target, the outturn was best performance in our Housemark benchmarking group for the period.	⚠
TS11 % of rent loss through dwellings being vacant	0.97%	1.14%	1.04%	0.97%	0.77%	0.91%	1.4%	↑		✔
TS52 No. people accessing money advice (tenants and residents) <sup>6</sup>	2179	550	556	607	425	392		↓	A new report has been created to avoid corruption issues and to give a truer reflection of support by basing count on closure of supportive action completion not when Money Advice case is closed. This has resulted in restating some data.	
TS53 No. people provided with food poverty advice (tenants and residents) <sup>6</sup>	584	108	175	214	103	171		↑	As above	
TS54 No. people provided with money advice to help prevent homelessness (tenants & residents) <sup>6</sup>	60	17	13	26	18	10		↓	As above	
TS55 No. people provided with fuel poverty advice (tenants and residents) <sup>6</sup>	321	120	74	74	65	82		↓	As above	
HS28 % of properties with a valid Electrical Installation Condition Report (homes and buildings)	94.5%	96.3%	94.1%	94.5%	94.0%	93.4%	100.0%	↓	Processes to help overcome issues with access are in place. Performance Plan provided in Appendix B5	⛔
TSM-BS01 % Gas safety checks	Not developed at this time <sup>5</sup>				99.8%	99.5%	100.0%	/		⚠
TSM-BS02 % Fire safety checks	As above <sup>5</sup>				99.7%	100.0%	100.0%	/		✔

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
TSM-BS03 % Asbestos safety checks	As above <sup>5</sup>				34.2%	100.0%	100.0%	/		
TSM-BS04 % Water safety checks	As above <sup>5</sup>				100%	100.0%	100.0%	/		
WL161 Affordable Housing units via Tawd Valley Developments	37	17	20	0	0	13	0		The affordable housing development at Fairlie in Skelmersdale is currently ahead of schedule. The rent to buy units, 13 in total, have been completed and handed over to the Council in Q2. The remaining 37 affordable rent units are also currently on track to complete earlier than planned with additional handovers forecast in Q3 and Q4.	

<sup>5</sup> From Q1 2023/24 revised PIs have been introduced to reflect new regulatory requirements. <sup>6</sup> A new report has been created to avoid corruption issues and to give a truer reflection of support by basing count on closure of supportive action completion not when Money Advice case is closed. This has resulted in restating some data.

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### Leisure Service


Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
WL157a No. visits to leisure facilities	564,061	130,045	137,495	149,466	144,218	139,018	110,000			


### Wellbeing & Place Services

Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
ER09 Number of businesses added value to via business support, property searches, skills and employment	229	11	110	93	35	26				


Performance Indicator	2022/23	Q2 2022/23	Q3 2022/23	Q4 2022/23	Q1 2023/24	Q2 2023/24	Current Quarter Target	Outturn vs same Q previous year	Comment	Quarter Status
	Value	Value	Value	Value	Value	Value				
WL150 Number of new participants engaged in health & wellbeing programmes/interventions	1,389	283	342	205	368	396	350	↑		✓
WL151a Number of new clients attending vocational training	67	60	64	67	38	76	60	↑	38 people have completed the NVQ through the Business Health matters scheme. MPT is now winding down to finish in December however delivery of the UKSPF employment element will begin in January and continue to deliver on the outcomes through a new project team.	✓
WL151b Number of new participants engaged to enhance employability, confidence, skills and qualifications	116	66	94	116	30	53	44	↓		✓
WL153a Total no. of partners working with Wellbeing and Leisure Service	97	42	86	97	120	133	40	↑	13 new partners have been established via the dignity of choice voucher scheme, Wrap Up West Lancs and Food Growing initiatives	✓
WL159 No. attending parks and countryside events and activities	31,457	14,341	3,114	1,639	9,862	4,460	17,000	↓	Figures down due to wet weather in July resulting in cancellation of day two of the Green Fayre. Focus of Ormskirk Festival away from Coronation Park also led to reduction in visitors. Inability to capture visitor numbers at Summer Band Events also limits data.  Head of Service decision: Plan not required as could not significantly improve performance.	⬮


PERFORMANCE PLAN				
<b>Indicator</b>	R1 - % Council Tax collected (current year)			
<b>Quarter Target</b>	57.31%	<b>Quarter outturn</b>	53.67%	
<b>Reason(s) for not meeting target</b>				
<p>Impact of Pandemic  National Cost of Living Crisis  Higher Energy Prices  Rising Interest Rates</p>				
<b>Additional commentary / background</b>				
<p>The Revenues &amp; Benefits service actively receives and encourages engagement with vulnerable and low-income residents, however they are also receiving contact from a new cohort of residents within the Borough, many of whom are presenting themselves to the service for the first time and are advising they are struggling to clear debts accumulated following the pandemic and cost of living crisis and a result of rising interest rates which are impacting increases in mortgage payments. These are customers who are working and have not previously applied for support and who fall outside of the eligibility criteria for Universal Credit/Council Tax Support income bands.</p> <p>The service are signposting customers who may need extra support to the Household Support Scheme which is currently being administered within the Revenues &amp; Benefits service, Financial Inclusion Team and also to information contained on the 'Cost of Living Hub' on our website, the service will continue to encourage early engagement from residents who are facing payment difficulties.</p> <p>As with Q1 performance, it is important to note that whilst the PI is under target, we have seen an improvement on collection in comparison to same period of the previous year. As at the end of September 2023, the service has collected £44m of the £82m liability raised for 2023/24.</p>				
<b>Action plan</b>				
<b>Tasks to be undertaken</b>			<b>Completion due date</b>	
Review Performance Indicators to reflect changing conditions			Year End	
Signpost & support customers to relevant support schemes			Ongoing	
<b>Improvement expected:</b>				
Q4				

PERFORMANCE PLAN				
<b>Indicator</b>	<b>ES02 No. grass cuts undertaken in Sheltered Accommodation between April-October</b>			
<b>Quarter Target</b>	4	<b>Quarter outturn</b>	4	
<b>Reason(s) for not meeting target</b>				
<p>The sheltered housing accommodation gardens are on a cut and collect service, unfortunately due to the extreme weather conditions experienced in Q1 2023/24, the grass cutting schedules have been affected This resulted in only 2 cuts being completed in Q1 when this should have been 4. Q2 has seen 4 cuts completed as scheduled for within the quarter. More favourable weather conditions and a team restructure have resulted in this improvement. Whilst an improvement has taken place. The team are targeted to get 10 cuts in for the year, this target is unlikely to be achieved due to the Q1 performance.</p> <p>It is also noted that the sheltered accommodation team lost an experienced team member that also impacted on the grass cutting schedule. The team has been reviewed to ensure that the right service is maintained moving forward.</p>				
<b>Additional commentary / background</b>				
<p>A plan was put in place in August 2023 to restructure the sheltered housing gardening team which has taken place. An experienced staff member has been put in the team and the team are focusing on completing this work as a priority. This has shown as the team have now got the scheduled 4 cuts in for Q2.</p> <p>During the grass growing season there is ongoing monitoring of the frequency of grass cutting to reach performance targets and a focus on inclement weather that may affect the performance of grass cutting and adjust accordingly.</p>				
<b>Action plan</b>				
<b>Tasks to be undertaken</b>			<b>Completion due date</b>	
Continue to review the sheltered housing gardening team as necessary to ensure that schedules are completed on time.			End October 23	
<b>Improvement expected:</b> Ongoing improvements expected until end of grass cutting season.				
Plan prepared by: Technical Services Manager				

PERFORMANCE PLAN				
Indicator	ES11 % locations inspected falling into categories C/D - Detritus			
Quarter Target	5%	Quarter outturn	17.3%	
<p><b>Reason(s) for not meeting target.</b>            There are currently 3 HGV sweepers operating on a 12 week cleansing schedule. Historically the cleansing schedules have been hard to meet because of the vast road network within West Lancashire. It was identified that HGV training was needed to provide cover for existing staff annual leave and sickness. This has now been completed and cleansing schedules have been reconfigured to improve efficiency.</p>				
<p><b>Additional commentary / background</b>            Training had been implemented but took longer than anticipated to be completed. In Quarter 2 2023/2024, 182 LAMS inspections took place, with 28 locations scoring a grade of C/D. Over 50% of these locations were found to be in the residential areas of Skelmersdale and Ormskirk. This would show an improvement in rural areas compared to Quarter 1 findings.</p> <p>Looking at projected figures for Quarter 3 already show further improvements with only 1 location scoring C or D.</p> <p>The service now has full cover for all 3 HGV sweepers with the addition of 2 extra trained staff, and this will be prioritised at all times.</p> <p>Ongoing monitoring of the service will be completed by Clean and Green Area Managers and routes will be reviewed to ensure that efficiency is maintained.</p>				
<b>Action plan</b>				
<b>Tasks to be undertaken</b>			<b>Completion due date</b>	
Monthly monitoring of cleansing schedules			On going until 2 quarters returned under current target	
Monthly updates on non-scheduled works completed			On going until 2 quarters returned under current target	
Further training to be offered to existing staff			On going	
<b>Improvement expected:</b> Q4 2023/24				
Plan prepared by Clean and Green Operations Manager				



PERFORMANCE PLAN				
<b>Indicator</b>	BV8 % invoices paid on time (within quarter)			
<b>Quarter Target</b>	98.75%	<b>Quarter outturn</b>	93.55%	
<b>Reason(s) for not meeting target</b>				
Delays in receiving authorised invoices for processing into the Debtors & Creditors team from across the organisation.				
<b>Additional commentary / background</b>				
<p>Whilst this performance indicator is monitored centrally, the performance is reliant on individual service areas processing invoices in a timely manner. This is currently a manual process. The planned introduction of a new system for the process (P2P) will remove many of the manual elements and is therefore reasonably expected to improve the performance.</p> <p>The current manual invoice payment processes are continuously promoted and supported by the Debtors &amp; Creditors service. Monthly performance reports are directed to Managers with performance information as well as guidance, reminders of the process and timescales required. The expectation is that where underperformance is indicated that managers will take action to review processes and identify issues in their own team. In addition, a detailed report which identifies those invoices that have failed the 30-day target is available to allow investigation of the root cause.</p>				
<b>Action plan</b>				
<b>Tasks to be undertaken</b>			<b>Completion due date</b>	
Implementation of the new Civica financials system.			TBC - the project team are in the process of finalising the go live date.	
<b>Improvement expected:</b>				
The service support detailed above will allow service areas to monitor and improve their performance. It is anticipated that performance will significantly improve with the implementation of the new Civica financials system and the change in processes. Whilst initial improvement may be seen following system go live, it will take a period of time for the new system to embed and therefore further improvements will be recognised over time as staff become accustomed to the new processes.				
Plan prepared by RBS Team Leader				

PERFORMANCE PLAN				
<b>Indicator</b>	HS28: % of Properties with a Valid Electrical Installation Condition Report			
<b>Quarter Target</b>	100%	<b>Quarter outturn</b>	93.4%	
<p><b>Reason(s) for not meeting target.</b> Outstanding electrical safety certificates are principally as a result of access issues.</p>				
<p><b>Additional commentary / background</b> Whilst this performance indicator does not relate to a statutory requirement it is considered best practice to demonstrate electrical installations are kept in a good condition. It relates to public buildings, communal areas and homes.</p> <p>6,196 reports were due as at the end of September 2023 and 5,764 had been completed. Failure to meet the target was principally due to issues gaining access into council housing.</p> <p>The performance will improve as we gain access to the properties. A legal process based on the gas access procedure is in place with external legal support. With this additional support we anticipate the performance will steadily improve towards the end of the third quarter. The compliance officers are also supporting the process by door knocking and lettering the tenants to make appointments supplementary to the contractor no access procedures. The Building Safety Assurance team is using the Essendex text messaging service in addition to door knocking, letters and emails as a means of contacting residents. Monthly meetings with the electrical contractor is being undertaken to address any outstanding access issues.</p> <p><b>Proposed Actions</b></p> <ul style="list-style-type: none"> <li>• Pursue access rigorously, as per gas procedure, including legal action.</li> <li>• Start the re-surveys early to ensure adequate time to resolve access issues prior to expiry.</li> <li>• Continue with ongoing attempts to gain access in parallel with legal process including home visits.</li> <li>• Validation of stock reports</li> <li>• Weekly monitoring of progress</li> <li>• Weekly reporting at the Compliance meetings with Housing and Legal representatives</li> </ul>				
<b>Action plan</b>				
<b>Tasks to be undertaken</b>			<b>Completion due date</b>	
Build and implement C365 compliance management system to allow the Council to proactively manage, audit, monitor and improve the level of Statutory and Regulatory compliance.			April 2024	
<p><b>Improvement expected:</b> The monitoring of the outstanding electrical testing properties will be a continual process that will be managed and monitored every week and reported monthly. This is similar to the gas process currently undertaken and should keep the outstanding electrical properties to a manageable level.</p> <p>Improvements to the performance are expected to begin to be realised in Quarter 3.</p>				
Plan prepared by: Building Safety Assurance Manager				