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BLACKPOOL COUNCIL

Tuesday, 1 February 2022

To: The Members of Blackpool Council

Lady Mayor, Ladies and Gentlemen

You are hereby summoned to attend a meeting of **Blackpool Council** to be held in the Council Chamber at the Town Hall, Blackpool on Wednesday, 9 February 2022 commencing at 6.00 pm for the transaction of the business specified below.

Director of Governance and Partnerships

_____

Business

1 DECLARATIONS OF INTEREST

Members are asked to declare any interests in the items under consideration and in doing so state:

(1) the type of interest concerned either a

(a) personal interest
(b) prejudicial interest
(c) disclosable pecuniary interest (DPI)

and

(2) the nature of the interest concerned

If any member requires advice on declarations of interests, they are advised to contact the Head of Democratic Governance in advance of the meeting.

2 MINUTES OF THE LAST MEETING HELD ON 24 NOVEMBER 2021 (Pages 1 - 4)

To agree the minutes of the last meeting held on 24 November 2021 as a true and correct record.

3 RESOLUTION OF CONDOLENCE AND MINUTE'S SILENCE

This Council and the people of Blackpool were deeply saddened to learn since its last meeting of the sad death of Mr Derek Wardman, former Chief Executive of the Council from 1985 to 1993.

The Lady Mayor will pay tribute to Mr Wardman and will then move the following resolution of condolence:

"The Council sends its deepest sympathy to the family and friends of Mr Derek Wardman for their loss and places on record its recognition of his dedication to office."

Following the passing of this resolution, Council will then hold a minute's silence, as a mark of respect.

4 ANNOUNCEMENTS

To receive official announcements from the Mayor.

5 COUNCIL TAX REDUCTION SCHEME (Pages 5 - 10)

To consider the recommendation of the Executive at its meeting on 6 December 2021 on the impact of the Council Tax Reduction Scheme since its introduction in 2013/14 and the proposals for the Council Tax Reduction Scheme for 2022/23.

6 PROPOSED RENT REVIEW 2022/23 (Pages 11 - 20)

To consider the recommendations of the Executive at its meeting on 24 January 2022 to the Council on the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2022/23.

7 PAY POLICY STATEMENT 2022/2023 (Pages 21 - 24)

To consider the recommendation of the Chief Officers' Employment Committee on 24 January 2022 on the Council's Proposed Pay Policy Statement which incorporates the annual Gender Pay gap data.

8 MEMBER ATTENDANCE AT MEETINGS (Pages 25 - 28)

To consider an extension to the period of six consecutive months as the period of non-attendance at Council related meetings for Councillor John Wing.

9 LANCASHIRE COUNTY DEVOLUTION DEAL (Pages 29 - 40)

To consider an update on work undertaken towards development of strengthened joint working, a long term strategic plan and a County Deal for the Lancashire area and to seek agreement to progress this work.

10 MAYOR ELECT FOR THE MUNICIPAL YEAR 2022/23

The Council will be asked to consider appointing Councillor Kath Benson as Mayor elect for the 2022-23 mayoral year. It is also recommended that the Annual Meeting of the Council on 18 May 2022 commences at 2.00pm, as it has in previous years.

Venue information:

First floor meeting room (lift available), accessible toilets (ground floor), no-smoking building.

Other information:

Members are asked to wear masks whilst not speaking in the meeting and to undertake lateral flow tests prior to attending.

For queries regarding this agenda please contact Sarah Chadwick, Democratic Governance Senior Adviser, Tel: (01253) 477153, e-mail sarah.chadwick@blackpool.gov.uk

Copies of agendas and minutes of Council and committee meetings are available on the Council's website at www.blackpool.gov.uk.

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MINUTES OF COUNCIL MEETING - WEDNESDAY, 24 NOVEMBER 2021

Present:

Councillor Cross (in the Chair)

Councillors

Baker	Collett	Kirkland	R Scott
Blackburn	Cox	Matthews	Sloman
Brookes	Critchley	B Mitchell	Smith
Burdess	Farrell	M Mitchell	Stansfield
Cain	Galley	O'Hara	Taylor
Mrs Callow JP	Hobson	Owen	Walsh
Campbell	Hugo	Robertson BEM	L Williams
Clapham	Hunter	Roberts	T Williams
D Coleman	Hutton	D Scott	Wilshaw
G Coleman	Jackson	Mrs Scott	

In Attendance:
Neil Jack, Chief Executive
Mark Towers, Director of Governance and Partnerships / Monitoring Officer
Lorraine Hurst, Head of Democratic Governance
Jenni Cook, Democratic Governance Senior Adviser

1 DECLARATIONS OF INTEREST

The Council noted that there were interests references to-wholly-owned companies in the Executive reports and that should discussion take place on these items, in particular regarding the financial interests of the companies, councillors would need to consider declaring the relevant interest (personal or prejudicial). If the interest affected the financial position of the company then they would need to consider declaring a prejudicial interest and leave the meeting

2 MINUTES OF THE LAST MEETING HELD ON 29 SEPTEMBER 2021

Resolved: That the minutes of the Council meeting held on 23 September 2021 be signed by the Mayor as a correct record.

3 ANNOUNCEMENTS

The Mayor announced that, following consultation with the families, a special Council meeting would be arranged to take place in the Spring for the posthumous award of the Blackpool medal to former Councillors Peter Callow and Lily Henderson MBE, as well as Brian London.

4 EXECUTIVE REPORTS

The Executive Lead Members for the meeting presented reports to the Council on work undertaken in the Corporate, Place and People portfolio areas. The reports covered corporate, strategic and policy issues, together with work being undertaken in

transforming services and with partners.

On behalf of Councillor Benson, Councillor Farrell provided an update on the strain of Avian flu that had been detected at Stanley Park and the actions taken by the Council with public health and environmental partners in respect of the birds and public safety.

Questions, comments and debate were invited from all councillors on each of the report areas.

Notes:

1. The Leader of the Council agreed to provide a written response to:
   - Councillor Mrs Callow on the proposed location of the driving test centre previously located at Warbreck Hill
   - Councillor Walsh on the cumulative figure of one-off Government grants received by the Council
   - Councillor T Williams on the insurance arrangements in respect of the Buffalo Bill statue.

2. Councillor Farrell agreed to pass on comments on the relevant portfolio areas to Councillor Benson and that a written response would be provided to Councillor Galley on details of the offer to young people across the borough and beyond the Better Start wards in view of future cessation of Better Start funding.

3. In response to a question from Councillor T Williams, Councillor Campbell agreed to clarify when the community payback scheme would recommence.

4. The Council agreed a five minute extension to the time allocated for questions on the Executive Member Report – Corporate Portfolio.

5. Councillor Blackburn left the meeting following consideration of the Executive Member Report – Corporate Portfolio.

6. Councillor M Mitchell left the meeting following consideration of the Executive Member Report – People Portfolios.

7. Following consideration of the Executive Member Report – Place Portfolios, the Council agreed a short adjournment.

5 CLIMATE ACTION PLAN

The Council considered the recommendations from the Executive at its meeting on 8 November 2021 in relation to the proposed Climate Emergency Action Plan which set out how the Council would address the goal of net zero emissions by 2030.

Members noted the proposed monitoring arrangements and it was requested that details of the Pathways Options Study was circulated to all members.

Motion: Councillor Hugo proposed (and Councillor L Williams seconded):

'1. To approve the Blackpool Climate Emergency Action Plan attached at Appendix 5(a) and request the Executive, appropriate Scrutiny Committees and Council partners to act towards the implementation of its actions.

2. To note the monitoring agreements set out in page 19 of the Action Plan and summarised at paragraph 6.6 of the Council report and where relevant periodic update reports on progress or amendments to the Action Plan will be brought to the Executive'.

Motion carried: The motion was submitted to the Council and carried.

6 PARTNERSHIP GOVERNANCE FRAMEWORK

Members considered recommendations from the Audit Committee for a partnership governance framework to be approved that would apply to significant partnerships held or entered into by the Council. The framework would help to provide assurance that good governance operations were in place including in key areas such as decision-making, accountability and regulatory compliance.

Motion: Councillor Galley proposed (and Councillor L Williams seconded):

'To adopt the attached Partnership Governance Framework and that it forms part of the Council's Constitution under Part 5 – Codes and Protocols.

Motion carried: The motion was submitted to the Council and carried.

Mayor

(The meeting ended at 8.30 pm)

Any queries regarding these minutes, please contact:
Lorraine Hurst, Head of Democratic Governance
Tel: 01253 477127
E-mail: lorraine.hurst@blackpool.gov.uk

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Report to:	**COUNCIL**
Relevant Officer:	Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Neal Brookes, Cabinet Member for Enforcement, Public Safety, Transport and Highways
Date of Meeting:	9 February 2022

COUNCIL TAX REDUCTION SCHEME 2022/2023

1.0 Purpose of the report:

1.1 To consider the recommendation of the Executive at its meeting on 6 December 2021 on the impact of the Council Tax Reduction Scheme since its introduction in 2013/14 and the proposals for the Council Tax Reduction Scheme for 2022/23 Executive decision

2.0 Recommendation(s):

2.1 To note the impact of the Scheme to date as set out in paragraphs 6.7 and 6.8 of the Executive report.

2.2 To agree the Council Tax Reduction Scheme 2022/23 as set out in Appendix 2c to the Executive report of 6 December 2021.

2.3 To agree the reduction applied to working age claimants remains the same as the 2021/22 Scheme agreed by Council on 27 January 2021 and that the main elements and method of calculating awards will be the same.

2.4 To agree to continue to operate a Discretionary Discount Policy to be awarded in cases of exceptional hardship as set out at Appendix 2a to the Executive report of 6 December 2021.

3.0 Reasons for recommendation(s):

3.1 To ensure a local Council Tax Reduction Scheme is approved by 11 March 2022 and in place by 1 April 2022 avoiding the financial risks associated with the Government imposed default Scheme.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 None, a Council Tax Reduction Scheme must be approved by the Council each year.

5.0 Council priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 The Welfare Reform Act 2012 abolished Council Tax Benefit (CTB); billing authorities were required to adopt a local Council Tax Reduction Scheme (CTRS) to take effect from 1 April 2013.

6.2 The Government grant for Council Tax Reduction Scheme was less than 90% of the Government forecast funding levels had Council Tax Benefit continued. This was expected to leave a shortfall in funding of £3.22m based on estimates of demand and assumptions regarding the basis of calculation for the central Government grant. The ongoing level of Government support meant the Council adopted a self-funding Scheme under which all working-age claimants had to pay at least 27.11% of their Council Tax in 2013/14. This has remained the case in subsequent years until the 2017/18 Scheme when it was agreed that additional support was provided to vulnerable groups and they had to pay 13.56%. These vulnerable groups are defined as:

- where someone in the household receives Disability Living Allowance or Personal Independence Payments
- where the applicant is a lone parent and who is responsible and resides with a child under 5 years old
- where the applicant or their partner receives Carer's Allowance
- where the applicant or their partner is in receipt of a war pension, war widows pension, war disablement pension or equivalent.

6.3 For the 2018-19 Scheme the 13.56% reduction was extended to the following low income groups:

- applicants or partners receiving Income Support, or Income-Based Jobseekers Allowance, or Income-Related Employment Support Allowance.

6.4 For the 2019-20 Scheme, the 13.56% reduction was extended to the following groups and no further changes have been made since:

Ensure that applicants who are protected under the current Scheme continue to be protected to the same level of support when they move to Universal Credit.

Extension of the group of customers who pay 13.56% to claimants or partners who are:

- in receipt of Jobseeker's Allowance Contribution Based
- in receipt of Main Phase Employment and Support Allowance and are in the Work Related Activity Group
- in receipt of Maximum Universal Credit and is neither employed, self-employed or in receipt of any other income which is taken into account when calculating their Universal Credit award (such as an Occupational Pension or other unearned income)
- in receipt of Universal Credit which includes either the limited capability for work and/or work related activity.

6.5 The initial 2013/14 funding was separately identifiable, but since then the monies have formed part of the overall total Revenue Support Grant (RSG). Analysis of the RSG would suggest that the initial £17.58m allocated for the scheme would equate to approximately £5.2m in 2020/21 and £5.2m in 2021/22 due to the continued year-on-year changes in Settlement funding. In order for the scheme to be self-funding now, the bottom-slice would need to be in excess of 100%.

6.6 The Council Tax Reduction Scheme caseload has shown a downward trend for several years since the introduction of the Scheme in 2013/14 as shown below. However, 2020/21 saw an increase in caseload due to the impact of the pandemic and is yet to return to pre-pandemic levels.

	Working Age	**Elderly**	**Total**
2013/14	14,504	8,815	**23,319**
2014/15	13,781	8,407	**22,188**
2015/16	13,610	7,985	**21,595**
2016/17	13,385	7,589	**20,974**
2017/18	13,050	7,267	**20,317**
2018/19	12,930	6,901	**19,831**
2019/20	13,147	6,622	**19,769**
2020/21	15,464	6,453	**21,917**
2021/22	14,479	6,346	**20,825**

The change in caseload demographics is attributed to a number of factors. The Government's increase in State Pension Age has meant that it is longer before a customer will be classed as "elderly" and there is traditionally a lower take-up of benefits by this age group and they are viewed as a group with a higher level of assets.

6.7 Council Tax Reduction Scheme has had a very significant impact on in-year Council Tax collection rates. In the last year of Council Tax Benefit, 2012/13, in-year collection rate was 95.5%. Since Council Tax Reduction Scheme was introduced and 10,000 low income working-age households became liable to pay Council Tax, in-year collection has dropped each year. In 2020/21 collection was 87.76% with a 66.78% collection rate for Council Tax Reduction Scheme cases, although these rates are likely to be reflective of the impact of the pandemic and inability to take court action.

6.8 Collection is marginally below 2020/21 rates at the moment but court action has only just resumed. The overall increase in arrears has meant the Council's share of the bad debt provision for Council Tax and Council Tax Reduction Scheme has increased annually since the introduction of the Scheme and was £7.688m at 31 March 2021.

6.9 Court action can be taken against defaulting Council Tax payers. However, the numbers are limited at any hearing by restrictions placed by the court. Following the issue of a liability order at court an attachment of benefits can be requested. The amount that can be attached from benefits is restricted by legislation, currently £3.75 for most benefits except Universal Credit. This means that it is not usually possible to collect the Council Tax amount payable within the year it becomes due, which impacts on in-year collection rates. The attachment is administered by the Department for Work and Pensions and they can delay the process significantly.

6.10 For working-age claims there is a means-tested assessment, predominantly based upon the former Council Tax Benefit rules, to establish entitlement. A percentage reduction of 27.11% (13.56% for the groups shown in 6.2, 6.3 and 6.4) is then applied to the award at the end of the assessment.

6.11 The value of the percentage reduction is reviewed annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. It is proposed that for 2022/23 the value of the percentage reduction for other working age customers, who do not fall into the vulnerable or low income categories shown at 6.2, 6.3 or 6.4, should remain at 27.11%.

6.12 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 For 2022/23 it is proposed that the percentage reduction made at the end of the assessment for working age claimants shall be 27.11% with the exception of those claimants who fall into

the vulnerable or low income categories shown at 6.2, 6.3 and 6.4, who will be subject to a 13.56% reduction.

8.2 A review of the Scheme must be carried out annually to ensure it remains fit for purpose taking account of ongoing changes in legislation, caseload and financial requirements. The Council will be required to approve the Scheme each year.

8.3 The Welfare Reform Act 2012 provided for a major overhaul of the benefits system. The Council Tax Reduction Scheme was implemented ahead of the commencement of Universal Credit. The new Scheme of Council Tax Reduction continues to run alongside Housing Benefit during the transition to Universal Credit. Housing Benefit administration will then gradually diminish. Wider changes to existing benefits over the last few years have meant customers on benefits have less money available to pay their Council Tax liability. Whilst there is still an ambition to achieve full collection, this is likely to take longer.

9.0 Legal considerations:

9.1 A resolution by the full Council to adopt a Council Tax Reduction Scheme is required by 11 March 2022. The Scheme will take effect from 1 April 2022.

9.2 The Council Tax and Business Rates Discretionary Discount Policy has been reviewed.

10.0 Risk management considerations:

10.1 As part of the overall project management leading to the 2013/14 Scheme, a risk workshop identified a number of risks. Actions required to mitigate those risks have been identified and implemented where possible.

11.0 Equalities considerations:

11.1 The Equality Analysis that has previously been carried out for the Council Tax Reduction Scheme has been revisited and updated. This aims to mitigate the impact on protected groups and includes the continued availability of a discretionary hardship fund which has been made available through the adoption of a Discretionary Discount Policy. As part of their consideration of the Council Tax Reduction Scheme for 2022/23 an updated Equality Analysis is available.

12.0 Sustainability, climate change and environmental considerations:

12.1 None directly.

13.0 Internal/external consultation undertaken:

13.1 As the main elements and method of calculating awards will remain the same for 2022/23,

no consultation exercise is required.

14.0 Background papers:

14.1 None.

Report to:	**COUNCIL**
Relevant Officers:	Antony Lockley, Director of Strategy and Assistant Chief Executive, and Steve Thompson, Director of Resources
Relevant Cabinet Member:	Councillor Ivan Taylor, Deputy Leader of the Council and Cabinet Member for Partnerships and Performance
Date of Meeting:	9 February 2022

PROPOSED RENT REVIEW 2022/23

1.0 Purpose of the report:

1.1 To consider the recommendations of the Executive at its meeting on 24 January 2022 to the Council on the level of rents and service charges to be charged in connection with Housing Revenue Account dwellings during 2022/23 Decision Notice

2.0 Recommendation(s):

2.1 To agree that rents for all Housing Revenue account properties are increased by 4.1% in 2022/23.

2.2 To agree that the minimum level of Housing Revenue Account balances remain protected at £1 million, as in previous years.

2.3 To agree the charges as outlined for the Housing Revenue Account service (as detailed in Appendix 2b) and other General Fund services (as detailed in Appendix 2c).

3.0 Reasons for recommendation(s):

3.1 To ensure that rent levels are appropriate and the Housing Revenue Account is financially secure as the Council Homes Investment Plan is delivered over the next few years. The proposed budget for 2022/23 will ensure the necessary investment to maintain and grow the Council's stock can continue.

Retaining the previously agreed minimum reserves level of £1 million ensures that prudent balances are maintained in the Housing Revenue Account.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3	Is the recommendation in accordance with the Council's approved budget?	Not applicable - the report once approved will be part of the Council's new approved budget

4.0 Other alternative options to be considered:

4.1 Rents could be set at a lower level but increases are required to enable investment in new Council homes and decarbonisation of existing stock and because of inflationary pressures.

5.0 Council priority:

5.1 The relevant Council priority is: "Communities: Creating stronger communities and increasing resilience".

6.0 Background information

6.1 **Introduction**

As part of the preparation of the draft 2022/2023 Housing Revenue Account (HRA) Budget, Members are asked to consider and approve the level of rents and service charges to be set in connection with Council Housing dwellings during the next financial year.

The provision of good quality, affordable housing is a key priority for the Council. It is therefore essential that the Council maintains a strong and healthy Housing Revenue Account, so that the Council can invest in Blackpool's existing housing stock and develop new homes, delivering quality and value for current and future tenants.

As explained in detail in Section 6.11 below, it is proposed to increase rents in 2022/23 in line with Government policy. This increase is essential in order to deliver the level of investment needed in our existing and future social housing stock, meeting the needs and expectations of our tenants as part of Blackpool's Council Housing Investment Programme. Rents in Blackpool will remain the lowest in the North West, and those most in need will have any increase in rent covered by benefit entitlement.

Attached at Appendix 2a to the Executive report is the draft Budget for the Housing Revenue Account for the year 2022/23. This is after the proposed changes to rents and charges.

6.2 **Projected Outturn 2021/2022**

The projected outturn position for the Housing Revenue Account is also detailed at Appendix 2a. The main reason for the variation against budget in 2021/22 is the impact of pandemic

related delays in construction of new properties at the former Troutbeck Crescent on Mereside. Collection levels for rents due have been only marginally below budget in the period. Increases in the Blackpool Coastal Housing management fee in year related to new services provided, and agreed capacity building relating to the ability to deliver fully against the requirements of the Government's White Paper on Social Housing.

There is a projected in year contribution from balances of £1,821k, compared to a budgeted deficit of £1,460k; this is a negative variation of £361k. Audited balances brought forward on 1 April 2021 were £3,032k, therefore projected balances on 31 March 2022 are £1,211k.

The reasons for any variations against budgets have been reported at quarterly intervals to the board of Blackpool Coastal Housing (BCH), which includes three of the Council's elected members. The Council's Director of Resources, and Director of Strategy and Assistant Chief Executive, also receive quarterly budget information on the Housing Revenue Account and explanations for any significant variances in performance. In addition the Shareholder Committee of the Council considers the performance of Blackpool Coastal Housing including overview of financial management.

6.3 **Housing Revenue Account Budget 2022/23**

6.4 **Blackpool Coastal Housing Management Fee and Management Agreement**

The management fee for Blackpool Coastal Housing in 2022/23 will be £11,119k. There is an uplift from the fee in 2020/21 largely for new services agreed with the Council's Housing Client, and to ensure key activities identified in the White Paper referred to at 2.1 are implemented. Remaining increases relate to direct cost increases including staff wage uplift, goods and services procured and changes to service level agreements for support provided by Council departments.

Blackpool Coastal Housing continues to operate under the terms of the extension to the management agreement referred to in last year's rent report. The Council and Blackpool Coastal Housing are aware of the requirements coming out of the White Paper and are taking preparatory steps in the areas of building safety compliance, ensuring adequate customer involvement and maintaining appropriate levels of governance and oversight.

6.5 **Treasury Management**

Treasury Management costs have been calculated with regard to the present and projected levels of interest rates, anticipated borrowing requirements and depreciation. Housing Revenue Account loans are managed by the Council's Accountancy team, but are kept separate from General Fund loans and investments as legally required. The Director of Resources of Blackpool Coastal Housing is a member of the Council's Treasury Management Panel. The Housing Revenue Account will be taking on significant new borrowing to fund the cost of the new developments on Grange Park and will act on the advice of the Panel on this.

6.6 **Income**

As referred to above, rental income has been impacted by the impacts of the pandemic on customers, but overall rent collection rates were still high in 2021/22 and this is expected to continue. Rent collection arrangements are externally reviewed annually to ensure they are in line with industry practice, and earlier in the current year an internal performance review was undertaken to identify further improvements that can be made. New software to assist with the collection of former tenant arrears has been implemented and the board and senior management team of Blackpool Coastal Housing is looking at void turnaround times to ensure that this element of income maximisation is also robust.

6.7 **Value for Money (VFM)**

The Housing Revenue Account operates with a view to generating ongoing operational efficiencies. This has been reflected in procurement activities that have driven down costs and increased the levels of social value generated. Benchmarking with peer organisations also confirms that Blackpool Coastal Housing back office costs continue to be low. The most recent external review of Blackpool Coastal Housing was favourable in its assessment of the value for money of Blackpool Coastal Housing and the Council housing client function. This should stand the Council in good stead in terms of the extension of some regulation to Arms Length Management Organisations and Council landlords in the Social Housing White Paper as mentioned above.

Blackpool Coastal Housing is exploring options relating to accommodation in line with the anticipated increase in agile working following the experience in the pandemic. A number of contracts are also due out for re-tendering and it is anticipated further efficiencies will be generated from these to continue to drive out further value in the Housing Revenue Account.

6.8 **Capital Programme**

The revenue contribution to the capital programme is expected to be in the region of £7,154k in 2022/23 (compared with £8,380k budget and projected outturn in 2021/22). This is to fund agreed redevelopment referred to earlier in this report whilst retaining Housing Revenue Account balances above the agreed minimum level of £1,000,000. Revenue contributions to the capital programme are the preferred option to minimise external borrowing costs, however it is anticipated that external borrowing will be required during the year to fund the Grange Park redevelopment in particular.

Whilst the Housing Revenue Account continues to be characterised by relatively low levels of borrowing, Blackpool's Council Housing Investment Programme reflects a commitment to prudent external borrowing to finance additional council housing development. In addition, whilst the exact costs of addressing the social housing costs in relation to Blackpool's climate

emergency action plan are still being assessed, it is clear that there will be a significant capital outlay required in the years ahead to retrofit existing properties and ensure new properties are more environmentally friendly and sustainable.

6.9 **Housing Revenue Account self-financing for Council Housing**

Since 1 April 2012 self-financing has been in place for local authority housing provision. This replaced the previous subsidy system with a requirement for Councils retaining a Housing Revenue Account to maintain viable 30 year Housing Revenue Account business plans on a rolling basis. At the onset of self-financing the Council received a one-off capital sum of £41,523,000 offset against the housing related debt held at that time. A maximum debt cap of £35,739,000 was also imposed on Blackpool's Housing Revenue Account.

In 2018 the government announced the abolition of the debt caps on local authority Housing Revenue Accounts. In practice this puts the Housing Revenue Account into a similar position to the General Fund with regard to capital investment appraisal, in that there is no maximum level of borrowing that can be undertaken but a robust assessment needs to be undertaken to ensure that proposed schemes cover their costs. In exceptional circumstances it could be justifiable to undertake individual investments that do not break even in the required timeframe, but these would need to be offset by surpluses from other schemes.

6.10 **National Social Housing Rent Policy**

Since 2001, social rents have been set by a formula set by the Government. This creates a 'formula rent' for each property, calculated based on local income levels and property size and value. The aim is to ensure similar rents are charged for similar social rent properties.

In 2011, the Government introduced 'affordable rents', permitting some rents (inclusive of service charges) to be set at up to 80% of market rents, where specific permission has been granted under the terms of the Government's affordable homes programmes.

In October 2017 the Government announced that at the end of the four year period of 1% rent cuts in March 2020 there would be a five year period where maximum increases would return to Consumer Price Index (CPI) plus 1%. This remains the current policy. The CPI figure is based on the twelve month rate as at the preceding September, as this was 3.1% the maximum rent increase allowed in 2021/22 for social rent properties is 4.1%.

6.11 **Rent Change for 2022/23**

It is proposed that rents for all Housing Revenue Account homes increase at 4.1% (CPI+1%) in 2022/23 in line with Government policy. This increase is viewed as essential in order to deliver the level of investment needed in our existing and future social housing stock, meeting the needs and expectations of our tenants.

As a consequence of Government policy from 2016/17 to 2019/20, when rents were reduced by 1% each year, there has been a significant fall in the amount of funding available for potential investment in council housing in Blackpool.

Such was the impact of the enforced rent reductions from 16/17 to 19/20, even with the proposed 4.1% increase in 22/23, rents in our social housing stock will still be lower in real terms than they were in 15/16. For example, a £70 weekly rent charge in 2015/16 would be £78.50 in 22/23 if rents had increased in line with CPI; however, the actual weekly charge in 22/23 will be £72.97, including the proposed 4.1% rise. As the Housing Revenue Account is now self-financing, continued real terms reductions in the rent roll reduces the amount of money available for investment.

Blackpool rents will continue to be below the level at which they are expected to be, and on the last information available, were the lowest in the North West with only five authorities nationally having lower average rents for council homes.

A 4.1% increase would generate £713k of additional income in the Housing Revenue Account in 2022/23. This additional money is essential to deliver the investment needed in both existing and new homes for Blackpool. Indeed, any new social housing development we wish to undertake must meet the test of viability, and having no rent increase or a very low one will jeopardise the viability of the new build programmes we are undertaking and important work to improve existing stock. There are a number of areas where stock needs to be modernised, and there are structural issues with steel framed properties on Hawes Side for example that will require solutions beyond the existing preventative maintenance. Such essential works must be funded properly from the Housing Revenue Account.

The long term health and strength of the Housing Revenue Account is also crucial to deliver on wider important commitments. Regarding the Climate Emergency declared by the Council and the objective of being carbon neutral by 2030, there are significant costs involved in delivering this for the Housing Revenue Account. Best estimates are an additional £25k per property needs to be found to do the remedial work required in the years ahead. It is hoped grants will become available but the reality is that the Housing Revenue Account will need to contribute a significant proportion of the required investment.

The Council has in previous budgets taken a prudent approach in both managing the Housing Revenue Account and approving the Council Housing Investment Programme which will both maintain and enhance the quality of existing stock while building new social homes for local families. The proposed budget for 2022/23 will ensure the necessary investment to maintain and grow the Council's stock.

Even with a 4.1% increase, the cost of renting almost all of our council housing will remain significantly below Local Housing Allowance (LHA) rates. As the majority of tenants in Council property are in receipt of full or partial benefit, and any increase in rents and eligible service

charges will be eligible for benefit, those in need will see little or no impact on household budgets. It is also the case that much of the investment being made in the existing and new stock meets ever stringent sustainability targets which in turn are reducing the running costs of properties for tenants.

The proposed increase is in line with the previously agreed investment plan and the national formula. The level of increase is higher than in the previous year because of inflationary pressures which are reflected in the costs of maintaining the Housing Revenue Account.

Vacant properties will continue to be let at the formula/target rent. This is a policy that Blackpool has adopted for several years now.

6.12 **Other Charges**

Service Charges

Councils can charge separately for services such as cleaning communal areas and gardening. These charges should reflect the level of costs to provide the services including any administration and should not be used to make a profit on these charges. Government policy states that councils should provide tenants with a breakdown of the additional services they receive and the charges for them, so they can see how much they pay for rent and services on an individual basis.

Listed below are the services currently provided:

- Communal Lighting
- Alarm Systems
- 'Satellite' Television Systems
- Communal Cleaning
- Door Entry Systems
- Sheltered Community Centres
- Grounds Maintenance
- Intensive Housing Management
- Community Centres
- Fitted Furnishings

All of these service charges are eligible for Housing Benefit / Universal Credit in general needs stock, some ineligible services are provided within hostel accommodation.

Attached at Appendix 2b is the proposed service charges for 2022/23 relating to Housing Revenue Account services. Existing service charges are shown for each service, with a proposed new charge based on cost of provision. It is proposed to increase all service charges for the financial year 2022/23 by 4.1%. This is to ensure that the ongoing costs of providing the services are recouped.

Leaseholder Charges

The Leaseholder Charge, including a management charge, has been calculated to reflect the actual cost of providing the service. Whilst charges to leaseholders are a sensitive area the need to ensure that this customer group is not treated unfairly needs to be balanced against the risk of genuine costs relating to the upkeep of their properties being subsidised by the wider tenant group.

Non-Housing Revenue Account Properties

These rents are outside of the national social housing rent policy set out in section 6.9. It is recommended that these charges be increased by 3.1% in 2022/23 in line with inflation rates.

6.13 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 These are set out in the report at Appendix 2a to the Executive report Link.

9.0 Legal considerations:

9.1 The proposed rent increase is line with the rent increase allowed by Government for 2021/22, as it has been set at the Consumer Price Index (CPI) plus 1%.

10.0 Risk management considerations:

10.1 These are set out in the background information section.

11.0 Equalities considerations:

11.1 None.

12.0 Sustainability, climate change and environmental considerations:

12.1 The Council is committed to achieving climate change targets by 2030 and there are also national policies requiring decarbonisation of housing stock. In common with all other stock holding local authorities Blackpool has many units currently heated by carbon derived options and investment in new technologies and solutions is required.

13.0 Internal/external consultation undertaken:

13.1 The rent report is shared with the board of Blackpool Coastal Housing, which includes tenant and leasehold representatives and independent members.

14.0 Background papers:

14.1 None.

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Report to:	**COUNCIL**
Relevant Officer:	Linda Dutton, Head of Human Resources and Workforce Development
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Meeting:	9 February 2022

PAY POLICY STATEMENT 2022/2023

1.0 Purpose of the report:

1.1 To consider the recommendation of the Chief Officers' Employment Committee on 24 January 2022 on the Council's Proposed Pay Policy Statement which incorporates the annual Gender Pay gap data.

2.0 Recommendation(s):

2.1 To approve the Proposed Pay Policy Statement, as attached at Appendix 3(a) to the Chief Officers Employment Committee agenda of 24 January 2022.

3.0 Reasons for recommendation(s):

3.1 The Council has a duty to agree a pay policy statement before 31 March each year. The statement attached to the Chief Officers' Employment Committee agenda meets the statutory requirements and the expectations of the guidance from the Department for Levelling Up, Housing and Communities. The statement also meets the requirements for mandatory gender pay gap reporting for public sector employers with 250 or more employees.

3.2	Is the recommendation contrary to a plan or strategy adopted or approved by the Council?	No
3.3	Is the recommendation in accordance with the Council's approved budget?	Yes

4.0 Other alternative options to be considered:

4.1 None.

5.0 Council Priority:

5.1 The relevant Council priorities are "The economy: Maximising growth and opportunity across Blackpool" and "Communities: Creating stronger communities and increasing resilience".

6.0 Background Information:

6.1 The Council is required to produce a pay policy statement, which must be in place for the year 2022/2023 and have received full Council approval before the start of that financial year.

6.2 The statement must set out the Council's policy on:

i. Chief Officer Remuneration (at recruitment, salary, bonus, performance related pay, charges, fees, allowances, benefits in kind, enhancement to pension at termination).

ii. Remuneration of its lowest paid employees (elements as above), the definition used for this group and the reason for adopting that definition.

iii. The relationship between chief officer remuneration and that of other staff. This however is a minimum requirement and Councils can do more if they so wish.

6.3 The guidance from the Department for Levelling Up, Housing and Communities has added that the department expects the policy statement to also cover:

i. The opportunity for full Council to vote on senior remuneration packages with a value over £100,000 prior to an offer of appointment being made.

ii. Policies should explain the planned relationship between Chief Officer remuneration and that of other staff and the ratio between the highest paid and median salary that the authority aims to achieve and maintain.

iii. The value of the system of earn back pay with an element of their basic pay at risk each year to be earned back through meeting pre-agreed objectives.

iv. Any decision that the Authority takes in relation to the award of severance to an individual Chief Officer.

v. An explicit statement on whether or not they permit an individual to be in receipt of a pension in addition to receiving a salary.

vi. Policies to deal with those who may have returned to the authority under a contract of service of any type having already received a severance or redundancy payment.

6.4 In addition to this guidance, it should be noted that the recommended practice for Local Authorities on data transparency states that the Council should disclose publicly:

i. Employees' salaries (that earn £50,000 and above). This includes disclosing their names, details of their remuneration, a list of responsibilities, for example, the services and functions they are responsible for, budget held and number of staff.

ii. An organisation chart.

iii. The pay multiple, which is the ratio between the highest paid salary and the median average salary of the whole authority's workforce.

6.5 The draft Pay Policy Statement for 2022/2023 has been considered by the Corporate Leadership Team at its meeting on 14 December 2021. The Pay Policy Statement was approved for recommendation to Council by the Chief Officers Employment Committee at its meeting on 24 January 2022.

6.6 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 No changes to the Council's financial arrangements have been made as a result of the introduction of this statement.

9.0 Legal considerations:

9.1 All legal duties have been complied with.

10.0 Risk management considerations:

10.1 The most significant risks around pay relate to the increased costs of employment and balancing the need to pay an appropriate salary that will mean that the roles the Council needs to fill to discharge its duties as a Local Authority can be filled by skilled, appropriately qualified staff. To mitigate against the first risk the Council ensures that

its budgets are managed effectively and to deal with the second risk, there is a policy to deal with market supplements if they can be objectively justified.

11.0 Equalities considerations:

11.1 The Council's pay review process introduced two robust job evaluation schemes, which are designed to ensure fairness and equity in pay. These schemes and the desire to ensure fairness and transparency around pay form the basis of the Council's Pay Policy Statement. The Council complies with the recommended practice for Local Authorities on data transparency already.

12.0 Sustainability, climate change and environmental considerations:

12.1 None directly from this report.

13.0 Internal/ External Consultation undertaken:

13.1 Consultation has previously taken place with Trade Union Representatives on the policies referred to in the pay policy statement. Any new areas, which could be added to the statement, will be discussed with the Trade Union representatives.

14.0 Background papers:

14.1 None.

Report to:	**COUNCIL**
Relevant Officer:	Mark Towers, Director of Governance and Partnerships
Date of Meeting:	9 February 2022

MEMBER ATTENDANCE AT MEETINGS

1.0 Purpose of the report:

1.1 To consider an extension to the period of six consecutive months as the period of non-attendance at Council related meetings for Councillor John Wing.

2.0 Recommendation(s):

2.1 To approve a dispensation in relation to the non-attendance of Councillor Wing at formal Council related meetings and agree the extension to the six month period of non-attendance up until 30 September 2022.

2.2 That it is noted that the reason for this extension is due to Councillor Mr Wing's current illness.

3.0 Reasons for recommendation(s):

3.1 To clarify the reasons for Councillor Wing's non-attendance at Council meetings and to provide a dispensation to allow him to continue in his role as a Councillor.

3.2 Is the recommendation contrary to a plan or strategy adopted or approved by the Council? No

3.3 Is the recommendation in accordance with the Council's approved budget? Yes

4.0 Other alternative options to be considered:

4.1 To not support the recommendation, or to extend the dispensation for an alternative period of time.

5.0 Council priority:

5.1 The relevant Council priority is

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience"

6.0 Background information

6.1 The law states that where a Council member fails throughout a period of six consecutive months from the date of their last attendance at a Council related meeting then subject to certain provisions, he/ she ceases to be a member, unless the failure was due to some reason approved before the expiry of that period. There have been dispensations for all councillors at various stages of the pandemic relating to non-attendance at meetings.

6.2 However, the last general dispensation expired on 30 September 2021, with a new 6 month period commencing on 1 October 2021.Councillor Wing's 6-month period would therefore expire on 31 March 2022. Councillor Wing suffers from pulmonary fibrosis and at the moment has been advised not to attend physically present meetings. Council is therefore requested to extend his six month period until 30 September 2022 and agree this as a dispensation.

6.3 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 None.

8.0 Financial considerations:

8.1 None.

9.0 Legal considerations:

9.1 Section 85 of the Local Government Act 1972 states that a member of a local authority loses office if they do not attend a formal meeting at least once in any six-month period. A decision is sought at this Council meeting, as retrospective approval cannot be given when the 6-month period has expired.

10.0 Risk management considerations:

10.1 Not applicable.

11.0 Equalities considerations:

11.1 Not applicable.

12.0 Sustainability, climate change and environmental considerations:

12.1 Not applicable.

13.0 Internal/external consultation undertaken:

13.1 None.

14.0 Background papers:

14.1 None.

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Report to:	**COUNCIL**
Relevant Officer:	Antony Lockley, Director of Strategy and Assistant Chief Executive
Relevant Cabinet Member:	Councillor Lynn Williams, Leader of the Council
Date of Decision/ Meeting:	9 February 2022

LANCASHIRE COUNTY DEVOLUTION DEAL

1.0 Purpose of the report:

1.1 To provide an update on work undertaken towards development of strengthened joint working, a long term strategic plan and a County Deal for the Lancashire area and seek agreement to progress this work.

2.0 Recommendation(s):

2.1 To support the outline "Our New Deal for a Greater Lancashire" at Appendix 9(a) as the initial draft basis for further discussion and development of a possible County Deal for the Lancashire area.

2.2 To agree the principles of governance as set out in Appendix 9(b) for any future deal.

2.3 To agree that the Leader of the Council continues to work with Lancashire Leaders in line with the principles agreed in recommendations 2.1 and 2.2 above and to note that any formal proposals will require approval by Full Council at the appropriate time.

3.0 Reasons for recommendation(s):

3.1 The attached report is being considered by the Full Council of each of the fifteen local authorities in Lancashire, that is, the County Council, two Unitary Authorities and each of the 12 District Councils.

The intention is that this report sets out the general principles and high level priorities of a long term strategic plan and County Deal. As progress is made, more details about specific asks will be developed, and there will be opportunities for all of the partner authorities to contribute to and influence that, including identifying specific schemes and activities.

Full Council is therefore asked to consider the report and recommendations set out above.

3.2	Is the recommendation contrary to a plan or strategy adopted or approved by the Council?	No
3.3	Is the recommendation in accordance with the Council's approved budget?	Yes

4.0 Other alternative options to be considered:

4.1 Blackpool Council could opt not to continue to work with other Lancashire authorities in pursuit of a devolution deal. However, this risks removing one important way that Blackpool and its residents could benefit from additional resources and powers in the future.

5.0 Council priority:

5.1 The relevant Council priorities are

- "The economy: Maximising growth and opportunity across Blackpool"
- "Communities: Creating stronger communities and increasing resilience"

6.0 Background information

6.1 Lancashire has a rich heritage, it is a diverse county which has opportunities for all and is home to globally leading firms and nationally significant assets. Its thriving £34bn economy was growing rapidly prior to the pandemic with the fourth largest aerospace cluster in the world helping achieve significant productivity gains. With a population of 1.5m people, Lancashire's 54,000 businesses generate 749,000 jobs across a range of important and emerging sectors from manufacturing and hospitality to cyber, digital and low carbon. A place of amazing beauty, its natural assets support the economy and workforce as well as providing a thriving tourism destination for visitors and an opportunity to support net zero and cleaner energy ambitions.

6.2 Local government arrangements in Lancashire are complex with a County Council, two Unitary Authorities and 12 District Councils. However, over the last two years, the context of a global emergency response has created a platform to empower Leaders of all the 15 local authorities in Lancashire to strengthen relationships and partnerships with wider stakeholders. Whilst the pandemic has generated significant, bespoke impacts in Lancashire that have exacerbated longer-term underlying structural issues and inequalities, Leaders are using this foundation as a basis for recovery and to drive forward economic growth.

6.3 With a robust evidence base and utilising the strong local knowledge of elected representatives, Leaders are developing a vision and ambition for the future of Lancashire looking ahead to 2050 to recover, grow and decarbonise the economy, improving the place and the life opportunities of its people. Their plans to achieve this will not only realise opportunities for Lancashire and UK plc but in doing so, help address many of the structural deficits and level up across the county.

6.4 With the Government's much-anticipated levelling up White Paper on the horizon, the time is right for Lancashire to move forward together with a collective voice to make the case for more powers and investment for all of Lancashire.

6.5 Leaders have identified that the work is now at a stage where it is important to secure the engagement and support of all members. This report is therefore being presented to all fifteen local authorities.

6.6 This report covers:

1. **Lancashire 2050,** which sets out the headline themes which could be included in a long term strategic plan and ambition for Greater Lancashire.
2. **Our New Deal for a Greater Lancashire**, which sets out an initial scope and is a first phase of work that could begin to frame a set of devolution asks as part of a County Deal.
3. **Governance,** which sets out information about the governance options to oversee the long-term plan and deliver the deal, and the principles agreed by Leaders for any governance arrangements.

6.7 It is important to note that the Government's anticipated Levelling Up White Paper will influence to a large extent the shape and substance of a County Deal that Lancashire authorities will be able to pursue. The information, advice and proposals in this paper may therefore, need to change to reflect the White Paper. This report and recommendations seek to position Lancashire so it is better placed to commence early County Deal discussions with Government.

6.8 **Developing a Lancashire Plan**

Significant work has taken place across Lancashire to gather evidence that will shape an overarching vision, strategy and plan for the whole of 'Greater Lancashire'. This work has helped inform the scale of ambition and the development of robust key priorities within the scope of what Our New Deal for a Greater Lancashire could look like, together with the governance principles described in this report.

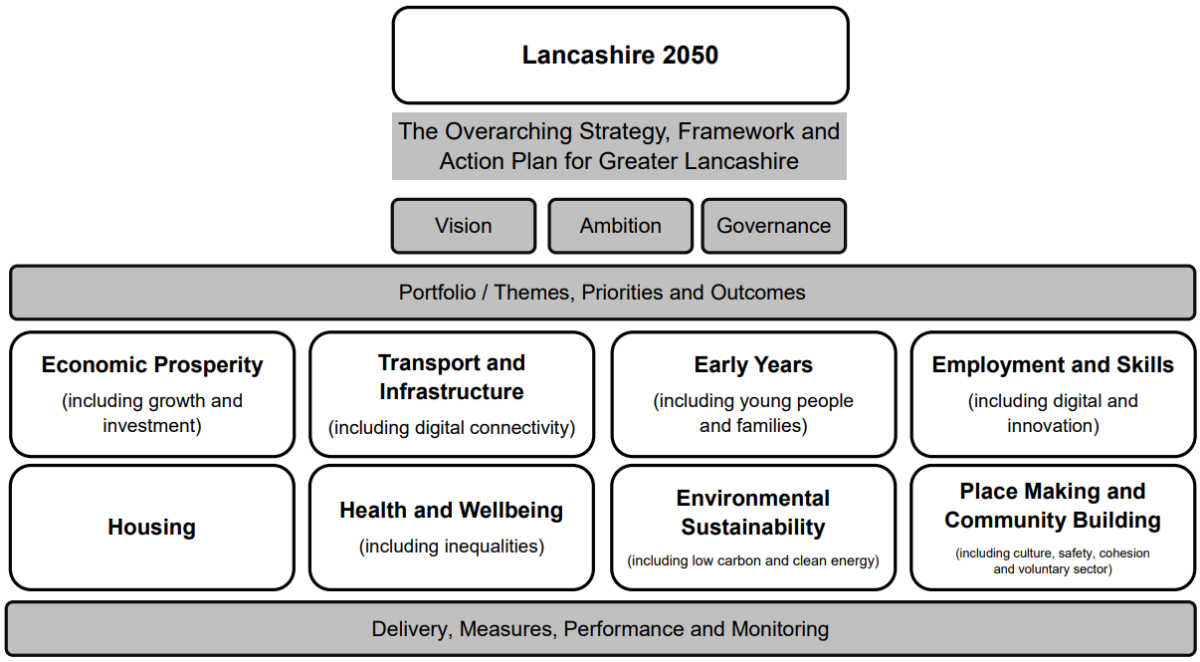
6.9 Once fully developed and adopted, in tandem with a devolution deal, Lancashire's overarching strategic plan will be forward looking and take a long term view, setting the vision and ambition over a 20-30 year period. Approaching this strategic framework in this way will ensure that the scope of Lancashire's devolution proposals addresses both the immediate priorities and longer term ambitions.

6.10 Hence, an overarching strategic plan that looks to Lancashire in 2050 would need to describe a broader ambition beyond the immediate priorities framed by the four themes set out within the scope for Our New Deal for a Greater Lancashire at Appendix 9(a). Developing the strategy and priorities this way also ensures that policy areas overlap to tackle cross cutting

opportunities such as skills, health and the environment, avoiding any unintentional policy silos. For example, tackling priorities that are currently included in the devolution scope around early years, housing quality, employment and skills, will also address some of the wider determinants of poor health as part of a longer term ambition for Lancashire, even though health priorities are yet to be agreed and fully set out working with our partners in the NHS through the Lancashire and South Cumbria integrated health and care system.

6.11 As a result, in addition to the four themes identified within Our New Deal for a Greater Lancashire, additional policy areas within the Lancashire 2050 strategic plan could include themes such as health (including inequalities, improvement and wellbeing) and community building (including crime and public safety), see Diagram 1 below. Work to shape and consult on Lancashire 2050 will continue in tandem with work on Our New Deal for a Greater Lancashire over the coming months and report through to Leaders and Councils and ultimately through any new governance arrangements adopted.

6.12 **Diagram 1 Lancashire Plan Scope Illustration**

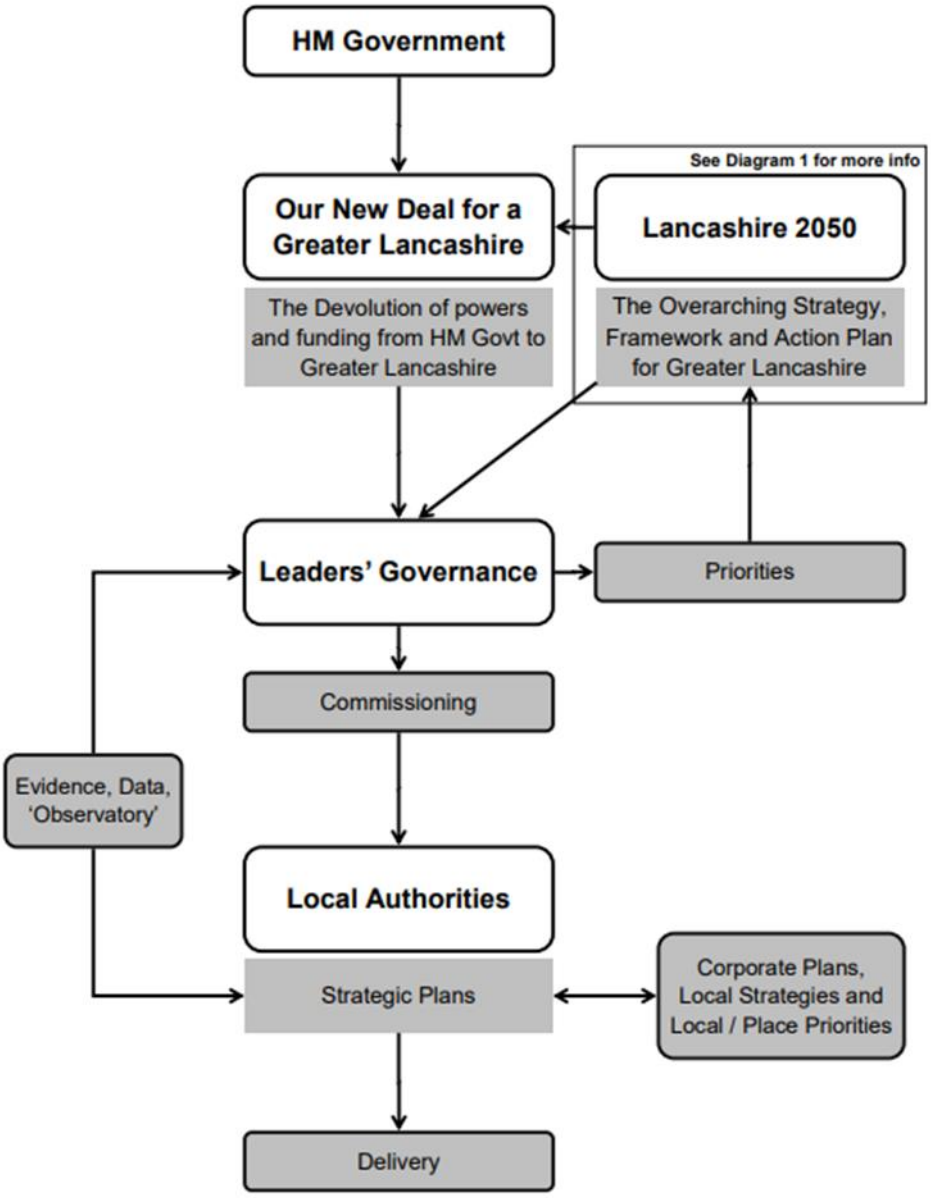


6.13 **Our New Deal for a Greater Lancashire** (Appendix 9(a))

With a long term strategic plan in place, our ask of Government through a County Deal, would be for the devolved powers, flexibilities and funding to accelerate the delivery of the immediate priorities set out in the plan, see Diagram 2 below. Based on the experience of other areas which have secured devolution deals, our ask could be in the order of say £5bn investment into the wider Lancashire area to address local needs and priorities as determined by and in Lancashire over the next 5-10 years. This would be across four core themes of:

- Economic growth and investment
- Transport, connectivity and infrastructure
- Early years, education, adult skills and employment
- Environment, climate change and housing quality

6.14 **Diagram 2 Our New Deal for a Greater Lancashire Illustration**



6.15 **Next Steps**

In order for Lancashire to move forward with a strong collective voice, the engagement and support of all Councils will be extremely important. This will give Leaders a mandate to collectively move forward on the issues set out in this report, and to engage with Government to develop and deliver a great deal for Lancashire, for presentation back to each Full Council in Lancashire to consider and decide.

6.16 Does the information submitted include any exempt information? No

7.0 List of Appendices:

7.1 Appendix 9(a) – Initial Scope of Our New Deal for a Greater Lancashire
Appendix 9(b) – Principles of Governance

8.0 Financial considerations:

8.1 Not applicable at this stage.

9.0 Legal considerations:

9.1 Not applicable at this stage.

10.0 Risk management considerations:

10.1 Not applicable at this stage.

11.0 Equalities considerations:

11.1 Not applicable at this stage.

12.0 Sustainability, climate change and environmental considerations:

12.1 Not applicable at this stage.

13.0 Internal/external consultation undertaken:

13.1 Not applicable at this stage.

14.0 Background papers:

14.1 Not applicable.

Appendix 9(a)

Initial Scope of Our New Deal for a Greater Lancashire

Purpose

This document sets out an initial scope and is a first phase of work that could begin to frame a set of devolution asks as part of Our New Deal for a Greater Lancashire – through which potential powers and responsibilities would be devolved to Lancashire from Government – in order to support delivery of Lancashire's overarching strategic plan (Lancashire 2050). The initial scope of the deal is focused on the key priorities agreed by Leaders, having considered the available evidence, on four key themes which require devolution from Government:

- economic growth and investment
- transport, connectivity, and infrastructure
- early years, education, adult skills, and employment; and
- environment, climate change and housing quality.

Within each theme, initial funding asks have been identified varying from single figures to suggested multi-year settlements over a range of time periods. **The total indicative value of the request of Government for these initial proposals is in the order of £5.6billion over a seven year period.**

Theme 1 - Economic Growth and Investment

Overview

The scale and importance of the Lancashire economy cannot be overstated, being the second largest in the North West behind only Greater Manchester. A thriving Lancashire remains one of the pre-requisites to a successful economy in the North of England. It is a location which can continue to build on existing clusters of excellence, whilst embracing the opportunity offered by new and emerging technologies and challenges such as cyber, low carbon and clean energy.

The focus of our work will be to ensure that proposals are aligned to supporting fast and sustainable economic recovery and onwards to long-term growth. It will focus on protecting existing employment and economic activity, whilst also driving up productivity, accelerating the commercialisation of low carbon technologies and seeking out new opportunities through stimulating innovation and developing collaborative partnerships. Climate action and mitigation will be key in relation to reducing energy emissions from housing and driving up technological skills. The future role of our towns will also be key and the part they play as places to live, work, study and innovate, consume, and visit. In doing so, this will help to reverse the major impacts of the pandemic on the Lancashire economy, its employers, its workforce and address the wider determinants of health across the communities in which they live.

Strategic objective:

To strengthen, grow and diversify our economy to extend the existing pockets of UK leading productivity across Lancashire as a whole and maximise the value of our people, land, and business assets. We will deliver growth through investment and manufacturing/innovation accelerators in town centres and local economies, unlocking strategic sites and focusing on jobs, skills, low carbon, health innovations, clean energy, and renewables, maximising our assets and strengths in manufacturing, cyber, digital, and the visitor economy.

The total annual indicative value of the request of Government for the Economic Development and Investment theme is in the order of £200million per annum.

Theme 2 - Transport, Connectivity and Infrastructure

Overview

Lancashire's economic geography is complex and spatially polycentric. Connectivity - both physical and digital - is unequally distributed and under-provided. This is holding back Lancashire's full potential and that of the North as a whole. There are compelling reasons to want to improve both East-West and digital connectivity in Lancashire to tackle some of the worst climate, health and socioeconomic outcomes; provide employers with a larger pool of workers to draw from, enabling the development of more highly specialised sectors, increasing productivity through agglomeration; and integrating Lancashire’s divided economy into one.

Strategically positioned between the rural areas of Cumbria and Pennines and the major cities of Leeds, Manchester, and Liverpool, Lancashire's best transport connectivity runs North-South, but most people live East-West in a central corridor stretching from Pendle and the Yorkshire borders to Blackpool and the coastal economies. Improving links East-West across the county allows residents to access the major North-South connections more easily maximising opportunities such as high speed rail (HS2). The focus for these links will include bus, renewables-powered electric heavy and light rail, and active travel (walking and cycling).

Lancashire is 80% rural and does not have one major settlement which everywhere looks towards. Rather it has groupings of small cities, large towns and freestanding medium-sized towns within urban areas. Those urban areas are better served by digital connectivity. Improved digital connectivity will support the people, businesses, rural and coastal economies and associated natural environment to achieve their significant economic potential, help level up health and wider inequalities and achieve demanding environmental ambitions.

Furthermore, aligning investment in transport and digital infrastructure and utilities with investment in major development and strategic priorities will unlock the economic potential of Lancashire. The high-speed digital cable into Blackpool; the Pennine Industrial District connected by the M65 Manufacturing Corridor; and strategic road and rail connections including cross borders to the major cities of Leeds, Manchester, and Liverpool, will maximise potential across Lancashire and the north as a whole.

Strategic objective:

To level up transport infrastructure along the east-west growth corridor and connect people, business, jobs, education, and investment through improved transport supported by active travel, bus, cycling and walking and full fibre broadband unlocking major development and employment investment

The total annual indicative value of the request of Government for the Transport, Connectivity and Infrastructure theme is in the order of £150million per annum.

Theme 3 - Early Years, Education, Adult Skills and Employment Workstream

Overview

Skills investment is arguably one of the most important priorities for the country (and county) to level up – creating places attractive to higher productivity businesses and increasing social mobility and improving life chances, health outcomes and opportunity for all Lancashire's 1.5million residents.

Through skilling up the population, Lancashire aims to build a talent pipeline aligned with the needs of the economy, enhancing productivity, tackling climate change and, by connecting the workforce to good quality jobs, open up opportunities for career progression, higher wages and improved standards of living. This theme will cover an increased focus on preparing children in the early years of life (0-5) for school readiness as well as focusing on upskilling and improving outcomes for young people and adults (post 16) and those in their working years. This will include working with businesses to improve skills utilisation, job quality, wages, and recruitment.

Most places in Lancashire have a very low skills base with 23% of residents with either no qualifications or NVQ1 qualifications and there is a major skills deficit at NVQ Level 4 when compared with the North West and UK averages.

Strategic objective:

To increase focus on preparing children in the early years of life (0-5) for school readiness and to 'level up' the skills of the working age population, by ensuring that Lancashire residents are able to effectively access high quality skills provision and compete for employment opportunities which enables them to secure a higher quality of life and maximise the existing and emerging strengths in Lancashire's economy including climate change, clean energy, cyber, digital and data.

The total annual indicative value of the request of Government for the Early Years, Education, Adult Skills and Employment theme is in the order of £260million per annum.

Theme 4 – Environment, Climate Change, and Housing Quality

Overview

Tackling climate change and reducing our greenhouse gas emissions is one of the biggest challenges facing our society and significant action is needed across Lancashire to achieve government targets set to reach net zero by 2050. Working together will improve the resilience of Lancashire to the impacts of climate change, such as flooding, on communities, businesses and the wider economy. There is a need for locally led, place-based approach to energy solutions such as decarbonising heating systems, improving energy efficiency and local renewable electricity generation to meet current and future growth needs. Much of Lancashire's housing stock falls severely below standards and is energy inefficient – domestic gas is the second biggest contributor to emissions in Lancashire, after transport. Beyond the environmental and health benefits of reducing emissions, there are significant economic opportunities locally and nationally in the transition to low carbon energy technologies with growth in new high-value industries and more productive, higher paid jobs.

Very poor housing quality is a prominent feature of many of Lancashire's urban centres with some areas having significant volumes of stock over 120 years old and others having very low volumes of houses built to more modern quality standards over the last 20 years. Poor quality and condition including cold, damp and energy inefficient housing, contributes to high CO2 emissions and fuel poverty. This poor-quality housing – typically older, private sector rented stock – plays a crucial role in driving some of the worst health outcomes in England and plays a key role in constraining efforts to regenerate the county's most deprived places. Existing powers are not effective in delivering strategic change and reversing cycles of decline. Intervention in these areas of chronic housing failure will create a platform for better social outcomes, supporting regeneration and economic growth. Benefits include the creation of new jobs, skills and training in construction as well as tackling climate change through installation of cooling and heating systems and mitigating future risks from increased flooding. Improving the quality of housing stock will help to provide residents with attractive, spacious, appropriately heated homes with affordable bills, which are better adapted for life long living. In turn, this will contribute to the strength of the workforce and health of the population as a whole. Devolution presents an opportunity to bring forward new powers and resource that can tackle the challenges and create more balanced, better-quality housing that can stabilise and transform lives in the areas of greatest opportunity in Lancashire.

Strategic Objective:

To level up green action and investment in Lancashire to achieve our pathway to net zero carbon emissions, protecting our natural environment and neighbourhoods, investing in carbon reduction measures and transforming housing quality. This will include a specific focus on developing a skilled workforce and business supply chain, delivering large programmes to drive improvements in the energy efficiency and quality of homes.

The total annual indicative value of the request of Government for the Environment, Climate Change, and Housing theme is in the order of £200million per annum.

Governance

The governance structures for delivering the strategic plan priorities and accelerating that delivery through a County Deal would need be designed with two aims in mind:

- to create the best arrangements to deliver the priorities within the strategic plan and the Deal itself
- to ensure decisions are made democratically and with all partners having an equal voice.

To this end, Leaders have agreed a set of core principles which should be applied in the establishment of any governance arrangements for joint working and delivering a County Deal. The principles set out below will form the basis of a negotiation with Government including the implications of any white paper:

- Lancashire authorities do not collectively support a Mayoral Combined Authority or Local Government reform
- Each authority would be represented on the decision making body by their Leader
- Each authority's current services, including statutory functions and discretionary services would not be included in any county deal arrangement without the express agreement of that authority
- The voting principle is one council, one vote, with a two thirds majority required for any proposal
- Each council will have a veto if any proposal is in their area, if their money is required or if they can reasonably demonstrate that it is reasonably likely to have a material impact on their area unless there are special circumstances to proceed (e.g. policy, legal, public safety reasons).
- Individual Councils will have the right to leave the Deal and the decision making body arrangements
- It would initially be chaired by Lancashire County Council which will also act as the accountable body (under some governance models an Accountable Body may not be necessary).

Initial discussions with Leaders have started to consider a range of possible options for more formal joint working and to govern the delivery of a devolution framework and a County Deal. A number of options are being explored, including joint committees, statutory boards, non-statutory boards, a local authority owned company and other informal working arrangements. This may also be largely dependent on the contents of the White Paper and any specifications it makes for the governance of County Deals.

Whatever the arrangements identified as best suited to the Lancashire area, each individual Local Authority's Full Council would need to give approval to its participation.

As the governance arrangements are developed further, a number of important issues will need to be addressed, such as managing possible conflicts of interest, providing indemnitees to members against liabilities, borrowing and funding arrangements and the detail of meeting processes. Each governance model option may require different solutions to these kinds of issues. A representative working group of officers including several Monitoring Officers has already begun work on these issues.

Resources

As progress is made, consideration will need to be given by Leaders and councils to support and resource options to manage and deliver any agreed plan and Deal. Local Authorities will need consider a fair way for each partner authority to contribute. It is also the intention to seek capacity funding from Government as part of the negotiation process for a new Deal.