

EXECUTIVE BOARD

Thursday, 13 July 2017

Time: 18:00

Venue: Meeting Room A

Address: Blackburn Town Hall

AGENDA

Information may be provided by each Executive Member relating to their area of responsibility

Part 1- Items for consideration in public

- 1 **Welcome and Apologies**
- 2 **Minutes of the Previous Meeting**
Minutes -15th June 2017 4 - 12
- 3 **Declarations of Interest in Items on this Agenda**
If a Board Member requires advice on any items involving a possible Declaration of Interest which could affect his/her ability to speak and/or vote he/she is advised to contact Phil Llewellyn at least 24 hours before the meeting
Declarations of Interest 13 - 13
- 4 **Equality Implications**
The Chair will ask Members to confirm that they have considered and understood any Equality Impact Assessments associated with reports on this agenda ahead of making any decisions
- 5 **Public Forum**
To receive written questions or statements submitted by members of the public no later than 4.00 p.m. on the day prior to the meeting.
- 6 **Questions by Non-Executive Members**
To receive written questions on any issue submitted by Non-Executive Members no later than 4.00 p.m. on the day prior to the meeting.
- 7 **Youth MP's Update**
To receive an update from the Youth MP's along with any issues they would like to raise.

EXECUTIVE MEMBER REPORTS

Verbal updates may be given by each Executive

	Member	
8.1	Leader (Chair of the Executive Board)	
8.2	Health and Adult Social Care	
8.3	Children’s Services	
8.4	Environment	
8.5	Leisure, Culture and Young People	
8.6	Neighbourhood and Prevention Services	
8.7	Regeneration	
8.8	Resources	
8.9	Schools and Education	
9	CORPORATE ISSUES	
9.1	Corporate Capital Budget and Balance Sheet Monitoring Report 2016/17 - Quarter 4 31st March 2017	
	Corporate Capital Budget and Balance Sheet	14 - 25
	Monitoring Report - 2016-17 - Quarter 4 31 March 2017	
	Capital Monitoring appendix 1	26 - 26
	Capital Monitoring appendix 2	27 - 28
9.2	Corporate Revenue Monitoring Report Quarter 4 - 2016/17 Outturn Position	
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	Revenue Monitoring Appendix 1	36 - 36
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9.3	Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI Contract)	
	Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract P1	41 - 43
9.4	Provision of a new Car Park at Old Bank Lane Provision of a new Car Park at Old Bank Lane P1	44 - 49
	Appendix 1 - Car Park at Old Bank Lane	50 - 50

- Appendix 2 - Car Park at Old Bank Lane** 51 - 51
- 9.5 Darwen former 3 day Market Site Redevelopment Update**
- (This item was not on the Forward Plan within the required 28 days' notice period, it has been agreed that it be taken under General Exception).*
- Darwen former 3 day Market Site Redevelopment Update** 52 - 58
- 10 MATTERS REFERRED TO THE EXECUTIVE BOARD**
- PART 2 – THE PRESS AND THE PUBLIC MAY BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS**
- PART 2 – THE PRESS AND THE PUBLIC MAY BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS**
- 11.1 Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract**
- Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract P2**
- 11.2 Provision of a new Car Park at Old Bank Lane**
- Provision of a new Car Park at Old Bank Lane P2**

Date Published: Wednesday, 05 July 2017
Harry Catherall, Chief Executive

EXECUTIVE BOARD

15th June 2017

PRESENT

COUNCILLOR:

Mohammed Khan
Maureen Bateson
Mustafa Desai
Damian Talbot
Jim Smith
Arshid Mahmood
Phil Riley
Andy Kay
Dave Harling

PORTFOLIO:

Leader
Children's Services
Health & Adult Social Care
Leisure, Culture & Young People
Environment
Neighbourhoods & Prevention Services
Regeneration
Resources
Schools & Education

EXECUTIVE MEMBER

John Slater

NON-PORTFOLIO

Leader of the Conservative Group

ALSO IN ATTENDANCE

Ummaih Shah, Youth MP and Elle Walsh,
Deputy Youth MP

	Item	Action
1	<u>Welcome & Apologies</u> The Leader of the Council, Councillor Mohammed Khan welcomed all present to the meeting, Apologies were received from Aliyah Shah, Deputy Youth MP.	
2	<u>Minutes of the Meeting held on 13th, April 2017</u> The minutes of the meeting of the Executive Board held on 13 th April 2017 were agreed as a correct record.	Approved
3	<u>Declarations of Interest</u> Councillor Damian Talbot declared an interest in Agenda item 8.5.1. Community Asset transfers: Creating Community Hubs (wife works at CVS – although not on this project).	
4	<u>Equality Implications</u> The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.	Confirmed
5	<u>Public Forum</u> Page 4 of 58	

	Item	Action						
	<p>No questions had been submitted from members of the public.</p>							
6	<p><u>Questions by Non-Executive Members</u></p> <p>In accordance with Part 4 of the Executive Board Procedure rules for questions/statements by Non- Executive members, the following questions/statements had been received, details of which are set out below:-</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th style="text-align: center;">Name of Non-Executive Member Asking the question</th> <th style="text-align: center;">Subject Area</th> <th style="text-align: center;">Executive Member and portfolio</th> </tr> </thead> <tbody> <tr> <td>Councillor Karimeh Foster</td> <td>Darwen Market Stall Holders</td> <td>Councillor Phil Riley</td> </tr> </tbody> </table> <p>Councillor Phil Riley provided details of traders who had left the market since December 2016, three day market traders whose business didn't work over 6 days, new businesses and new enquiries received. Councillor Riley also gave details about a 3 month social media campaign aimed at local areas and trade publication readers to generate interest and enquiries for stalls.</p>	Name of Non-Executive Member Asking the question	Subject Area	Executive Member and portfolio	Councillor Karimeh Foster	Darwen Market Stall Holders	Councillor Phil Riley	
Name of Non-Executive Member Asking the question	Subject Area	Executive Member and portfolio						
Councillor Karimeh Foster	Darwen Market Stall Holders	Councillor Phil Riley						
7	<p><u>Youth MPs Update</u></p> <p>The Youth MP Ummaih Shah and Deputy Youth MP Elle Walsh verbally updated the Executive Board as follows:</p> <ul style="list-style-type: none"> • A busy couple of months since the elections with events attended such as the Mayor's installation, Civic Sunday and the Fusion Awards. • Designing a website for YPS which will include all information on the service and also links to our youth work curriculum projects. Help pages for the website to signpost young people to information on Key links to other services such as Mental Health, Sexual Health and Bullying. A regular youth forum update with a Youth MP blog would also be part of the website. • The Youth MP's had volunteered at the recent Festival of Making and it was hoped that this would happen again next year and that they could be involved again. • Visits were planned over the next couple of months to various youth clubs across the Borough along with a visit to Child Action North to engage with vulnerable young people and care leavers and carry their voice through to the decision makers. <p style="text-align: center;">Page 5 of 58</p>	Noted						

	Item	Action
	<ul style="list-style-type: none"> • An invite to hijack the Pan Lancs Children and young people's Emotional Health and Wellbeing Transformational Board next Wednesday to give feedback from BWD on mental health. • Some of the Youth MP's work had been highlighted in the Participation Strategy that Gavin Redhead was currently producing. • Following the success from last year's Darwen Youth Festival, in which over 220 people attended Elle was currently planning and recruiting bands and singers, this event would take place on Saturday, 22nd, July 2017 from 11.00am – 4.00pm. 	
	<p><u>8.1 Leaders' update</u></p> <p>Councillor Mohammed Khan verbally updated the Executive Board as follows:</p> <ul style="list-style-type: none"> • Festival of Making – thanks were passed to all volunteers, Officers and Members who helped make the event a success. • Several events were being held to mark the first anniversary of the death of Jo Cox MP, all of which were aimed at unity and standing up to intolerance. 	Noted
	<p><u>8.3.1 Fostering Service Quarterly report – January to March 2017 (end of year)</u></p> <p>A report was submitted which provided information to the Executive Board on the management and performance of the Local Authority's Fostering Service for the fourth quarter of 2016 – 2017 covering the period 1st, January to 31st, March 2017 which provided an overview of the service and was also the end of year report.</p> <p>RESOLVED- That the Executive Board:</p> <p>Notes the Quarterly report which is available on the Council website.</p>	Noted
	<p><u>8.3.2 Adoption Service End of Year report – 1st, October 2016 to 31st March 2017</u></p> <p>The Executive Board received a report which provided information on the management and performance of the Local Authority Adoption Service for the six month period from 1st, October 2016 to 31st, March 2017 and provided an overview of the work of the Service for this period, plus a summary of the year.</p> <p>RESOLVED - That the Executive Board:</p> <p style="text-align: center;">Page 6 of 58</p> <p>Notes the half years report which is available on the Council</p>	Noted

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	Website.	
8.4	<p><u>Environment Update</u></p> <p>Councillor Jim Smith verbally reported that nearly 13,000 residents had signed up for Brown Bin Collections.</p>	Noted
8.5	<p><u>Community Asset Transfers: Creating Community Hubs</u></p> <p>It was reported that the Council's community asset transfer programme had been a huge success and had enabled the Borough and its communities to remain resilient in the face of significant cuts to the public sector. A lot of credit had to go to the voluntary groups and their volunteers who continued to make a difference in ensuring that there was a local neighbourhood offer.</p> <p>The next phase of this strategy included a review and wish to reflect on how the Council could further strengthen and ensure important facilities were financially viable and sustainable. This would be on a business case basis to promote asset based working to use local community centres to host activity that would promote wellbeing of communities, support their independence, reduce isolation and act as a focal point, as a Community Hub.</p> <p>The aim was to create more integrated and collaborative working between communities, Public, Private and Voluntary sector. This would be achieved by aligning its volunteer, asset based community working, creating greater awareness of what was out there and what was needed. Where possible the Council would facilitate the delivery of activity by partners and voluntary groups in community centres</p> <p>Community centres in Blackburn with Darwen had been asset transferred through various agreements with Voluntary and 3rd Sector Organisations. Three centres have transferred under lease (varying lengths) and six centres transferred under Licence. All of these were due to end in 2018 and would need to be reviewed and updated. The asset transfers had been successful by delivering community management of buildings, continuation of activities and services for deprived communities where the Council was no longer able to resource activity. Asset transfers had also achieved significant financial savings for the Council.</p> <p>There was an opportunity for the Council to utilise the community assets to support statutory services by delivering informal preventative programmes through asset based community development. Adult Social Care was an example of this where community services could help provide a way to support people who are socially isolated and had mental health issues.</p> <p>There would be other opportunities for the community centres to link into agendas such as 'digital first' by providing public access to computers, improving worklessness through access to volunteer</p>	

	Item	Action
	<p>opportunities and work clubs in a community setting.</p> <p>RESOLVED -That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the update on Community Asset Transfers; • Delegates authority to the Director of Localities & Prevention and the Director of HR, Legal & Corporate Services, in consultation with the Executive Member for Leisure & Culture to agree and finalise updates legal agreements in consultation with all community centre management boards;and • Agrees that the transferred Community Centre assets to be commissioned as venues to deliver various programmes that will support asset based community development on a case by case basis. 	<p>Noted Approved</p> <p>Approved</p>
	<p><u>8.7 Regeneration Update</u></p> <p>Councillor Phil Riley verbally reported that the Council was aware that the residents of Openshaw Drive had not been directly served by a local bus service since M & M Coaches (who previously operated the 155 Blackburn – Clitheroe minibus service) ceased trading on 22nd, September 2016. The issue had been raised with the current provider of the service 10, Blackburn Private Hire, as part of the Council's statutory co-ordination function in relation to public transport, following a number of requests from Councillors and the general public about the lack of service in the St James' Road/ Wimberley area.</p> <p>The operator was of the view that the serving of Barbara Castle Way Health Centre on the inbound journey via East Park Road was more advantageous to the ongoing commercial viability of the service than extending this via St James' Road and Wimberley Street. Ultimately, as this service was 100% commercial with no direct subsidy from the Council, it was the operator's call.</p> <p>The Council's scope for funding subsidised routes and extensions to commercial routes was now much diminished, given cuts to funding which have been ongoing since 2010. Service reductions to the remaining Council subsidised routes took place at the end of May 2017, which had left the Blackburn with Darwen bus network operated on an almost wholly commercial basis.</p> <p>Other alternative forms of transport were available, with Travel Assist and Dial A Ride both providing demand responsive Community Transport Services throughout the Borough.</p> <p>The Council was also working with the Royal Voluntary Service and have launched a Volunteer driver service, which provided a viable alternative for public transport users with mobility issues in light of the cancellation of commercially unviable services by transport operators following reductions in public subsidies. The service,</p>	<p>Noted</p>

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<p>launched on 30th May initially covered Pleasington Cemetery but would include other destinations when more volunteers were recruited.</p> <p><u>8.8 Resources Update</u></p> <p>Councillor Andy Kay verbally reported that:</p> <ul style="list-style-type: none"> • The Board would be aware that Mike Singleton our coroner for a number of years is retiring at the end of this month. • The new service would be led by an interim Senior Coroner, Dr James Adeley. • Services to the community would be maintained and also enhanced with the re-introduction of an out of hours. • The service would be managed on a combined basis with LCC and resilience to Blackburn with Darwen will be improved as Dr Adeley had Assistant Coroners who could also act in the Councils' jurisdiction. • Consultation on the new Coronial area was expected to commence in the summer months following which it was expected the MoJ and Chief Coroner would confirm the new merged jurisdictions which would not only provide both improved services and residence, but also savings for the Council. • The Executive Member thanked Mike Singleton for his services to the Borough and welcomed Dr Adeley who a number of Members had already met. <p><u>9.1 Report on the progress against the Corporate Plan 2016/2017 for six months to year-end (October 2016 to March 2017)</u></p> <p>Members received a report which provided the Executive Board with the opportunity to review progress against the Council's strategic priorities documented within the Corporate Plan and to provide assurance that appropriate actions were being taken to address key areas of concern.</p> <p>The report tracked the progress of performance against the Council's strategic objectives for six months to year-end (October 2016 to March 2017).</p> <p>Of the 99 measures information for the period was as follows:</p> <ul style="list-style-type: none"> • 7% (7 actual) had been forecast as "red" where performance is, or is likely to be off track. • 27% (27 actual) had been forecast "amber" where delivery is on track and currently being managed. • 66% (65 actual) had been forecast "green" or on track. • 0%(0 actual) of the measures a RAG rating was not available. <p style="text-align: center;">Page 9 of 58</p> <p>The purpose of this report to provide a picture of overall</p>	<p>Noted</p>

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	<p>performance and highlight any key issues of concern which were in need of closer monitoring and follow up action. Information on all Corporate Plan measures and key issues raised through the performance challenge process were documented for Executive Board, in two separate appendices, as follows:</p> <ol style="list-style-type: none"> 1. Appendix one showed a summary of all Corporate Plan priorities, highlighting those areas that were forecast as being on track; those where delivery was not going as planned and those where performance was forecast as off track or likely to be off track. Please note performance data is provisional and was subject to validation. 2. Appendix Two provided exception reports for priorities which were considered to be off track. <p>RESOLVED: That the Executive Board:</p> <ul style="list-style-type: none"> • Note the overall performance against the delivery of the Council's strategic objectives as illustrated in Appendix One; and • Note the remedial action to improve delivery against those priorities which are giving cause for concern, as outlined in Appendix Two. <p><u>9.2 Supporting People renewal of contracts in August 2017</u></p> <p>The Executive Board was asked to note the update on the Supporting People (SP) programme due to the budget being reduced to £1,320,700 in 2017/18. This would result in the reduction or non-renewal of some contracts.</p> <p>Supporting People was a primary housing based support programme for vulnerable. The objective of SP was to promote preventative support, helping vulnerable people maintain independent and sustainable living.</p> <p>The review was highlighted as part of the savings targets identified within the Medium Term Financial Strategy (MTFS) and agreed at Policy council in December 2016.</p> <p>The Supporting People programme savings target within the MTFS was up to £400,000 for 2017/18.</p> <p>The aim of the new model was to ensure that people continued to receive a flexible, preventative and where needed, reactive service, whilst achieving efficiency savings of up to £400,000. Following a review of services the proposed efficiency savings had been reported.</p> <p>The Council had undertaken detailed consultation and reviewed options available against each service and commission and had been able to recommend £375,000 savings however this left very little resilience going forward. The demand on the supporting people budget was very high and had been re-prioritised several times over</p>	<p>Noted</p> <p>Noted</p>

	Item	Action
	<p>the last 5 years. From a budget of £4,814,600 in 2011 to the adjusted budget £1,320,700 in the current year 2017/18 this represented a reduction of 72%. This was against growing demand year on year and significant changes to housing benefit and other welfare benefit support for vulnerable and older persons housing based services.</p> <p>Therefore having fully considered all options and implications the Council could achieve £375,000 saving, however the full year effect may not be available until 2018/19.</p> <p>There were two options for actual savings to be generated in 2017/18 and 2018/19 which were outlined within the financial implications, with option 1 the preferred option.</p> <p>RESOLVED: That the Executive Board:</p> <ul style="list-style-type: none"> • Approves that formal notification was given to providers as soon as possible ahead of the contractual renewal date in August 2017; • Approves that delegated authority be granted to the Director of Adult Social Care to vary contracts and agree continuation where appropriate; and • Approves recommendations to implement Option 1 to deliver the required budget savings. <p>AT THIS STAGE OF THE PROCEEDINGS THE PRESS AND THE PUBLIC WERE EXCLUDED FROM THE MEETING</p> <p><u>11. Supporting People Renewal of Contracts – August 2017</u></p> <p>Further to report submitted at Agenda Item 9.2, report was submitted containing additional commercial sensitive information.</p> <p>RESOLVED -That the Executive Board:</p> <ul style="list-style-type: none"> • Approves that formal notification was given to providers as soon as possible ahead of the contractual renewal dates in August 2017; • Approves that delegated authority be granted to the Director of Adult Social Care to vary contracts and agree continuation where appropriate; and • Approves recommendations to implement Option 1 to deliver the required budget savings. <p style="text-align: center;">Signed at a meeting of the Board On the day of (being the next ensuing meeting Of the Board)</p>	<p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>

	Item	Action
	Chair of the meeting At which the minutes were confirmed	

**DECLARATIONS OF INTEREST IN
ITEMS ON THIS AGENDA**

Members attending a Council, Committee, Board or other meeting with a personal interest in a matter on the Agenda must disclose the existence and nature of the interest and, if it is a Disclosable Pecuniary Interest or an Other Interest under paragraph 16.1 of the Code of Conduct, should leave the meeting during discussion and voting on the item.

Members declaring an interest(s) should complete this form and hand it to the Democratic Services Officer at the commencement of the meeting and declare such an interest at the appropriate point on the agenda.

MEETING: **EXECUTIVE BOARD**

DATE: **13TH JULY 2017**

AGENDA ITEM NO.:

DESCRIPTION (BRIEF):

NATURE OF INTEREST:

DISCLOSABLE PECUNIARY/OTHER (delete as appropriate)

SIGNED :

PRINT NAME:

(Paragraphs 8 to 17 of the Code of Conduct for Members of the Council refer)



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of Finance and IT

DATE: 3 July 2017

PORTFOLIO/S AFFECTED: Resources

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2016/17 – Quarter 4 31 March 2017

1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 31st March 2017, highlighting major issues and explaining variations at the year end with regard to portfolio under/overspends and slippage since the last report to the Executive Board in February 2017.

2. RECOMMENDATIONS

That the Executive Board:

- a) Notes the final capital outturn for 2016/17 as per Appendix 1, together with the variations shown in Appendix 2.
- b) Agrees that the slippage of £12.049 million in the 2016/17 capital programme across the portfolios and the £4.484 million in respect of Earmarked Schemes can be carried forward into 2017/18 and that the 2017/18 capital programme is amended accordingly.

3. BACKGROUND

All portfolios are required to examine their revenue and capital budget position on a monthly basis. Regular reports are submitted to Executive Board for review along with a final report, detailing the financial outturn position.

4. KEY ISSUES & RISKS

- a) The Council's capital investment for 2016/17 across the portfolios has decreased from the projection of £32.256 million, reported and approved by Executive Board on 9th February 2017, to an actual outturn spend of £22.892 million. The net variation of £9.364 million (detailed at Appendix 2), reflects the total requested variations to the programme of £2.685 million and net transfers from the 2016/17 programme into future years of £12.049 million, excluding earmarked schemes.

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b) Capital receipts to the value of £1.983 million were received in 2016/17 and used to support the Minimum Revenue Provision. This compares with the estimate reported to the February Executive Board of £2.158 million.

5. POLICY IMPLICATIONS

The information contained within the report accords with the capital strategy and the three year budget forecast within the Medium Term Financial Strategy 2016-20, as approved at Finance Council on 27th February 2017.

6. FINANCIAL IMPLICATIONS

6.1 CAPITAL PROGRAMME

The variations in projected spend and resource availability for 2016/17 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The total variation at outturn in the Capital Programme across the portfolios compared to the last report approved by Executive Board is £9.364 million, of which £5.195 million relates to slippage on the Schools capital programme. The major capital variations to note are as follows:

6.1.1 Health & Adults Social Care

Demolition of Longshaw HOP

The demolition of Longshaw home for older people is now complete and all costs have been accounted for. An underspend of £102,000 is reported on this scheme.

Disable Facilities Grant

A request is made for slippage of £35,000 into 2017/18 to be utilised on future schemes.

Day Care Services Upgrade

This scheme has now completed and a underspend of £4,000 is reported.

6.1.2 Children's Services

Disabled Facilities Grant

An underspend of £253,000 has arisen on this scheme due to the lower number of claims made for assistance compared to the number expected. There have also been some delays in the planned works and issues requiring redesign of some of the building work.

Approval is also sought for the slippage of £95,000 to cover the costs of 3 schemes that were approved late in the financial year and which therefore could only commence in 2017/18.

Early Education of Two Year Olds

Coach House Nursery has returned grant of £4,500 to the Council, resulting in a surplus on this scheme against the budget. As the grant received for this scheme is not time bound a request is made to slip the budget of £30,000 to utilise in 2017/18.

6.1.3 Environment

Vehicle Purchases

A vehicle has been purchased at [Page 15 of 58](#) £17,200 for Central Office Services for mail collection and deliveries between Council owned sites. This will be funded from a cash limit

reduction in the Resources Portfolio (over an 8 year period from 2017/2018).

6.1.4 Leisure, Culture and Young People

Library Frontage

This scheme was completed in 2015/2016 with only the retention due for payment in 2016/17. An accrual was raised in 2016/17 to cover the retention, however it did not cover the cost of the technical fees which were also due for payment in 2016/17. The additional technical fee costs have resulted in a further overspend of £1,000 which needs to be funded from main programme borrowing.

Radio Frequency Identification

This scheme has now been completed and no further expenditure is expected. An underspend of £26,000, is reported.

Making Rooms

All work has been completed on this scheme with only the retention of £15,000 and additional work to the doors of £2,500 outstanding. Accruals have been made for both these costs as these payments will only be made in 2017/18. The position after these accruals is an underspend of £10,000.

Approval of slippage on the following schemes is requested, as these will only complete in 2017/2018:

- Waves Demolition - £99,000 - work on the topping layer at this site is still to be carried out
- Witton Athletics Floodlights - £13,000
- Bangor St Refurbishment of car park - £21,000
- Woolridge Playing Fields - £231,000
- Making Rooms Equipment - £2,000
- Blackburn Leisure Centre Replacement - £176,000

6.1.5 Neighbourhoods, Housing & Customer Services

Bank Top and Griffin

Funding has been committed to pay for one commercial acquisition and for some demolitions. A request is made to slip £99,000 into 2017/18 to cover the costs associated with this.

Group Repair

There has been no spend in year and a request is made to slip the £3,000 budget.

Insulation for Hard To Treat Places

A request is made to bring forward £4,000 from the future years' programme to cover the costs incurred in year.

Neighbourhood Intervention Fund

There are a number of outstanding payments on compulsory purchased properties that former owners have not yet claimed. Approval to slip the unspent budget of £134,000 is made to cover the costs of future claims from these home owners.

Equity Loans

Equity loans are provided to home owners who have had their homes compulsory purchased to assist with relocation expenses. A request to slip the remaining budget of £14,000 into 2017/18 is made to allow payment of future loans.

Empty Homes Cluster

A housing refurbishment loan project to support the bringing of empty homes back into use was outlined and approved in the Empty Homes Strategy and Business Case in 2016. The work will only commence in 2017/2018 and approval is requested to slip the budget of £60,000 to cover the project costs.

Other Acquisition Costs

£10,000 is requested to be slipped to 2017/18 to cover the costs from an historic clearance, for which the owner has still not agreed the final price.

DECC Heating Fund

The Department For Business Energy and Industrial Strategy have authorised that an underspend of £52,000 on the Sefton Metropolitan Council scheme can be utilised on the scheme being led by Blackburn with Darwen Borough Council. The funds have been transferred and the Blackburn scheme has been increased by this amount.

Approval is requested for slippage on the following schemes as expenditure will only be incurred in 2017/18:

- Affordable Homes Funding £4,000
- Development Investment Fund £44,000
- CCTV Hub £84,000

6.1.6 Regeneration

Redevelopment of Former Blackburn Markets Site

This scheme is now complete. There is a shortfall on the funding of this scheme of £46,000 and so a request is made to cover this from the Corporate Property Investment earmarked schemes. Confirmation has been received that in the financial year 2017/18 a further £20,000 will be paid in retention fees. No provision has been made for these costs, therefore a further request to fund this from the Corporate Property Investment earmarked schemes will be made in 2017/18.

Assistance To Industry

Approval is sought for the virement of £25,000 from the Assistance to Industry Scheme to the Cathedral Café Growth Deal, to cover a funding reduction from the Lancashire Enterprise Partnership. A request is also made for slippage of £37,000 into 2017/18 to cover committed spend.

Cathedral Quarter Development

Approval is required for the virement of £10,000 from the Local Transport Scheme to this scheme to cover public realm expenditure. Slippage is also requested of £100,000 on this scheme to cover retention costs.

Cathedral Quarter Office Block Fit Out

Approval is requested to bring forward budget from future years for this project to cover the spend ahead of budget of £30,000 in the year.

Darwen 3 Day Market

The spend in year totals £152,000 which is £28,000 more than budget. Approval is sought to bring forward budget from future years to cover these costs.

Blakey Moor

There has been no expenditure on this scheme in 2016/17; as such a request is made to slip the budget of £3.547 million to 2017/18.

Local Transport Plan

Total virements of £14,000 are requested from this scheme;

- £10,000 to the Cathedral Quarter Development scheme to cover public realm costs and
- £4,000 to the Pennine Reach scheme to offset overspends

Street Lighting Investment

An underspend of £25,000 is reported on this scheme to date due to an over accrual of costs in 2015/16. A request is made to approve the slippage of £125,000 to cover costs in 2017/18 to complete this scheme.

Blackburn and Darwen Surface Water Management Plans and Blackburn with Darwen Culvert Study

Underspends are reported on all 3 of these schemes as per Appendix 2. All of these schemes were fully funded by grant from the Environment Agency; the unspent grant will be returned in 2017/18.

Highways Network Recovery

Approval is required for slippage of £84,000 to cover the costs of further patching works required on the highways.

Pennine Reach

The overspend previously reported is now confirmed at £2.390 million. Legal discussions are still in progress in respect of performance bonds that may be recoverable by the Council.

M65 Junction 5 Signalisation

The scheme has underspent in year by £79,000 in relation to an over accrual of costs in 2015/16. A request is made to slip budget of £249,000 on this scheme into 2017/18 to cover costs that will arise in 2017/18.

Approval is sought for slippage into 2017/18 on the following schemes to cover the continuation of works:

- Integrated Modelling Works £11,000
- Bala Close Drainage Improvements £13,000
- Granvill Road/Westland Ave Flood Study £20,000
- Birch Hall Ave Diversion Appraisal £14,000
- Livesey Branch Road Culvert £41,000
- Bury Brook Fold £15,000

6.1.7 Resources

Corporate ICT

The following ICT capital schemes are not yet complete and slippage is requested as follows:

Scheme	Slippage requested
IT Monitor & management service systems & operational software	£3,000
Digital Services	£11,000
Public Access	£127,000
WAN Connectivity	£36,000
Replacement Infrastructure	£67,000
HR & Payroll System	£2,000
Adult Social Care IT System	£1,000
Digitisation of Planning Service	£167,000
Till and Stock System	£20,000
Finance System	£174,000

Corporate ICT- System Migration

This scheme is now complete and an underspend of £21,000 is reported. It is requested that this is transferred to the Corporate ICT earmarked schemes to be used on future schemes.

The scheme has overspent by £4,000 against the budgeted costs and therefore approval is sought to slip budget from future years back into 2016/17 to cover this spend.

Carbon Management Plan

Slippage of £212,000 is requested to cover costs for LED installation and Building Maintenance Systems networking that will be completed in 2017/18.

Old Town Hall Stonework

The budget has overspent by £5,000 this year and so a request is made to slip back budget from future years to cover these costs.

Land Remediation Schemes

There is a budget of £214,000 for these schemes that has been established for spend in future years; a request is made to utilise £1,000 of this to cover an overspend in 2016/17.

Accommodation Strategy

A request is made for slippage of £30,000 into 2017/18 to complete works outstanding from 2016/17.

Freckleton Street Property Acquisitions

An overall overspend of £1.201 million was reported on this scheme in the Corporate Budget Monitoring Report dated 14th July 2016. An overspend of £350,000 is reported on this scheme in 2016/17. . . , Outstanding costs remain relating to the archeology works, fees and compensation claims on compulsory purchased properties.

Corporate DDA Work

Approval is sought to slip £77,000 into 2017/18 to cover future costs on this scheme.

Velvet Lounge/1-7 Simmons Street

This site is now demolished with a small amount of work to be completed on party walls and fencing. The spend in 2016/17 is over budget by £75,000 and a request is made for this to be covered from the Corporate Property Investment earmarked schemes.

Akzo Nobel Demolition

The demolition works are now complete and an underspend of £16,000 is reported on this scheme.

Audley Juniors

This scheme has overspent in 2016/17 by £9,000, and further costs will be incurred in 2017/2018 to cover the cost of replacement windows. This overspend is covered by the unallocated schools capital fund.

Cedars Primary

Work on this scheme will only complete in 2017/18 and so a request is made to slip £461,000 to cover the future spend. In the process of setting the budgets for 2017/18, this scheme was reduced by £300,000 as reflected in Appendix 2.

Lammack

This scheme is in respect of an additional classroom and has now completed; an overspend of £85,000 is reported which has been funded from the unallocated schools capital fund.

Longshaw Infants

The scheme relates to an extension and internal remodelling of the infant areas. It has overperformed by £70,000 which will be funded from the unallocated schools capital fund.

St Barnabas and St Pauls

Preparatory work has been completed on this scheme which relates to the school's extension and as such only £28,000 has been incurred to date. A request is made to slip the unspent budget of £272,000 into 2017/18 to cover future costs.

Newfield ASD

Demolition on this site has been undertaken prior to commencement of the building work on the autism unit. Building work will commence in 2017/18 and it is requested to slip the unspent budget of £1.635 million into 2017/18.

Turton/Edgeworth Primary School

Preparatory works have been carried out on this scheme totalling £1,000. A request is made to slip the remaining budget of £99,000 to cover the costs of the entrance extension works which are due to be completed in 2017/18.

Longshaw Juniors

This scheme is now complete with costs less than those expected therefore an underspend of £5,000 is reported.

The school capital programme has been reviewed and it has been agreed that these schemes are no longer a priority in the programme. As such, an underspend on the schemes is reported of £91,000 which will be transferred into the schools unallocated capital fund.

Holden Fold

The demolition of this site is now complete and an overspend of £19,000 is reported on this scheme. This has been met from the schools unallocated capital fund.

Crosshill

There have been problems in the delivery of this scheme e.g. the need for additional foundation works and crane hire to facilitate access to the site for the modular building. As a result, this scheme is £98,000 over budget. This has been funded from the schools unallocated capital fund and through additional contributions from the school.

Roe Lee Primary

This scheme is for the refurbishment of the kitchen area which is now complete and all costs have been accounted for in 2016/17. An overspend of £33,000 is reported which has been funded from the schools unallocated capital fund.

Lower Darwen

The scheme is complete however additional costs have been incurred in respect of replacement ovens and other additional works required which were not included in the original estimates. The overspend of £32,000 has been funded from the schools unallocated capital fund.

Ashleigh

Spend of £2,000 has been incurred in year relating to retentions on an old scheme for repointing at the school for which no budget was set aside. This has been funded from the schools unallocated capital fund.

Brookhouse

Approval is sought to add a new scheme to the capital programme for fencing at this site. The cost is £12,000 and is to be funded from the schools unallocated capital fund.

6.1.9 Earmarked Schemes

A request for approval is made to slip the budgets remaining in the earmarked schemes, as per Appendix 2, to cover the costs of future schemes.

Actual capital receipts at the end of March 2017 were £1.983 million all of these were fully utilised in support of the Minimum Revenue Provision.

6.7 BALANCE SHEET POSITION

6.7.1 Overview

Good balance sheet management assists in the effective use and control over the Council's assets and liabilities. Key assets comprise the Council's tangible fixed assets, debtors, investments and bank balances. Key liabilities include long and short-term borrowing, creditors and reserves.

6.7.2 Non-current Assets

Tangible non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. Property assets are the responsibility of the Resources portfolio. One fifth of all assets are re-valued every year, and annual reviews are undertaken to establish whether any impairment or other adjustments need to be applied. New assets, and enhancements to existing assets, are managed by way of the capital programme, as reported on in Appendix 1.

6.7.3 Borrowing and Investments

Long term borrowing requirements flow from the capital programme. Regular dialogue and meetings take place between the Director of Finance & IT, her staff and the Council's independent Treasury consultants, Arlingclose, and options for optimising borrowing requirements are actively reviewed.

No long term borrowing has been taken for the last three years. While short term borrowing has historically been used to help with cash flow management, for the last three years it has also been used strategically to cover the borrowing requirements generated by the capital programme and the repayment of existing long term debt. This has generated significant revenue savings and has reduced investment exposures and risk. Going forward, it is recognised that this approach could impact on the Council's opportunities for obtaining the maximum benefit from future interest rate changes and as such will continue to be monitored.

The Council's surplus cash balances are managed on a day to day basis in line with the Treasury Management Strategy approved by Finance Council. The Council spreads its investment risk over a number of institutions and has limits on how much can be invested in any one institution and for how long. The list of approved institutions is kept under regular review by the Treasury Management Group in conjunction with information from the Council's treasury consultants.

The key outturn variation was a saving of £4,394,000 in respect of a reduced MRP (Minimum Revenue Provision) charge, following an in-year review of the Council's MRP Policy. Other minor variations, compared to final monitoring, were savings on interest on borrowing of £15,000, and increased interest and dividends earned of approaching £70,000.

Treasury debt and investments at year end were as follows:

	Amounts at 31/03/17	Amounts at 31/03/16

	£000	£000
Short term borrowing	57,000	18,500
Long term borrowing	127,122	134,684
Transferred debt re Local Government Re-organisation	15,992	16,658
Recognition of debt re PFI arrangements	68,552	70,095
Investments made by the Council	22,075	10,550

The totals include the debt recognised on the balance sheet as a result of accounting adjustments in respect of bringing into use the new BSF school buildings which are financed through PFI arrangements. These adjustments are made to ensure that the Council's effective control over, and use of, these assets is recognised with corresponding adjustments to the debt. These changes do not add to the costs faced by the Council Tax payer as the actual capital costs for these schools form part of the ongoing stream of payments made to the PFI contractor (which are in turn largely offset by PFI grant funding from the Government).

6.7.4 Debtors

The Council has a corporate debt policy and more specific policies for the key areas of council tax, business rates, housing benefit overpayments, sundry debts and adult social care. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas at a single point in time, i.e. 31st March.

	Position at 31/03/17	Position at 31/03/16
Council tax		
Current year arrears (£000)	2,751	2,633
Previous year arrears (£000)	7,337	6,318
Total Council tax arrears	10,088	8,951
Collection rates	95.97%	95.37%
Business rates		
Current year arrears (£000)	1,378	1,122
Previous year arrears (£000)	2,071	1,680
Total Business rates arrears	3,449	2,802
Collection rates	98.5%	99.2%
Housing Benefit		
Overpayments balances (£000)	2,706	2,716
Collection rates	48.80%	35.35%
Sundry debt		
Arrears balances (£000)	4375	4,944
Adult Social Care debt		

Arrears balances (£000)	253	410
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7. LEGAL IMPLICATIONS

The Council has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

8. RESOURCE IMPLICATIONS

None.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

None

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	0.1
CONTACT OFFICER:	Gaynor Simons (Ext 5635) Julie Jewson (Ext 5893)
DATE:	3 July 2017
BACKGROUND PAPER:	N/A

Overall Capital Monitoring 2016/17

	Approved Programme 2016/17 (Budget Book) £'000	Programme approved at Executive Board Feb 2017 £'000	Forecast Year End Position £'000	Variation (See Appendix 2) £'000
Costs				
Health & Adult Social Care	1,687	1,971	1,830	-141
Children's Services	517	460	78	-382
Environment	2,969	781	799	18
Leisure, Culture & Young People	94	1,745	1,168	-577
Neighbourhood and Prevention Services	1,521	3,457	2,472	-985
Regeneration	6,304	14,209	12,357	-1,852
Resources	5,143	2,798	2,268	-530
Schools & Education	5,576	6,835	1,920	-4,915
Total Predicted Expenditure	23,811	32,256	22,892	-9,364
Resources				
- Department for Communities & Local Government	282	60	0	-60
- Department for Education	5,793	6,713	1,534	-5,179
- Department for Energy & Climate Change	0	2,242	1,705	-537
- Department for Transport	3,787	3,555	3,385	-170
- Disabled Facilities Grants	1,458	1,461	1,461	0
- Housing Grants	0	55	10	-45
- Other Grants	15	2,246	938	-1,308
Government Grants	11,335	16,332	9,033	-7,299
Unsupported Borrowing	10,128	10,663	11,632	969
External Contributions	103	2,077	1,427	-650
Usable Capital Receipts	2,100	2,158	0	-2,158
Revenue Contributions	145	1,026	800	-226
Total Resources	23,811	32,256	22,892	-9,364
Difference	0	0	0	0
Supplementary Information				
Earmarked Capital Schemes	4,047	5,722	1,121	-4,601

Scheme variations to 2016/17 Capital Programme

APPENDIX 2

	Capital Programme Schemes (Feb 2017) £ 000	Transfer from prior year/(to) future year £ 000	Requested Variations £ 000	Expenditure 2016/17 £ 000
Health & Adult Social Care				
Demolition of Longshaw HOP	155		(102)	53
Disabled Facilities Grant	1,458	(35)		1,423
Telecare Project	135			135
Day Care Services Upgrades	9		(4)	5
Shorey Bank Extra Care Scheme Site	214			214
	1,971	(35)	(106)	1,830
Children's Services				
Disable Facilities Grant	430	(95)	(253)	82
Two Year Old Grant	30	(30)	(4)	(4)
	460	(125)	(257)	78
Environment				
Pleasington Cemetary Extension	28			28
Alternate Weekly Waste Collections	445		1	446
Replacement On and Off Road Pay and Display Machines	250			250
Bus Lane Enforcement Cameras	58			58
Vehicle Purchases			17	17
	781	-	18	799
Leisure, Culture & Young People				
Library Cladding			1	1
Blackburn Leisure Centre Replacement	208	(176)		32
Waves Demolition	345	(99)		246
Witton Athletics - Floodlights	13	(13)		-
RFID	25		(26)	(1)
Bangor St - Refurbish Car Park	21	(21)		-
Wooldridge Playing Fields	477	(231)		246
Making Rooms Equipment	36	(2)		34
Making Rooms	620		(10)	610
	1,745	(542)	(35)	1,168
Neighbourhood and Prevention Services				
Bank Top and Griffin Clearance	109	(99)		10
Group Repair (Inner NW/InnerSE/Darwen)	3	(3)		-
Insulation for Hard to Treat Properties	19	4		23
Neighbourhood Intervention Fund	187	(134)		53
Equity Loans	15	(14)		1
Empty Homes Cluster	60	(60)		-
Other Acquisition costs	10	(10)		-
DECC Central Heating Fund	2,242	(589)	52	1,705
Affordable Homes Funding	4	(4)		-
Development Investment Fund	150	(44)		106
CCTV Hub	658	(84)		574
	3,457	(1,037)	52	2,472
Regeneration				
Redevelopment of former Blackburn Markets Site	816		46	862
Cathedral Café Growth Deal	250			250
Assistance to Industry	271	(37)	(25)	209
Cathedral Quarter Development	100	(100)	10	10
Cathedral Quarter Office Block Fit Out	357	30		387
Darwen 3 Day Market	124	28		152
Blakey Moor	3,547	(3,547)		-
Local Transport Plan	2,463		(14)	2,449
Street Lighting Investment	100	(125)		(25)
Bury Fold Brook	15	(15)		-
Blackburn Surface Water Management Plan	24		(28)	(4)
Darwen Surface Water Manangement Plan	21		(21)	-
Blackburn with Darwen Culvert Study	12		(12)	-
Darwen Ordinary Water Course Improvement	200			200
Integrated Modelling Works	74	(11)		63
Bala Close Drainage Improvements	66	(13)		53
Granvill Rd/Westland Ave Flood Study	33	(20)		13
Birch Hall Ave diversion appraisal	40	(14)		26
Livesey Branch Rd Culvert	50	(41)		9
Highways Network Recovery	3,367	(84)		3,283
Pennine Reach	2,109		2,390	4,499
M65 J5 Signalisation	170	(249)		(79)
	14,209	(4,198)	2,346	12,357
Resources				
Corporate ICT - Database Environment	111			111
Corporate ICT - Montr & Mgmt, service systems & op software, inf	61	(3)		58

Scheme variations to 2016/17 Capital Programme

APPENDIX 2

	Capital Programme Schemes (Feb 2017) £ 000	Transfer from prior year/(to) future year £ 000	Requested Variations £ 000	Expenditure 2016/17 £ 000
Corporate ICT - System Migration	21		(21)	-
Corporate ICT - Digital Services	139	(11)		128
Corporate ICT - Public Access	139	(127)		12
Corporate ICT - WAN Connectivity	97	(36)		61
Corporate ICT - Replacement Infrastructure	100	(67)		33
Corporate ICT - HR & Payroll System	73	(2)		71
Corporate ICT - Adult Social Care IT System	79	(1)		78
Corporate ICT - Digitisation of Planning Service	230	(167)		63
Corporate ICT - Till and Stock System	42	(20)		22
Corporate ICT - Virtual Learning Environment	5			5
Corporate ICT - Finance System	550	(174)		376
Corporate ICT - Microsoft EA	10	4		14
Carbon Management Plan	230	(212)		18
Old Town Hall Stonework	397	5		402
Land Remediation Schemes	3	1		4
Accommodation Strategy	30	(30)		-
Freckleton Street Acquisitions			350	350
Corporate DDA Work	137	(77)		60
Velvet Lounge/1-7 Simmons Street	141		75	216
Tower Block Air Conditioning	6			6
Akzo Nobel Demolition	135		(16)	119
Digital Advertising Screen	62		(1)	61
	-	-		-
	2,798	(917)	387	2,268
Schools and Education				
Capital allocations	2,212	(2,302)	90	-
Carry over from 2015/16 not previously reported	-	(228)	228	
Audley Juniors	211		9	220
Cedars Primary	950	(461)	(300)	189
Intack Primary	143			143
Lammack	185		85	270
Longshaw Infants	68		70	138
St Barnabas and St St Pauls	300	(272)		28
St Thomas CE Primary School	195	(186)		9
St Thomas Centre Phase 2	25	(12)		13
Newfield ASD Demolition	1,961	(1,635)		326
Turton/Edgworth Primary School	100	(99)		1
Longshaw Juniors	15		(10)	5
Audley Nursery	34		(34)	-
Longshaw Nursery	23		(23)	-
Feniscowles Juniors	34		(34)	-
Holden Fold	85		19	104
Crosshill	230		98	328
Avondale	3			3
Meadowhead	1			1
Roe Lee Primary	3		33	36
Shadsworth Juniors	1			1
Holy Trinity	1			1
Lower Darwen			32	32
Ashleigh			2	2
Wensley Fold			1	1
Brookhouse			12	12
Shadsworth Infants	55		2	57
	6,835	(5,195)	280	1,920
Portfolios Total	32,256	(12,049)	2,685	22,892
Earmarked schemes:				
Corporate ICT	1,374	(1,395)	21	-
Corporate Property Investment	939	(818)	(121)	-
Phase 2 Accommodation Strategy	2,271	(2,271)		-
Vehicles (funded from capital or leased)	1,138		(1,121)	17
Total	5,722	(4,484)	(1,221)	17



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of Finance and IT

DATE: 13 July 2017

PORTFOLIO/S AFFECTED: All

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CORPORATE REVENUE BUDGET MONITORING REPORT QUARTER 4 - 2016/17 OUTTURN POSITION

1. EXECUTIVE SUMMARY

The report details the overall revenue financial position of the Council as at 31st March 2017, highlighting key issues. It also determines the year end position with regard to portfolio under/overspends and the impact on earmarked and unallocated reserves.

2. RECOMMENDATIONS

The Executive Board is asked to approve:

- the portfolio cash limit adjustments outlined in Appendix 1.
- carry forward of the specific amounts shown in Appendix 1 from 2016/17 to 2017/18.
- the earmarked reserves position shown in Appendix 2
- the variations to revenue expenditure as listed in Section 6, thereby giving rise to a revised balance of £6.189 million on the unallocated General Fund revenue reserve at 31st March 2017.

3. BACKGROUND

All portfolios are required to examine their revenue budget position on a monthly basis. Regular reports are submitted to Executive Board for review along with a final report, detailing the financial outturn position.

4. KEY ISSUES & RISKS

a) Actual net revenue expenditure at 31st March 2017 was £135.739 million, compared to an original budget of £132.221 million i.e. an increase in expenditure of £3.518 million.

b) Portfolio cash limited expenditure was £115.478 million for the year resulting in an overspend of £1.434 million against the revised budget. [Page 29 of 58](#)

c) General Fund unallocated reserves are £6.189 million at 31st March 2017, compared to £5.067 million at 31st March 2016. The increase relates to a number of transfers to/from unallocated reserves that were approved during the year, together with final outturn adjustments detailed in Section 6.

d) The Council holds earmarked reserves of £12.050 million for discretionary purposes. These include;

- £1.748 million to fund improvements to assets, infrastructure and IT
- £3.965 million to meet the cost of downsizing and transformation in future years including meeting redundancy costs
- £2.200 million to meet future demand pressures
- £2.752 million for People and Place services
- £0.268 million set aside in respect of welfare and local taxation reform.
- £1.117 million in respect of grants, contributions and other budgets carried forward from 2016/17 to 2017/18 to meet specific costs.

The Council also holds reserves of £1.824 million for specified non-discretionary purposes. A further £16.897 million of reserves are held in relation to expenditure for Schools and Education and £0.385 million is held in respect of joint arrangements, charitable purposes and other ring-fenced commitments.

5. POLICY IMPLICATIONS

The information contained within the report accords with the three year budget forecast within the Medium Term Financial Strategy 2016-20, as approved at Finance Council on 27th February 2017.

6. FINANCIAL IMPLICATIONS

6.1 CASH LIMITS AND REVENUE EXPENDITURE

6.1.1 Revenue Budget Overview

Portfolio cash limited budgets were overspent by £1.434 million at 31st March 2017; this has been funded through the Council's reserves. This was however offset by transfers into reserves of £4.5 million arising from savings in respect of interest and debt repayment, in the main due to the in-year change in the Minimum Revenue Provision (MRP) policy.

The summary of the outturn revenue position is as follows:

	Original Budget (after portfolio changes)	Revised Budget (after outturn adjustments)	Actual	Variation from Revised Budget Over/(Under) spend
	£000	£000	£000	£000
Net Expenditure				
Health and adult social care	41,096	41,942	43,030	1,088
Children's services	23,352	23,880	23,933	53
Environment	9,399	9,634	9,645	11
Leisure, culture and young people	4,575	5,331	5,290	(41)
Neighbourhood and prevention services	2,109	2,046	2,221	175
Regeneration	8,267	8,940	9,265	325

Resources	17,291	17,629	17,588	(41)
Schools and education (Non-DSG)	5,249	4,642	4,506	(136)
Portfolio budgets inside cash limits	111,338	114,044	115,478	1,434
Portfolio budgets outside of cash limits				
Depreciation and other capital charges to portfolios	11,612	11,612	25,636	14,024
Support recharges to schools block	(2,004)	(2,004)	(2,004)	0
Net surplus on schools budgets	0	0	864	864
Net portfolio expenditure	120,946	123,652	139,974	16,322
Contribution from schools for prudential borrowing	(650)	(650)	(650)	0
Contribution to capital expenditure	130	1,585	800	(785)
Interest and debt repayment	11,251	10,802	(7,700)	(18,502)
Amounts to be allocated / contingencies	362	3,597	3,133	(464)
Parish councils	182	182	182	0
Total net expenditure	132,221	139,168	135,739	(3,429)
Contribution (from)/to reserves	(3,217)	(9,851)	(6,150)	3,701
Total net budget	129,004	129,317	129,589	272
Financed by:				
Non-ringfenced Government grants	(61,638)	(61,951)	(62,223)	(272)
Non-domestic rates	(22,928)	(22,928)	(22,928)	0
Council tax	(44,079)	(44,079)	(44,079)	0
Net deficit on Collection Fund	(359)	(359)	(359)	0
Total financing	(129,004)	(129,317)	(129,589)	(272)

6.1.2 Performance Against Cash Limits

Appendix 1 details the portfolio cash limits approved by the Executive Board in February 2017 together with the details of the adjustments recommended to the Board for approval in this report. These include:

- budget virements (transfers) between portfolios
- transfers from earmarked reserves to support spending on specific schemes for which these reserves were established
- transfers from unallocated reserves to support budget pressures
- transfers from contingencies
- transfers to earmarked or unallocated reserves in respect of grants / contributions and other budget carryover requests

The outturn position and key financial issues for each portfolio are as follows:

Health & Adult Social Care

The portfolio spent £1.088 million (or 2.59% [Page 31 of 58](#) above its adjusted cash limit as noted below.

Adult Social Care

The portfolio had reported pressures in the region of £1.2 million during the year due to the continuing upward trend in demand pressures and the increasing complexity of service needs impacting on commissioned services. Pressures across the commissioning budgets totalled around £1.8 million due to increased costs for residential care, direct payments and a proportion of clients with very complex needs such as dementia, with higher costs of care. The portfolio mitigated some of the demand pressures through the use of the Better Care Fund contingency, management of staffing costs and through negotiation with the NHS in relation to Continuing Health Care (CHC) for complex needs service users. However not all of the pressures could be contained and the actual net position at the year-end was an overspend of £1.088 million against the cash limit.

The pressures on Adult Social Care budgets are not just localised to Blackburn with Darwen; the pressures have been widely recognised and reported at a national level in the media and the Government has now allocated additional resources to Local Authorities from 2017/18 through the Improved Better Care Fund.

Public Health

The department has achieved a breakeven position at outturn after the transfer of ring-fenced grant funding of £93,000 to the Public Health Reserve and £87,600 to the Transforming Lives Reserve. These transfers arise as a result of slippage and will be utilised for continuation of the programmes to which they relate in 2017/18.

Children's Services

Children's services identified cost pressures during the year due to increasing social work caseloads in respect of vulnerable children. The portfolio managed to contain the majority of these costs through other savings achieved, resulting in an overspend of £53,000 at the year-end largely due to the increasing expenditure on commissioned placements.

Environment

The portfolio ended the year with an overspend of £10,800 against their cash limit which was a significant improvement on their forecast overspend of £130,000 reported earlier in the year. The improvement related to increased car parking income and other cost savings.

A £30,000 revenue contribution has also been made to the Local Transport Plan capital scheme to cover the costs of road safety measures in the Edgworth area. Approval is requested for this transfer.

Leisure, Culture and Young People

The portfolio spent £40,600 below its adjusted cash limit, having previously reported an overspend of £104,000. The improvement relates to increased savings on staffing costs and increased income in the Leisure budgets.

Neighbourhoods & Prevention

The final outturn position was an overspend of £174,700, having previously reported an overspend of £191,000. The variation relates to additional income for temporary accommodation.

Regeneration

The final outturn for the portfolio including Growth Lancashire (formerly RPL) was an overspend of £325,400.

The portfolio had previously reported the pressures it was trying to contain in relation to the Highways Asset Management Integrated Service (HAMIS) and the Traffic Signal Maintenance budgets. At the year-end additional pressures were also identified on the Mall Market and Bus Station budgets connected to a fall in income and increases above the level of business rates that had been anticipated. These pressures were offset in part by savings on property services and public transport concessionary fares.

Resources

Approval is required for a total transfer of £158,083 from contingency to cover costs to support the workforce review and apprentices training needs, as detailed in Appendix 1.

Based on the inclusion of the above cash limit adjustment, the portfolio ended the year with an underspend of £41,600 against budget. Cost pressures in relation to Cathedral Quarter and childcare legal cases were offset by significant in year savings in the Revenue and Benefits Team following the transfer back to in-house provision at the start of the financial year.

Schools & Education

The portfolio returned an underspend of £136,000 against the cash limit due to additional savings on staff costs within their business support team, lower than expected spend on Special Educational Needs (SEN) transport and additional income received.

Approval is requested for the transfer of £30,000 as a revenue contribution to the Crosshill modular build capital scheme to assist in covering the overspend costs on this scheme; this is included in the underspend position reported.

Dedicated Schools Grant / Schools Block

Schools & Education is funded through the Dedicated Schools Grant (DSG) and Pupil Premium. This is monitored by the Schools Forum at which financial reports are considered on a regular basis.

The net deficit of £864,000 comprises of a deficit of £2.052 million from individual schools, offset by a surplus of £1.188 million in respect of centrally retained budgets. The overspend on budgets delegated to individual schools results in a reduction in the carried forward level of reserves to £6.253 million.

Depreciation and Other Capital Charges To Portfolios

In the table at 6.1.1, £25.636 million spend on depreciation and other capital charges includes other charges resulting from year end capital accounting adjustments (comprising impairment, revaluation losses and revenue expenditure funded by capital under statute (REFCUS expenditure), which will always result in a significant variation. These Capital charges are offset by related adjustments in the interest and debt repayment line.

Interest and Debt Repayment

As well as the capital charge adjustments referred to above, the outturn variation of £4.394 million in respect of the reduced MRP (Minimum Revenue Provision) charge, following an in year review of the Council's MRP Policy and other minor variations, includes savings on interest on borrowings of £15,000 and increased interest and dividends earned on cash balances of almost £70,000.

6.2 General Fund Unallocated Reserves

The table below shows the final movements in unallocated reserves since the last Executive Board report in February 2017.

	£'000	£'000
Forecast unallocated reserves as per Executive Board Report February 2017		4,974
<i>Transfers to / from unallocated reserves</i>		
Net savings in respect of interest and debt repayment	+ 4,478	
Contingencies no longer required and transferred into unallocated reserves	+ 243	
Additional government grant income	+ 272	
Net savings on "ringfenced" budgets	+ 29	
Other net variations	+ 7	+ 5,029
Net overspendings on portfolios	- 1,434	
Transfer to "Future Demand Pressures" Reserve	- 2,200	
Transfer to "Review of services provided by Strategic Partnership" reserve	- 100	
Transfer to "Legal Advice" reserve	- 80	- 3,814
Balance on unallocated general fund reserves at 31 March 2017		6,189

6.3 Earmarked reserves

Total earmarked reserves stand at £13.874 million at 31st March 2017 comprising discretionary reserves for use by the Council of £12.050 million and reserves that are non-discretionary and specified for specific purposes of £1.824 million. Other earmarked reserves, which largely comprise reserves held in respect of schools, are £17.282 million.

Details of the requested application of reserves are included in Appendix 1.

Details of all earmarked reserve balances at 31st March 2017 are shown in Appendix 2. This Appendix shows all movements in the specific reserves since the February Executive Board report including:

- utilisation of the individual reserves
- increases made to these reserves either from unallocated reserves as noted above or from revenue contributions to capital that are have not been spent in 2016/17
- specific revenue contingency budgets no longer required in 2016/17

7. LEGAL IMPLICATIONS

The Council has a duty to ensure it can deliver a balanced budget. The Local Government Act 2003 imposes a duty on an authority to monitor its budgets during the year and consider what action to take if a potential deterioration is identified.

8. RESOURCE IMPLICATIONS

None.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. [Where appropriate please include the hyperlink to the EIA.](#)

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	0.01
CONTACT OFFICER:	Simon Ross (Ext 5569) Julie Jewson (Ext 5893)
DATE:	01 July 2017
BACKGROUND PAPER:	N/A

SCHEDULE OF CASH LIMIT ADJUSTMENTS REQUESTED

	Health & Adult Social Care	Children's Services	Environment	Leisure, Culture & Young People	Neighbourhood & Prevention Services	Regeneration	Resources	Schools & Education (Non-DSG)
	£	£	£	£	£	£	£	£
Approved Cash Limit 2016/17 - as approved by Exec Board, February 2017	42,490,200	23,990,104	9,275,100	5,241,200	2,274,700	9,420,500	16,307,200	4,883,100
Transfers between portfolios:								
1 Cathedral Square						(361,600)	361,600	
Final adjustments to building cleaning recharges			700	(200)			(500)	
Final adjustments to garage costs	3,200		(19,800)	2,800		12,100	100	1,600
Procurement Workforce Review adjustments	(358,000)	(185,700)				(48,500)	630,200	(38,000)
Business Support Workforce Review adjustments	(5,519)	(20,057)		(3,960)	(2,377)	58,490	(15,102)	(11,475)
Policy Performance & Planning Workforce Review adjustments	(11,400)	11,400						
Transfers (to)/from earmarked reserves								
Redundancy costs and pension strain		95,400		181,800		114,744	405,335	33,900
Turton Tower				(8,376)				
Review of Strategic Partnership							247,538	
Development of new Partnership arrangements						55,000		
Utilisation of Growth Lancashire Reserve (formerly RPL)						35,000		
Transfer to Via Reserve								(46,226)
YOT Partnership		(10,310)						
Social Fund (Children's)		71,500						
S106 - Spring Vale Garden - Earmarked for future use					(2,000)			
S106 - Olive Lane Bowling Green - Earmarked for future use					(700)			
S106 - Repair of swings in Queens Park - Earmarked for future use					(1,500)			
S106 - Restoring Sport to the Square Meadow - Earmarked for future use					(4,700)			
S106 - Former Darwen Health Centre - Earmarked for future use					(400)			
S106 - 89 Preston New Road - Earmarked for future use					(1,200)			
S106 - The Moss Ryecroft Lane Belmont - Earmarked for future use					(15,400)			
Highways Winter Maintenance Fund						96,566		
Joint Building Control account						(37,132)		
Highways Insurance Claims						(172,317)		
Developers' Contributions received in year (S.106)						(321,110)		
Arts acquisitions fund				(1,123)				
Local Safeguarding and Children's Board		24,571						
Transfers to/from unallocated reserves for Ring Fenced Accounts:								
Increased cost - Coroners Service							14,427	
Flood Defence Levy							(23)	
Non-distributed costs							82,888	
Savings in respect of housing benefit payments							(22,699)	
Reduced provision for overpaid housing benefit debts							(103,608)	
Other transfers (to)/from unallocated reserves								
Contribution to Growth Lancashire						35,294		
Support to Making Rooms						75,493		
Architectural Heritage Fund provision no longer required							(418,420)	
Creation of Landfill sites provision			400,000					
Transfers (to)/from contingency								
Support for Workforce Review							117,000	
Corporate support for Apprentices training							41,083	
Carbon Reduction Commitment Allocation	4,000	8,100	8,400	41,700	4,300	52,000	42,000	500
Carry forward of underspends arising from specific unspent grants and contributions:								
Transforming Lives	(93,023)							
Public Health ring-fenced grant	(87,634)							
Local Family Offer Trial		(24,820)						
30 Hours Childcare Digital Accelerate		(7,100)						
Heritage Lottery				(5,229)	(1,472)			
Museum Resilience Fund				(13,069)				
Arts Council				(17,004)				
Macmillan				(3,494)				
Lancashire Not Forgotten - Lottery grant				(13,049)				
Troubled Families				(26,000)	(59,754)			
Creative Support					(3,360)			
Transformation Challenge					(80,558)			
Police Innovation Fund monies - Violent Crime					(29,000)			
Prevent - Police contribution					(500)			
Contributions from Early Action Pilot Funding - Police & Crime Commissioner					(29,375)			
SEN Reform Grant								(114,034)
Music Service								(37,000)
Other budget carry overs to 2017/18:								
Festival of Making				(15,000)				
Drainage work at Witton				(30,000)				
Property - Water purity							(40,000)	
Elections - BI-elections							(15,000)	
Elections - Training / Individual Electoral Registration							(5,000)	
Property - new IT system						(75,000)		
Social Worker Support (Childrens) - delayed contract start		(73,300)						
Other budget adjustments								
Contribution to finance capital expenditure - Local Transport Plan			(30,000)					
Contribution to finance capital expenditure - Crosshill School								(30,000)
Final revised cash limit as at 31st March 2017	41,941,824	23,879,788	9,634,400	5,330,996	2,046,704	8,939,528	17,629,019	4,642,365

APPENDIX 1

APPENDIX 1

	Estimated balance at 31 March 2017 As reported to Exec Board Feb 2017 £000	Requested Transfers to/(from) earmarked reserves in Qtr 4	Balance at 31 March 2017 Q4 / Outturn £000
ICT developments			
ICT revenue projects	559	0	559
Welfare, council tax and business rates reforms			
Welfare and council tax reforms	268	0	268
Investment in assets and infrastructure			
Office Accommodation and property improvements	562	326	888
Highways winter maintenance	121	(97)	24
Redevelopment of Blackburn Markets site	200	0	200
Flood Defence	77	0	77
Other Resources and Transformation projects			
Legal Advice Reserve	25	80	105
Partnerships & Transformation	80	0	80
Elections	0	20	20
Claims in respect of land charge search fees	93	0	93
Support for People Services			
Complex Needs and Transition	1,183	0	1,183
Troubled families	230	86	316
YOT partnership	108	10	118
Music Services	122	37	159
Disabled Facilities Grants	289	0	289
VIA (Connexions) Reserve	95	46	141
PLACE			
New Homes Bonus	32	144	176
Investment to support business rates growth	370	0	370
Invest to Save projects			
Insurance risk investment fund	43	0	43
Contingent sums to support future downsizing and transformation programmes			
Review of services provided by strategic partnership	304	(202)	102
Support for future redundancy costs	2,713	(831)	1,882
Support for part year effect of future savings plans	1,640	0	1,640
Future Demand Pressures	0	2,200	2,200
Amounts carried forward in respect of unspent grants and contributions			
Transformation Challenge Award	64	80	144
Regenerate Pennine Lancashire Ltd	35	(35)	0
Public Health Grant	0	88	88
Transforming Lives	37	93	130
SEN / SEND Reform Grant /SNND Prep for Empl	0	236	236
Social Fund (Children's)	140	(72)	68
Manchester CC Grant Housing Benefit Officer - Asylum Fund	9	0	9
DCLG Grant Housing Advisor Post	24	0	24
DCLG Grant organised crime admin budget	37	0	37
Local Family Offer Trial	0	25	25
30 hours Childcare Digital Accelerate	0	7	7
Heritage Lottery	0	7	7
Museum Resilience Fund	0	13	13
Arts Council	0	17	17
Macmillan	0	4	4
Lancashire Not Forgotten - Lottery grant	0	13	13
Creative support	0	3	3
Police Intervention Fund monies - Violent Crime	0	29	29
Prevent - Police contribution	0	1	1
Contributions from Early Action Pilot Funding - Police & Crime Commissioner	0	29	29
Amounts committed in future year budgets/MTFS			
Social Worker Contract (Childrens)	0	73	73
Festival of Making	0	15	15
Drainage work at Witton Park	0	30	30
Property - Atrium replacement	0	75	75
Property - Water Purity	0	40	40
Reserves held for specified non discretionary purposes			
Developers Contributions (\$106 Income)	(62)	662	600
Future Maintenance of Wainwright Bridge	506	0	506
Highways claims anticipated for years up to current year but not yet received	261	173	434
Art Acquisitions Fund	13	1	14
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20	0	20
Allowance for contingent liabilities (e.g. MMI)	250	0	250
TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE	10,448	3,426	13,874
Other Earmarked Reserves			
Reserves held in respect of joint arrangements and charitable bodies			
Darwen Market Traders Association	2	0	2

	Estimated balance at 31 March 2017 As reported to Exec Board Feb 2017 £000	Requested Transfers to/(from) earmarked reserves in Qtr 4	Balance at 31 March 2017 Q4 / Outturn £000
Joint Building Control Account	145	37	182
Turton Tower Charity	36	9	45
LSCB Safeguarding Partners Fund	180	(24)	156
Reserves held in relation to schools			
Dedicated Schools Grant - Surplus	9,455	1,189	10,644
LMS Schools Balances	8,305	(2,052)	6,253
TOTAL 'OTHER EARMARKED' RESERVES	18,123	(841)	17,282
TOTAL EARMARKED RESERVES	28,571	2,585	31,156
UNALLOCATED RESERVES	4,974	1,215	6,189

	Estimated balance at 31 March 2017 As reported to Exec Board Feb 2017 £000	Requested Transfers to/(from) earmarked reserves in Qtr 4			Balance at 31 March 2017 Q4 / Outturn £000
		Utilised £000	Increased or new reserves £000	Carry-over requests £000	
ICT developments					
ICT revenue projects	559	0	0	0	559
Welfare, council tax and business rates reforms					
Welfare and council tax reforms	268	0	0	0	268
Investment in assets and infrastructure					
Office Accommodation and property improvements	562	0	326	0	888
Highways winter maintenance	121	(97)	0	0	24
Redevelopment of Blackburn Markets site	200	0	0	0	200
Flood Defence	77	0	0	0	77
Other Resources and Transformation projects					
Legal Advice Reserve	25	0	80	0	105
Partnerships & Transformation	80	0	0	0	80
Elections	0	0	0	20	20
Claims in respect of land charge search fees	93	0	0	0	93
Support for People Services					
Complex Needs and Transition	1,183	0	0	0	1,183
Troubled families	230	0	0	86	316
YOT partnership	108	0	10	0	118
Music Services	122	0	0	37	159
Disabled Facilities Grants	289	0	0	0	289
VIA (Connexions) Reserve	95	0	0	46	141
PLACE					
New Homes Bonus	32	0	144	0	176
Investment to support business rates growth	370	0	0	0	370
Invest to Save projects					
Insurance risk investment fund	43			0	43
Contingent sums to support future downsizing and transformation programmes					
Review of services provided by strategic partnership	304	(302)	100	0	102
Support for future redundancy costs	2,713	(831)	0	0	1,882
Support for part year effect of future savings plans	1,640			0	1,640
Future Demand Pressures	0		2,200	0	2,200
Amounts carried forward in respect of unspent grants and contributions					
Transformation Challenge Award	64	0	0	80	144
Regenerate Pennine Lancashire Ltd	35	(35)	0	0	0
Public Health Grant		0	0	88	88
Transforming Lives	37	0	0	93	130
SEN / SEND Reform Grant /SNND Prep for Empl	0	0	0	236	236
Social Fund (Children's)	140	(72)	0	0	68
Manchester CC Grant Housing Benefit Officer - Asylum Fund	9	0	0	0	9
DCLG Grant Housing Advisor Post	24	0	0	0	24
DCLG Grant organised crime admin budget	37	0	0	0	37
Local Family Offer Trial	0	0	0	25	25
30 hours Childcare Digital Accelerate	0	0	0	7	7
Heritage Lottery	0	0	0	7	7
Museum Resilience Fund	0	0	0	13	13
Arts Council	0	0	0	17	17
Macmillan	0	0	0	4	4
Lancashire Not Forgotten - Lottery grant	0	0	0	13	13
Creative support	0	0	0	3	3
Police Intervention Fund monies - Violent Crime	0	0	0	29	29
Prevent - Police contribution	0	0	0	1	1
Contributions from Early Action Pilot Funding - Police & Crime Commissioner	0	0	0	29	29
Amounts committed in future year budgets/MTFS					
Social Worker Contract (Childrens)	0	0	0	73	73
Festival of Making	0	0	0	15	15
Drainage work at Witton Park	0	0	0	30	30
Property - Atrium replacement	0	0	0	75	75
Property - Water Purity	0	0	0	40	40
Reserves held for specified non discretionary purposes					
Developers Contributions (S106 Income)	(62)	0	662	0	600
Future Maintenance of Wainwright Bridge	506	0	0	0	506
Highways claims anticipated for years up to current year but not yet received	261	0	173	0	434
Art Acquisitions Fund	13	0	1	0	14
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20	0	0	0	20
Allowance for contingent liabilities (e.g. MMI)	250	0	0	0	250
TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE	10,448	(1,337)	3,696	1,067	13,874

	Estimated balance at 31 March 2017 As reported to Exec Board Feb 2017 £000	Requested Transfers to/(from) earmarked reserves in Qtr 4			Balance at 31 March 2017 Q4 / Outturn £000
		Utilised £000	Increased or new reserves £000	Carry-over requests £000	
Other Earmarked' Reserves					
Reserves held in respect of joint arrangements and charitable bodies					
Darwen Market Traders Association	2	0	0	0	2
Joint Building Control Account	145	0	37	0	182
Turton Tower Charity	36	0	9	0	45
LSCB Safeguarding Partners Fund	180	(24)	0	0	156
Reserves held in relation to schools					
Dedicated Schools Grant - Surplus	9,455	0	1,189	0	10,644
LMS Schools Balances	8,305	(2,052)	0	0	6,253
TOTAL 'OTHER EARMARKED' RESERVES	18,123	(2,076)	1,235	0	17,282
TOTAL EARMARKED RESERVES	28,571	(3,413)	4,931	1,067	31,156
UNALLOCATED RESERVES	4,974	(4,268)	5,483	0	6,189



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources
Executive Member for Schools and Education

LEAD OFFICERS: Director of Finance and IT
Director of Children's Services

DATE: 13th July 2017

PORTFOLIO/S AFFECTED: Resources Schools and Education

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) contract

1. EXECUTIVE SUMMARY

The report presents information for the Executive Board to consider regarding the option to refinance the Council's PFI senior debt in its two PFI schemes which achieved Financial Close in 2010.

2. RECOMMENDATIONS

That the Executive Board:

- (1) Note the option to refinance the Council's PFI senior debt
- (2) Note the potential to deliver a financial benefit from a refinancing deal
- (3) Note the appointment of financial advisers to act as advisers to the PFI Project Companies
- (4) Delegate approval to the Director of Finance and IT, in consultation with the Director of Children's Services, the Executive Member for Resources and the Executive Member for Schools and Education to appoint financial & legal advisers to the Council for the refinancing of the PFI debt, as required
- (5) Delegate approval to the Director of Finance & IT, in consultation with the Director of Children's Services, the Executive Member for Resources and the Executive Member for Schools and Education to enter into any subsequent re-financing arrangements if it is deemed that such an exercise will deliver financial benefit to the Council.

3. BACKGROUND

Building Schools for the Future Programme (BSF)

As part of the BSF Programme, three new schools were procured through two PFI (Private Finance Initiative) Contracts. The schools were delivered in two phases and both achieved Financial Close in 2010:

Phase 1 - Pleckgate High School

Phase 2 - Witton Park High School and Blackburn Central High School with Crosshill

On the 21st September 2009, Balfour Beatty Education was appointed as the Council's selected partner to form the Blackburn with Darwen and Bolton Local Education Partnership to deliver the BSF investment programme across the Borough. [Page 41 of 58](#)

On the 12th July 2016, the Local Education Partnership (LEP) formally notified the Council of Balfour Beatty Investment's decision to sell its shares in the PFI Companies and the LEP; the shareholding was then subsequently sold to Amber Fund Management.

Since this change, and following approval from the LEP Board, the financial advisory arm of Amber Fund Management has initiated a scoping exercise to consider refinancing of the PFI Contract.

Financing Arrangements

The Department for Education, along with HM Treasury, are keen that all local authorities achieve savings on operational private finance projects that they may have and are actively encouraging those Authorities with PFI projects with a Financial Close date prior to early 2010 to explore the option of refinancing these projects, replacing the existing debt with debt at a lower margin.

Interest rates have been historically low for some time now and are significantly lower than the rates that were entered into on the contracts at the date of Financial Close back in 2010.

4. KEY ISSUES & RISKS

The Council has been approached by the PFI company financial advisers to consider a proposal for the refinancing of Blackburn with Darwen's senior debt within the PFI deals of the two PFI Agreements.

They have advised that there may be an opportunity to deliver a saving on the swap break costs with the lenders which could deliver a substantial financial benefit however, given the current economic uncertainty caused by Brexit and the impact it could have on interest rates, there may be a limited window of opportunity in terms of securing such savings and they have expressed the need to move quickly on this.

The Council would be entitled to a share of any refinancing gain according to the terms of the PFI Project Agreement.

As an individual party in the PFI Project Agreement, the Council will have to appoint its own advisers to carry out the due diligence on the legal and financial aspects of any refinancing exercise to protect the Council's interests throughout the negotiations and to ensure we achieve optimum value for money.

The detail behind the proposed appointment of advisers is included within the associated Part 2 report on this agenda.

5. POLICY IMPLICATIONS

There are no specific policy implications associated with this briefing paper.

6. FINANCIAL IMPLICATIONS

Costs of appointing advisers

The detail of the financial implications is included within the associated Part 2 report on this agenda.

Refinancing gain

The savings to the Council will not be clear until the refinancing exercise progresses and the detail of any refinancing gain is known. Such a gain will result in savings on the overall cost of the PFI projects.

Any refinancing gain will be shared between Amber Fund Management and the Council according to the terms of the contract once adviser fees (from both the Council & other shareholders) have been

recovered. In this regard, the two shareholders in the LEP are Amber Fund Management who own 90% of the shares and the Council who own 10%. The PFI companies are wholly owned by Amber Fund Management, the Council and the LEP so there are no other parties eligible for gain distribution.

7. LEGAL IMPLICATIONS

The refinancing process will follow the process as set out in the PFI Project Agreements. Any changes to the PFI Project Agreement and funding agreements will be reviewed by internal legal colleagues with the support of external lawyers.

Appointment of all advisers will be in accordance with the Councils Contracts and Procurement Procedure Rules.

8. RESOURCE IMPLICATIONS

This project will require support from Finance, Legal & Procurement to work with the Advisers.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

The Council has consulted with Amber Fund Management and potential external financial advisers to the project.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	Rizwana Karim and KatherineMcCormack
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DATE:	29 th June 2017
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BACKGROUND PAPER:	None
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[Page 43 of 58](#)



EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Resources Executive Member for Environment
LEAD OFFICERS:	Director of Environment and Leisure
DATE:	13 July 2017

PORTFOLIO/S AFFECTED:	Resources	Environment
WARD/S AFFECTED:	All	
KEY DECISION:	YES <input checked="" type="checkbox"/>	NO <input type="checkbox"/>

SUBJECT: Provision of a new Car Park at Old Bank Lane

1. EXECUTIVE SUMMARY

This report sets out proposals for the Council to carry out a direct development on Council owned land at Old Bank Lane adjacent to Royal Blackburn Hospital for a car park with up to 500 spaces for vehicles to park. The development activities undertaken by the Council would include design of the scheme, procure the construction company for the scheme, obtain all necessary approvals including planning permission and grant a management contract of the completed car park to a car park management company.

The proposed scheme will support patients and visitors to Royal Blackburn Hospital and also those employed by surrounding businesses. Additionally, it will alleviate traffic congestion on the road network around the Hospital site that will benefit those attending the hospital and commuters, plus help improve air quality, with less standstill traffic in the local area. The car park will also deliver economic benefits for the Council.

2. RECOMMENDATIONS

That the Executive Board:

1. Consider the rationale for the development of a new car park facility off Old Bank Lane to support those visiting Royal Blackburn Hospital and those employed by surrounding businesses and alleviate traffic congestion on the road network and improving air quality around the Hospital site;
2. Approve the development of a new car park facility off Old Bank Lane with up to 500 car spaces;
3. Approves a Capital Programme allocation of up to £1.6 million to deliver the scheme, with an accounting treatment and administrative arrangements to comply with regulations;
4. Delegates authority to the Deputy Chief Executive and the Director for Environment and Leisure, in consultation with the Executive Members for Resources and Environment to agree the terms for the appointment of a construction company and agree the construction contract with the selected contractor; and agree the contract for the management of the car park.

3. BACKGROUND

The Council owns a large piece of land located off Old Bank Lane, located close to Royal Blackburn Hospital. The land was originally earmarked as a housing development site but this is no longer the case.

The Royal Blackburn Hospital site currently does not have sufficient parking spaces for their requirements and on a daily basis, especially around patient visiting hours, the Hospital car park is full and visitors have to be turned away to find elsewhere to park.

East Lancashire Hospitals NHS Trust have estimated that there is an under provision of 250 car spaces at Royal Blackburn Hospital to accommodate the needs of patients and visitors, based upon the current usage of the Hospital. The Hospital may be delivering more NHS services in the future, which will place an even greater strain on their car parking facilities.

The traffic congestion caused by cars waiting to enter the Hospital car park is also cause of major blockages on the highway network with traffic often queuing back towards junction 5 of the M65. As a result, aside from those visiting the Hospital for appointments or to visit friends and family members at the hospital, Hospital staff are regularly stuck in traffic; including consultants that are travelling to Blackburn for their afternoon clinics. The traffic congestion means that clinics can sometimes start late, which has an impact on patients.

One of the aims of the East Lancashire Hospital Trust is to introduce specialist services that will attract even more patients into the Hospital from across Lancashire and South Cumbria area, all of which will require adequate car parking facilities.

In addition to the excess demand for car parking at the Hospital, local businesses in the area around the Hospital on Fusion Park are also struggling to find sufficient car parking spaces for their employee's. One business has already declared an interest in purchasing between 50-80 parking permits for employees if a new car park is developed off Old Bank Lane.

In order to address the aforementioned issues, it is proposed that the Council builds a surface car park on the site at Old Bank Lane with car parking spaces for up to 500 vehicles. The site would be accessed via Old Bank Lane, which would enable vehicles to turn off at the mini roundabout before the hospital and drive along Shadsworth Road to the new car park.

The new car park would have a significant and positive impact on traffic congestion on the road network around the Hospital site, with access easily available from both Junction 5 and Junction 6 of the M65. Interactive car park signs will be put on the Highway on Haslingden Road informing car park users of the number of spaces available on each site.

The car park will be a single tarmacked surface with up to 500 marked spaces; the car park will operate a barrier system which will be linked in to the rest of site and enable payment on exit. It will be open 24 hours a day every day of the year.

Capita are available to commission the Topographical Survey upon receipt of the Call-Off Document. The quotation will be procured through "The Chest" e-tendering system and will take approximately two weeks to complete. The preliminary design would then follow on. The preliminary design is anticipated to take approximately a further two weeks to complete.

With regards to the Transport Assessment, a minimum period of four weeks should be allowed from completion of the outline drawings. It is noted that the scheme may impact upon the Strategic Highway Network. The Council will engage with Highways England on this matter and this is reflected in the timescales and fee proposal.

It is estimated that it will take eight weeks to complete the aforementioned works and submit a report to planning committee for consideration. As this is a major planning application, the planning process will take up to 13 weeks to process.

If planning approval is granted for the development of the car park with up to 500 spaces, the construction works will either be advertised on the NW CHEST for a four week period or be constructed via the Council's construction framework agreement. Once a contractor has been appointed, the construction works are estimated to take between eighteen and twenty weeks to complete. It is possible that the new car park could be open for public use by April 2018.

4. KEY ISSUES & RISKS

The car park will require managing 24 hours a day, all year round which will be labour intensive and costly. One option is to secure an agreement for the East Lancashire Hospitals NHS Trust to manage the car park on behalf of the Council for a management fee. Such a management arrangement would provide the Council with a number of benefits;

- The car park would be linked to the existing hospital car parks,
- There would be a presence both on the car park and within the hospital 24 hours a day, all year round to respond to any issues.
- Any parking or payment problems would be dealt with on site without the need for the involvement of the Council.
- The pay and display tariffs for the site would be the same as those charged on the Hospital car parks.
- Payments will be via P&D machines which would take coin or card payments.
- All the income generated from the new car park would be paid to the Council.
- The Council would have control over any permit parking arrangements and for setting the tariff for this.
- The Hospital Trust could also assist in directing patients and visitors to the car park which will in turn give them more space on their site for NHS staff to park.

If such an agreement was not possible, the Council could procure a car park management company to supervise and manage the car park on behalf of the Council. It should be noted that the Hospital has a contract with a parking services management company to manage its car park, the contract is tendered every five years and there is a competitive market for the management of car parking facilities so they receive interest from a number of contractors when the contract is advertised.

The income projections have been based largely on information from the Hospital, who has estimated that there is an under-provision of at least 250 car parking spaces to cater for patients and visitors to the Hospital, based upon present services offered at the Hospital. There is significant congestion on the road network around the Hospital which does suggest that patients and visitors to the Hospital are struggling to locate a parking space.

The local businesses on Fusion Park near the Hospital are also struggling for parking space, hence their interest in purchasing 50-80 permits to park on the new car park

5. POLICY IMPLICATIONS

The report helps to address a number of the Council Priorities in supporting businesses within the borough by providing additional parking facilities. It also helps to improve the health and wellbeing of residents with a likelihood of reduced missed appointments as well as improvements in air quality, with less congestion on the road network.

Sustainable Transport Agenda

Blackburn with Darwen Borough Council has since 2012 been very successful in obtaining Department for Transport (DfT) Sustainable Transport Funding Streams, including:

- (2012-2015) Local Sustainable Transport Fund £1.6m
- (2015-2016) Connecting East Lancashire (LSTF Extension) £1.8m (Split between Blackburn with Darwen Council and 5 Districts)
- (2017-2020) Most recently Access Fund of £1.94m in partnership with Lancashire County Council

All Sustainable Transport funding streams have had deliverable aims to make improvements to walking, cycling and public transport infrastructure, enhancing the travel options and improving accessibility to employment sites whilst reducing car usage and reliance on the car.

DfT's Walking and Cycling Strategy (April 2017) and its focus to improve the chances of Cycling and Walking being the natural choice for shorter journeys and becoming a normal activity to get to work (school, College etc.)

The Haslingden Road Corridor Study (Capita Report 2016) notes this and suggests developing 'Area Based Travel Plans', promoting sustainable transport options with clear targets for modal shift aimed at RBTH and other large employers at Evolution Park, Shadsworth Business Park and Walker Park Business Park.

Whilst we understand the need to support these policies, the Council has had to reduce the bus subsidy to its main provider over the past seven years in order to manage the severe and unprecedented cuts in government funding. As a result, there are significantly less bus services which travel to and from the Hospital at peak times. There is now one Bus every 30 minutes with the last Bus departing at 20.13 only 13 minutes after the end of visiting hours. Due to the traffic Network issues around visiting hours, the Bus timetable cannot run to schedule, with a 13 minute Bus journey from Blackburn Bus station to the hospital often taking up to 45 minutes.

In 2016, the total number of patients who were either admitted patients, attended Accident and Emergency or were outpatients was 929,895. Of which 256,210 (28%) were from Blackburn with Darwen, 72% were from outside of the Borough. The number of patients is also increasing each year with 18,704 more patients in 2016 than in the previous two years.

6. FINANCIAL IMPLICATIONS

6.1 Capital funding

A budget estimate has been provided for civil, drainage and surfacing works to construct a 500 space car park. This is based on an industry estimate for the construction of a surface car park. The contract for the construction of the car park could be advertised on the NW CHEST to enable the Council to obtain the most economically advantageous tender for the construction works.

Alternatively, if the Council has completed [Page 47 of 58](#) the process of establishing a framework agreement for

construction works, the construction of the car park could be procured via the framework agreement.

6.2 Revenue Funding

It is proposed that the Council owned car park operates on the same tariffs as the Hospital. The current tariffs charged by the hospital which are:

Current Tariffs	
0 – 3 hours	£1.90
3 – 8 hours	£2.80
8 – 24 hours	£3.50

We estimate that the average tariff, based on information provided by the Hospital, for someone using this car park would be £2.07p, based on:-

- 85% of transactions at £1.90
- 10% of transactions at £2.80
- 5% of transactions at £3.50

Pay and Display Income:

Days	Average Tariff	Number of times spaces sold per day	Number of days per annum	Number of spaces available	Occupancy rate	Income
Monday – Friday	£2.07	2	261	500	65%	£351,175
Saturday - Sunday	£2.07	2	104	500	50%	£107,640

Permit Income: 80 permits sold at a cost of £40 per month equates to £38,400 over a 12 month period

Based on the aforementioned figures, the total projected income for the car park is estimated at £497,215 per annum from which the cost of the car park including management fees and future maintenance costs will be paid.

7. LEGAL IMPLICATIONS

The procurement of the construction works would need to be in compliance with the Public Procurement Regulations 2015 and the Council's Contracts and Procurement Procedure Rules.

The Council will have to procure a contract with a car park management company to supervise and manage the car park on behalf of the Council as the car park would be open 24/7, all year round.

8. RESOURCE IMPLICATIONS

A management fee has been included within the business plan for the project to pay for the services of a car park management company to supervise and manage the car park on behalf of the Council.

The Council would have to provide management input to manage the contract with the car park management company and resolve any issues which may occur. The Parking Services Manager

would be responsible for managing the car parking contract.

The car park will require maintenance works, particularly after the initial 3 years of operation. A maintenance budget has been included within the business plan for the project.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

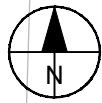
All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION:	1
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CONTACT OFFICER:	Martin Eden
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DATE:	21-6-17
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BACKGROUND PAPER:	
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NOTES:-

1. THIS DRAWING IS TO BE READ IN CONJUNCTION WITH ALL OTHER RELEVANT DRAWINGS, ANY DISCREPANCIES, ERRORS OR OMISSIONS ARE TO BE BROUGHT TO THE ATTENTION OF CAPITA.
2. ALL DIMENSIONS TO BE CHECKED BEFORE COMMENCEMENT OF WORKS ON SITE.
3. ALL DIMENSIONS IN METRES UNLESS OTHERWISE STATED.
4. ALL SETTING OUT TO BE AGREED WITH THE ENGINEER.
5. THE LAYOUT SHOWN IS INDICATIVE ONLY FOR THE PURPOSE OF SHOWING THE MINIMUM AREA REQUIRED FOR A 500 SPACE CAR PARK.

-  STANDARD SPACES
-  MOBILITY SPACES
-  LANDSCAPING

Rev	Drawn	Chkd	App'd	Description	Date
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Purpose of Issue
INFORMATION

Classification
Commercial in Confidence

Client
**BLACKBURN WITH DARWEN B.C
TOWN HALL
BB1 7DY**

Project
OLD BANK LANE CAR PARK

Drawing
**PROPOSED CAR PARK
503 SPACES
INDICATIVE LAYOUT**

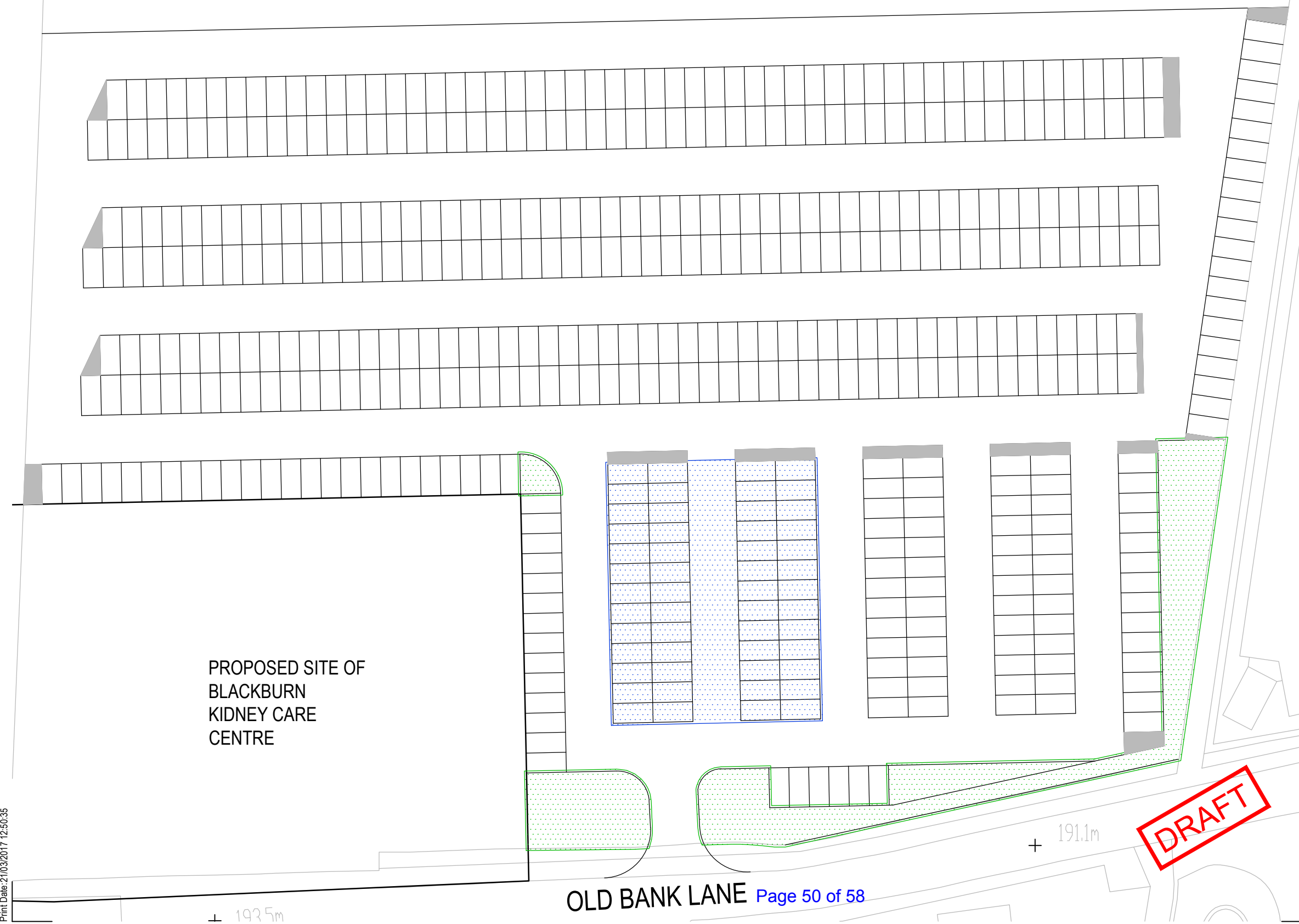
Scale @ A3	Drawn	Checked	Approved
1:500	DR	APN	-

Project No.	Date
-	MARCH 17

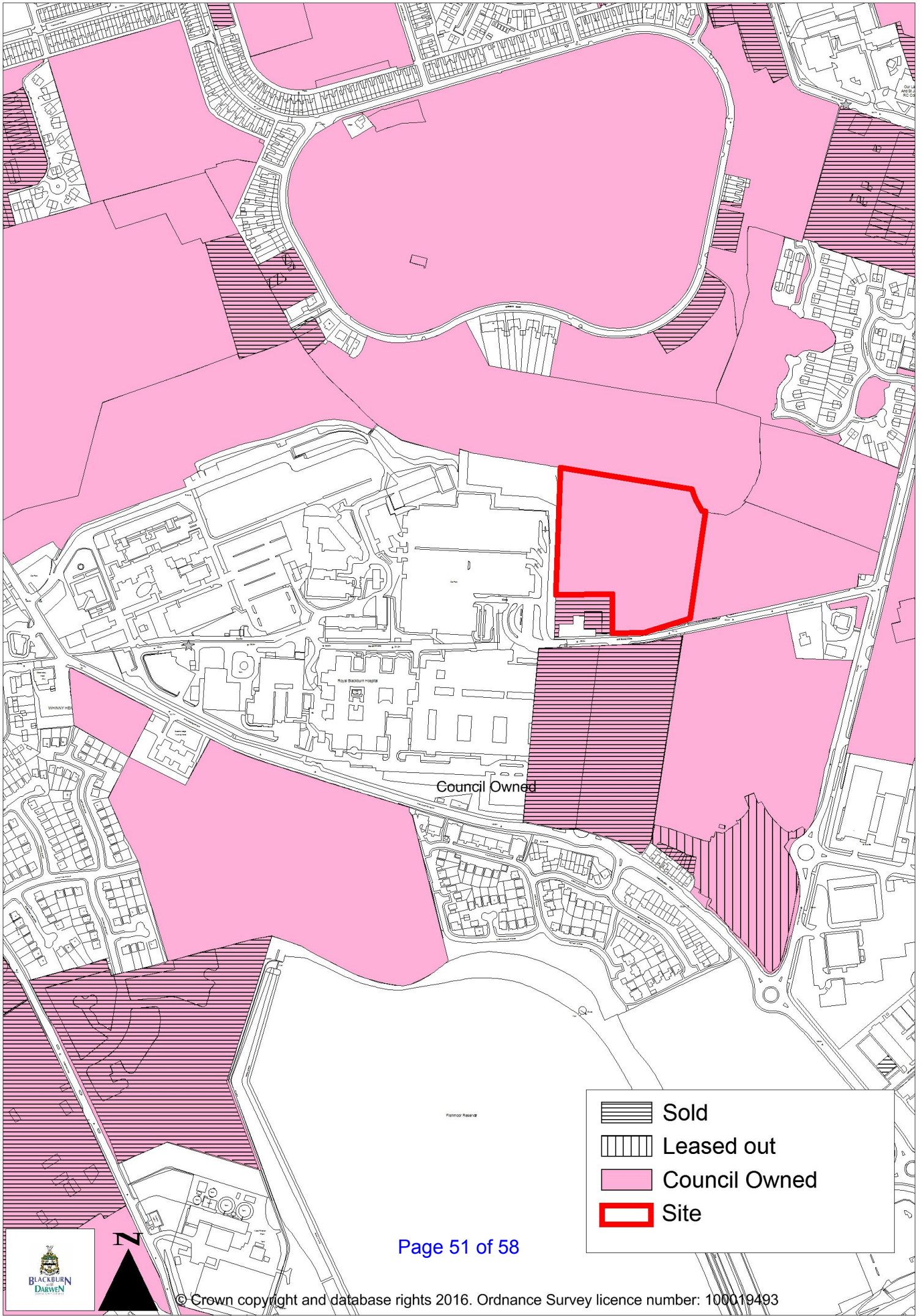
Drawing Identifier	BS1192 Compliant
Project - Originator - Asset - Location - File Type - Role - Number	rev
XXXXX-CAP-0100-PW-DR-C-0002	101

CAPITA
Highways & Infrastructure

CastleWay House, 17 Preston New Road, Blackburn, BB2 1AU
01254 273000
www.capitaproperty.co.uk
Capita Property and Infrastructure Ltd.



PROPOSED SITE OF
BLACKBURN
KIDNEY CARE
CENTRE



Council Owned

-  Sold
-  Leased out
-  Council Owned
-  Site





EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Resources Executive Member for Regeneration
LEAD OFFICERS:	Deputy Chief Executive Director of Growth and Development
DATE:	July 2017

PORTFOLIO/S AFFECTED:	Resources	Regeneration
WARD/S AFFECTED:	Sunnyhurst	
KEY DECISION:	YES <input checked="" type="checkbox"/> NO <input type="checkbox"/>	

SUBJECT: Darwen former 3 day Market site Redevelopment Update

1. EXECUTIVE SUMMARY

Following approval from Executive Board June 2016 to demolish the former 3 day market building, work to develop a proposal for the site has been undertaken, informed by public consultation in 2016. A proposal to landscape the area to create a multi-functional events and social space and enable small scale development has been developed and supports the planning application recently submitted to demolish the building. In addition some remedial works to the structure of the former retail and storage units under Railway Road at the perimeter of the site needs to be undertaken along with a restoration of the frontages. The funding also supports an initial feasibility study on the scope for accessing heritage lottery funding for the Market Hall.

2. RECOMMENDATIONS

That the Executive Board:

Note the update on the demolition of the 3 day market building and redevelopment of the site.

Approve an additional £1.67 million to the Capital programme to carry out the works required to implement the proposed landscaping proposal and associated works subject to planning approval.

3. BACKGROUND

3.1 The Executive Board on 11 February 2016 considered a report entitled "Review of Markets Provision at Darwen" which stated that the former Three Day market shows itself to be physically and functionally obsolete, the initial findings of the survey reports indicating that maintenance and refurbishment would not be viable due to the estimated costs of remedial work. The Board approved a strategy which:

- approved the commencement of a trader consultation programme;
- agreed a programme for a wider consultation with Town Centre traders, shoppers, the Town Centre Partnership Board and appropriate stakeholders;
- approved that in the interim period no further lettings would be permitted in the Three Day market pending the outcome of the consultation process;
- recommended reporting at a future meeting of the Executive Board on the outcome of the consultations, and consider future proposals for the former Three Day Market site.

3.2 The Executive Board of 9 June 2016 approved the recommendations to:

1. Consider the feedback from the trader and public consultation received to date and accept the summary of those findings;
2. Implement a relocation strategy for traders intending to move to the Annexe or the Six Day Market, prior to the closure of the Three Day Market, and that no new lettings of any of the Three Day Market stalls should be permitted, including existing vacant stalls.
3. Begin procurement and subsequent delivery of accommodation works in the Annexe and the Six Day Market to create space for traders relocating from the Three Day Market.
4. Close and demolish the Three Day Market;
5. Commence a procurement exercise to appoint a demolition contractor and delegated authority for the contract award to the Director of Planning & Prosperity in consultation with the Executive Member for Regeneration.
6. Implement the Next Steps set out in the Key Issues section of the report which included:
 - works to create additional stalls in the Six-Day Market and Annexe
 - commencement of the stall application process
 - termination of tenancies where traders are unwilling to relocate
 - assisting the relocation of traders from the Three Day market
 - formulation of plans for the future of the Three Day site, building on the public/ stakeholder consultation
- 7) Noted the petition received to keep the Darwen Three Day Market open and recommended that the Lead Petitioner is informed of the Executive Board decision.
- 8) Report back to a future meeting of the Executive Board with further details of the redevelopment of the site.

3.3 The former 3 day market closed after works to create stalls in the annex and 6 day market to

accommodate the 13 traders who were keen to relocate and stay in the markets. The traders move took place in November 2016 with 10 subsequently still trading following 2 traders moving into shops in the town centre and one leaving for personal reasons. Christmas 2016 trading in the markets was reported as buoyant.

3.4 A condition report was commissioned on the Market Hall and some necessary works were identified to upgrade the building which are now commissioned and funded through the current capital programme allocation..

3.4 Challenging market conditions have led to an absence of major private sector development / investment in the Town Centre. One notable exception to this has been the £2.2m investment by Wetherspoon's to create the Old Chapel on Railway Road together with other smaller scale independents investment that has rejuvenated the town's evening economy.

Following the Council's decision to demolish the former 3 Day Market in June 2016, Capita were asked to conduct a Soft Market Testing exercise to explore views on the potential demand for the cleared site, preferred users, timing and the extent of new development. Capita approached a number of local/national property agents and three regional developers. Some of the points that came out of the exercise were as follows:

- The prevailing market conditions for non-food retail, residential and leisure uses such as a cinema or entertainment use were considered to be weak;
- Whilst there are some notable exceptions (i.e. Tesco), the town is perceived to be reasonably well represented by the usual national food retailers
- The site was considered to be constrained in terms of size and its surroundings; and
- Linked to the above, there was a question mark over viability given likely rents and yields and a potential reliance on local occupiers and start-up businesses

On the plus side, the scope for night time economy uses was recognised and many commented on the potential to create a new space for civic / commercial use. Overall, whilst the site of the 3 Day Market occupies a prominent location within the town centre, Capita felt that it would not generate a high level of development interest if presented to the market.

3.5 After taking stock of the consultation exercise that had taken place in mid-2016 and the feedback from the Soft Market Testing at its meeting in October 2016 which suggested that there was little appetite from the market. They considered three high level strategies:

- **Strategy 1 – Creating a quality Public Square:** This would involve demolishing the 3 Day Market, surfacing the cleared site to blend it in with the existing Market Square and exploring the possibility of restoring and opening-up the Stores units alongside and underneath Railway Road and / or incorporating limited new development to bring surrounding activity. This would be delivered by the Council rather than a developer given the scale and nature of the scheme;
- **Strategy 2 – Redevelopment on the site of the 3 Day Market** – This would involve demolishing the units alongside Railway Road and, notwithstanding the Soft Market Testing feedback, seeking to attract a private sector partner to build a larger commercial development (retail or food / drink); and
- **Strategy 3 – Comprehensive Redevelopment adjacent to the Market Hall** – Taking the feedback from the Soft Market Testing, the Partnership was also asked to consider whether the pursuit of a wider redevelopment incorporating the 3 Day Market and the Market Annex / multi-level car park with a redevelopment fronting School Street and a New Square was preferable.

The discussion with Darwen Town Centre Partnership Board (DTCPB) was positive and it drew out a clear preference on the way forward. There was a general acceptance that pursuing a

redevelopment on the cleared 3 Day Market site (Strategy 2) would not be in the best interests of the Town; this would involve a drawn-out procurement process with an uncertain outcome and it could lead to a substandard quality of redevelopment given the concerns about site constraints and viability (see 2.4). The Partnership also felt that this wouldn't reflect the consultation feedback in terms of the desire for a new civic space and there were some concerns about the possible impact of a larger format retailer taking a prime position in such close proximity to the Market Hall. And whilst there was an acknowledgment of the benefits of comprehensive regeneration incorporating the area surrounding the Market Hall (Strategy 3), the Partnership didn't feel the circumstances were right to pursue this now as this would introduce uncertainty when a clear plan for the site of the 3 Day Market was essential.

The general consensus from the DTCPB was therefore around pursuing the first Strategy. Creating a high quality multipurpose Square on the site of the 3 Day Market with potential wrap around uses along its periphery (possibly involving the reuse of the Stores and pitches for pop-up traders etc.), was felt to be more deliverable and in-line with resident and business feedback. The Partnership also recognised that this approach would leave open the possibility of incorporating a high quality redevelopment of the Market Annex – with a frontage onto a Market Square – at some future stage if the conditions and support for redevelopment were there.

3.6 Capita Landscape Architects were commissioned by the Council to develop Option 1 and a design proposal in response to the consultation, the aspirations of the Darwen Town Centre Strategy and Action Plan and which fits with the Local Plan. This needed to take into account the constraints and opportunities the site presented once the 3 day market building was demolished. As the site is in a conservation area, this proposal with supporting documentation was required to accompany the planning application for demolition.

3.7 A separate structural survey of the Railway Road units identified the need for significant structural remedial works and the external walls and doors of the units will also be facelifted as part of the landscape proposal.

4. KEY ISSUES & RISKS

4.1 A planning application was submitted in June for the demolition of the former 3 day market supported by the landscape proposals and other additional information required.

4.2 The contract for the demolition of the former 3 day Market building has been advertised and 3 tenders have been received. These are currently being evaluated and a contract will be let, subject to planning approval, to enable demolition to commence in September 2017

4.3 The demolition programme is expected to be between 6 to 8 weeks and be completed in good time before the Christmas trading period begins. The site will be made good with a temporary surface to allow for a strong Christmas events programme to be held in the Square.

4.4 Subject to planning approval, the landscape proposals will be developed to a detailed scheme to be tendered and a contract let to start works and deliver the scheme in the first quarter of 2018. Further updates will be brought to Executive Board with a detailed programme of the works later in the year.

4.5 Funding has been secured for the demolition of the former 3 day market building and a further request for funding of a maximum of £1.67 million to cover the additional cost of the landscaping

scheme and the works to address the structural remedial works to the Railway Road units is being requested. The Railway Road works are proposed to be funded through the LTP.

5. POLICY IMPLICATIONS

Blackburn with Darwen's Core Strategy, which is part of the Borough's Local Development Framework (LDF), sets out a number of priorities for the town's growth and future sustainability. This includes reinforcing Darwen's role as a "market town" and maintaining a quality of place in terms of its heritage assets and the design of new development.

The Council, working with the DTCPB, has also adopted a Town Centre Strategy and Action Plan (2013-2018) in early 2013. Building on an earlier strategy, the Strategy and Action Plan sets out proposals to support businesses to improve the town centre offer in order to retain customers and make the most of its assets.

A Town Centre Conservation Area Supplementary Planning Document (SPD) was subsequently adopted in August 2013. This analysis highlighted the 3 Day Market (along with the Market Annex) as a "negative" building in terms of design, quality and its contribution to the townscape. It concluded that the building represents unsympathetic development and detracts from the market Square as it obscures the "unique form of the space and vistas of Holker House and the Wesleyan Chapel". The report highlights that the site of the 3 Day Market space would traditionally have had an open market with stalls in the retaining wall below Railway Road and the document promotes opportunities to address existing buildings that erode character and quality.

6. FINANCIAL IMPLICATIONS

A summary of the costs already incurred and the implementation of the proposal outlined above including the structural remediation works needed for the Railway Road units is

Cost Breakdown	£
Decant Traders into Annex	150,000
Demolition costs estimate	100,000
6 day market urgent repairs, structural and architect's surveys,	100,000
Landscaping proposals including screening (£300/sq m @ 3300 sq ft)	990,000
Railway Road units structural works to enable some re-use– maximum required	360,000
Restoration of frontages of Railway Road units	50,000
New circulation core inc lift	150,000
Fees (10% estimate)	190,000
TOTAL	2,090,000
Current allocation from Capital programme	-420,000
Further Capital programme required	1,670,000

Sources of funding

Funding	£
Capital programme	1,730,000

Local transport Plan (LTP)	360,000
Total	2,090,000

7. LEGAL IMPLICATIONS

This report will have the benefit of enabling the Council to demonstrate or achieve some of the planning policy considerations that are required in any proposed planning permission for demolition and subsequent landscaping works.

The tendering exercise for the demolition contract will have been structured to comply with the Council's procurement provisions and with any legislative requirements.

8. RESOURCE IMPLICATIONS

Delivery of the scheme will require a planned programme of works and funding as described above to deliver the proposals outlined in this report supported by staff resources from the Growth and Development Department and the Markets Management team.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below. Where appropriate please include the hyperlink to the EIA.

Option 1 Equality Impact Assessment (EIA) not required – the EIA checklist has been completed.

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision. *(insert EIA link here)*

Option 3 In determining this matter the Executive Board Members need to consider the EIA associated with this item in advance of making the decision. *(insert EIA attachment)*

10. CONSULTATIONS

Consultation on the proposals for the Market Square were led by the DTCPB from April 2016 for a 6 week period and these were reported to the June 2016 Executive Board. The design for the redevelopment of the space has been informed by these consultations and also been developed with the DTCPB, a business led partnership of key stakeholders in Darwen. The detailed design work will incorporate structured workshops to help inform the proposals before they are finalised.

11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted

by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

VERSION: 1

CONTACT OFFICER: Clare Turner

DATE: 29th June 2017

**BACKGROUND
PAPER:**