

EXECUTIVE BOARD

13th July 2017

PRESENT

COUNCILLOR:

Mohammed Khan
Arshid Mahmood
Phil Riley
Andy Kay
Dave Harling

PORTFOLIO:

Leader
Neighbourhoods & Prevention Services
Regeneration
Resources
Schools & Education

EXECUTIVE MEMBER

John Slater

NON-PORTFOLIO

Leader of the Conservative Group

ALSO IN ATTENDANCE

Aliyah Shah and Elle Walsh, Deputy Youth
MPs

	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 Councillors Maureen Bateson, Mustafa Desai, Jim Smith, Damian Talbot and the Youth MP Ummaih Shah.	
2	<u>Minutes of the Meeting held on 15th June 2017</u> The minutes of the meeting of the Executive Board held on 15 th June 2017 were agreed as a correct record.	Approved
3	<u>Declarations of Interest</u> Councillors John Slater and Phil Riley declared interests in Agenda Item 9.3 and 11.1- Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract - (School Governors).	
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> 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:- Executive Board procedure allows for questions/statements by members of the public. The following question/statement has been	

received the details of which are set out below:-

Name of Non-Executive Member Asking the question	Subject Area	Executive Member and portfolio
Mark Farrell 784 Livesey Branch Blackburn	Why is my brown bin not being emptied when I pay my Council Tax?	The Leader of the Councillor Mohammed Khan answered on behalf of Councillor Jim Smith. Councillor Khan gave the background to the introduction of a charge for the collection of green waste, with around 40% of local authorities in the UK now charging for collection, advising that the decision to introduce a charge was as a result of the budget pressures faced by the Council

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Questions by Non-Executive Members

No questions were received from Non-Executive Members.

7

Youth MPs Update

The Deputy Youth MPs Elle Walsh and Aliyah Shah verbally updated the Executive Board as follows:

Noted

- A recent visit to Child Action North West to talk to young carers where a number of issues were raised, in particular the need for schools to understand children who were carers and the issues they faced.
- Supporting the web designer on our new website for Young People Services which was looking great with lots of useful links to helpful pages and activities on offer by Young Peoples Services throughout the Borough.
- Unfortunately Youthforia was cancelled due to train strikes across the North West so it has been rearranged for Sunday 3rd September in the Town Hall. The event would bring Youth MPs from across the region to debate on key issues affecting young people.
- Planning this year's Takeover day in November which would be held in the Windsor Suite again. Last year was a huge success the event was led by the Youth MP and the Youth Forum and helped a diverse range of young people from across the borough to share their views and experiences of mental health and well-being services for young people. This year's event would focus on three key issues that impact

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	<p>negatively on young people such as substance misuse, mental health and domestic abuse.</p> <ul style="list-style-type: none"> • Support for the Darwen Youth Festival next Saturday at the Youth club. • Ummaih would be attending the annual Youth MP sitting along with Liz Clarkson in two weeks at Liverpool University where she would have the opportunity to discuss and debate issues affecting young people with all the youth MPs from across the U.K. <p>In relation to the issues raised about young carers and schools, the Chief Executive advised that these issues would be raised with Linda Clegg, Director of Children's Services.</p>	
8.9	<p><u>Schools and Education</u></p> <p>Councillor Dave Harling reported on improved performance relating to the key SATs by pupils in the Borough.</p>	Noted
9.1	<p><u>Corporate Capital Budget and Balance sheet Monitoring Report 2016/17 Quarter 4 March 2017</u></p> <p>Members received a report that highlighted 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 2107.</p> <p>The Council's capital investment for 2016/17 across the portfolios had decreased from the projection of £32.256 million, reported and approved by the Executive Board on 9th February 2017, to an actual outturn spend of £22.892 million.</p> <p>The net variation of £9.364 million (detailed at Appendix 2) reflected 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.</p> <p>Capital receipts to the value of £1.983 were received in 2016/17 and used to support Minimum Revenue Provision. This compared with the estimate reported to the February Executive Board of £2.158 million.</p> <p>RESOLVED - That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the final capital outturn for 2016/17 as per Appendix 1, together with the variations shown in Appendix 2; and • 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. 	<p>Noted</p> <p>Approved</p>

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9.2	<p data-bbox="336 107 1313 181"><u>Corporate Revenue Budget Monitoring Report Quarter 4 – 2016/17 Outturn Position</u></p> <p data-bbox="336 219 1313 421">The Executive Board received a report which detailed the overall revenue financial position of the Council as at 31st March 2017, highlighting key issues. It also determined the year end position with regard to portfolio under/overspends and the impact on the earmarked and unallocated reserves.</p> <p data-bbox="336 454 1313 577">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</p> <p data-bbox="336 611 1313 734">Portfolio cash limited expenditure was £115.478 million for the year resulting in an overspend of £1.434 million against the revised budget.</p> <p data-bbox="336 768 1313 969">General fund unallocated reserves were £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 resources that were approved during the year, together with final outturn adjustments detailed in Section 6.</p> <p data-bbox="336 1003 1313 1081">The Council held earmarked reserves of £12.050 million for discretionary purposes. These included;</p> <ul data-bbox="355 1115 1294 1753" style="list-style-type: none"> • £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. <p data-bbox="336 1787 1313 2000">The Council also held reserves of £1.824 million for specified non-discretionary purposes. A further £16.897 million of reserves were held in relation to expenditure for Schools and Education and £0.385 million was held in respect of joint arrangements, charitable purposes and other ring-fenced commitments.</p> <p data-bbox="336 2033 1313 2067">RESOLVED – That the Executive Board approve:</p>	Approved

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	<ul style="list-style-type: none"> 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; and 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. 	<p>Approved</p> <p>Approved</p> <p>Approved</p>
<p>9.3</p>	<p><u>Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract</u></p> <p>A report was submitted which presented 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.</p> <p>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:</p> <p>Phase 1 – Pleckgate High School.</p> <p>Phase 2 - Witton Park High School and Blackburn Central High School with Crosshill.</p> <p>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.</p> <p>On the 12th July 2016 the Local Education Partnership (LEP) formally notified the Council of Balfour Beatty's Investment's decision to sell its shares in the PFI Companies and the LEP; the shareholding was then subsequently sold to Amber Fund Management.</p> <p>Since this change and following approval from the LEP board, the financial advisory arm of Amber Fund Management had initiated a scoping exercise to consider refinancing of the PFI Contract.</p> <p>The Department for Education, along with HM Treasury, were keen that all local authorities achieved savings on operational private finance projects that they may have and were 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.</p> <p>Interest rates had been historically low for some time now and are significantly lower than the rates that were entered into on the</p>	

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	<p>contracts at the date of Financial Close back in 2010.</p> <p>The Council had 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.</p> <p>They had 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.</p> <p>The Council would be entitled to a share of any refinancing gain according to the terms of the PFI Project Agreement.</p> <p>As an individual party in the PFI Project Agreement, the Council would 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.</p> <p>The detail behind the proposed appointment of advisers was included within the associated Part 2 report on the agenda.</p> <p>RESOLVED - That the Executive Board:</p> <ol style="list-style-type: none"> 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 & 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, and 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 would deliver financial benefit to the Council. 	<p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p></p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Approved</p> <p>Approved</p>
9.4	<p><u>Provision of a new car park at Old Bank Lane</u></p> <p>The Executive Board received a report which set out proposals for</p>	

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<p>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.</p> <p>The proposed scheme would support patients and visitors to Royal Blackburn Hospital and also those employed by surrounding businesses. Additionally it would alleviate traffic congestion on the road network around the Hospital site that would benefit those attending the hospital and commuters, plus help improve air quality, with less standstill traffic in the area. The car park would also deliver economic benefits for the Council.</p> <p>The Council owned the 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.</p> <p>The Royal Blackburn Hospital site currently did not have sufficient parking spaces for their requirements and on a daily basis, especially around patient visiting hours, the Hospital car park was full and visitors have to be turned away to find elsewhere to park.</p> <p>East Lancashire Hospitals NHS Trust had estimated that there was 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 deliver more NHS services in the future, which would place an even greater strain on their car parking facilities.</p> <p>The traffic congestion caused by cars waiting to enter the Hospital car park has also caused 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 were regularly stuck in traffic; including consultants that are travelling to Blackburn for their afternoon clinics. The traffic congestion meant that clinics could sometimes start late, which had an impact on patients.</p> <p>In addition due to the excess demand for car parking at the Hospital, local businesses in the area around the Hospital on Fusion Park were also struggling to find sufficient car parking spaces for their employees. One business has already declared an interest in purchasing between 50-80 parking permits for employees if a new car park was developed off Old Bank Lane.</p>	

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<p>In order to address the aforementioned issues, it was proposed that the Council built a surface car park on the site at Old Bank Lane with car parking for 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.</p> <p>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 would be put on the Highway on Haslingden Road informing car park users of the number of spaces available on each site.</p> <p>If planning approval was granted and once a contractor had been appointed, the construction works were 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.</p> <p>The car park would require managing 24 hours a day, all year round which would be labour intensive and costly. One option was to secure an agreement for the East Lancashire Hospitals Trust to manage the car park on behalf of the Council for a management fee. Such a management arrangement would provide the car park with a number of benefits which were outlined in the report submitted.</p> <p>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.</p> <p>The income projections had been based largely on information from the Hospital who had estimated that there was 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.</p> <p>Based on the aforementioned figures the total projected income for the car park was estimated at £497.215 per annum from which the cost of the car parking including management fees and future maintenance costs would be paid.</p> <p>In relation to the report, Councillor John Slater requested legal clarification about the legality of the Council generating revenue from the proposals. Asad Laher, the Deputy Council Solicitor advised that income obtained could be utilised to pay for the Management Company or other related costs rather than simply make a 'profit' for the Council.</p> <p>RESOLVED - That the Executive Board:</p> <ul style="list-style-type: none"> 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 	<p>Considered</p>

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	<p>and improving air quality around the Hospital site</p> <ul style="list-style-type: none"> • Approve the development of a new car park facility off Old Bank Lane with up to 500 car spaces • Approve the Capital Programme allocation of up to £1.6 million to deliver the scheme with an accounting treatment and administrative arrangements to comply with regulations • 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. 	<p>Approved</p> <p>Approved</p> <p>Approved</p>
<p>9.5</p>	<p><u>Darwen former 3 day Market site Redevelopment Update</u></p> <p>Following approval from Executive Board June 2016 to demolish the former 3 day market building, work to develop a proposal for the site had 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 had been developed and supported the planning application recently submitted to demolish the building. In addition some remedial works to the structure of the former retail units under Railway Road at the perimeter of the site need to be undertaken along with a restoration of the frontages. The funding also supported an initial feasibility study on the scope for accessing heritage lottery funding for the Market Hall.</p> <p>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.</p> <p>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. Three high level strategies were considered:</p> <ul style="list-style-type: none"> • Strategy 1 – Creating a quality Public Square • Strategy 2 – Redevelopment on the site of the 3 Day Market • Strategy 3 – Comprehensive Redevelopment adjacent to the Market Hall <p>The discussion with Darwen Town Centre Board (DTCPB) was positive and it drew out a clear preference on the way forward.</p>	

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	<p>The general consensus from the DTCPB was 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 was there.</p> <p>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.</p> <p>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.</p> <p>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.</p> <p>The contract for the demolition of the former 3 day Market building has been advertised and 3 tenders had been received. These were currently being evaluated and a contract would be let, subject to planning approval, to enable demolition to commence in September 2017.</p> <p>The demolition was expected to be between 6 to 8 weeks and be completed in good time before the Christmas trading period begins. This site will be made good with a temporary surface to allow for a strong Christmas events programme to be held in the Square.</p> <p>Subject to planning approval, the landscape proposals would 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 would be brought to Executive Board with a detailed programme of the works later in the year.</p> <p>Funding had 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 was being requested. The Railway Road works were proposed to be funded through the LTP.</p>	

	Item	Action
	<p>In response to a question by Councillor John Slater, Councillor Phil Riley confirmed that the temporary surface to be used for the Christmas events programme would indeed be only temporary after which the public realm works referred to in the report would be delivered.</p> <p>RESOLVED - That the Executive Board:</p> <ul style="list-style-type: none"> • Note the update on the demolition of the 3 day market building and redevelopment of the site; and • Approve an initial £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 approved. 	<p>Noted</p> <p>Approved</p>
	<p><u>PART 2 - THE PRESS AND THE PUBLIC MAY BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS</u></p>	
11.1	<p><u>Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) Contract</u></p> <p>Further to the report at Agenda Item 9.3, a report was submitted, containing additional commercially sensitive information.</p> <p>RESOLVED - That the Executive Board:</p> <ol style="list-style-type: none"> 1) Note the option to refinance the Councils PFI senior debt; 2) Note the potential to deliver a financial benefit from a refinancing deal; 3) Note the appointment of Amber infrastructure Ltd 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 and the Executive Member for Schools and Education to appoint financial & legal advisors to the Council for the refinancing of the PFI debt, as required; and 5) 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 enter into any subsequent re-financing arrangements if it is deemed that such an exercise will deliver financial benefit to the Council. 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Approved</p> <p>Approved</p>
11.2	<p><u>Provision of a new Car Park at Old Bank Lane</u></p> <p>Further to the report submitted at Agenda Item 9.4, a report was submitted containing additional commercially sensitive information.</p>	

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<p>RESOLVED – That the Executive Board:</p> <ol style="list-style-type: none"> 1) Consider the rationale for the development of a new car park 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 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. <p style="text-align: center;">Signed at a meeting of the Board</p> <p style="text-align: center;">on the day of</p> <p style="text-align: center;">(being the ensuing meeting of the Board)</p> <p style="text-align: center;">Chair of the meeting at which the Minutes were confirmed</p>	<p>Considered</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>