

EXECUTIVE BOARD

Thursday, 10 August 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**
13th July 2017 - Minutes **3 - 14**
- 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 **15 - 15**
- 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.
- 8 **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 | |
| | Transport for the North: Incorporation as a Sub-National Transport Body | |
| | Transport for the North - Incorporation as a Sub-National Transport Body | 16 - 24 |
| 8.8 | Resources | |
| 8.9 | Schools and Education | |
| 9 | CORPORATE ISSUES | |
| | Corporate Revenue Budget Monitoring Report Quarter 1- 2017/18 | |
| | Corporate Revenue Budget Monitoring Report Quarter 1 - 2017-18 | 25 - 30 |
| | Corporate Revenue Monitoring Appendix 1 | 31 - 31 |
| | Corporate Revenue Monitoring Appendix 2 | 32 - 33 |
| | Corporate Capital Budget and Balance Sheet Monitoring Report 2017/18 - Quarter 1 30th June 2017 | |
| | Corporate Capital Budget and Balance Sheet Monitoring Report 2017-18 Quarter 1 30 June 2017 | 34 - 39 |
| | Capital Monitoring Appendix 1 | 40 - 40 |
| | Capital Monitoring Appendix 2 | 41 - 42 |
| 9.3 | Introduction of Supporting Small Business relief, Business Rate relief for Pubs and the Local Discretionary Relief Scheme | |
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Appendix A Local Discretionary Relief Scheme 47 - 51
Policy

**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**

Date Published: Wednesday, 02 August 2017
Harry Catherall, Chief Executive

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 |

6 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:

- 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

Noted

| | Item | Action |
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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 style="text-align: right;">Page 6 of 52</p> | <p>Noted</p> <p>Approved</p> |

| | Item | Action |
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| 9.2 | <p data-bbox="322 107 1326 181"><u>Corporate Revenue Budget Monitoring Report Quarter 4 – 2016/17 Outturn Position</u></p> <p data-bbox="322 219 1326 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="322 454 1326 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="322 611 1326 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="322 768 1326 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="322 1003 1326 1081">The Council held earmarked reserves of £12.050 million for discretionary purposes. These included;</p> <ul data-bbox="354 1115 1326 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="322 1787 1326 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="322 2033 1326 2067">RESOLVED – That the Executive Board approve:</p> | |

| | Item | Action |
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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> | |

| | Item | Action |
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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 Councils 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> Page 9 of 52</p> <p>The Executive Board received a report which set out proposals for</p> | |

| Item | Action |
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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> | |

| Item | Action |
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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> |

| | Item | Action |
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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> | |

| Item | Action |
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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 |
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| | <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>11.1</p> | <p><u>PART 2 - THE PRESS AND THE PUBLIC MAY BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS</u></p> <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> |
| <p>11.2</p> | <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> | |

| Item | Action |
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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> |

**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: **10TH AUGUST 2017**

AGENDA ITEM NO.:

DESCRIPTION (BRIEF):

NATURE OF INTEREST:

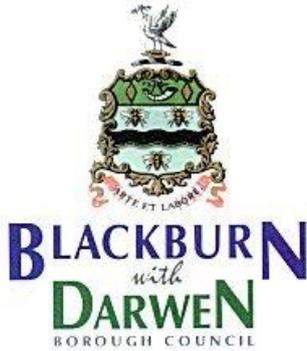
DISCLOSABLE PECUNIARY/OTHER (delete as appropriate)

SIGNED :

PRINT NAME:

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

EXECUTIVE BOARD DECISION



| | |
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| REPORT OF: | Executive Member for Regeneration |
| LEAD OFFICERS: | Ian Richardson, Director of Growth and Development Brian Bailey, Director of Strategy and Funding |
| DATE: | 10 th August 2017 |

| | |
|------------------------------|---|
| PORTFOLIO/S AFFECTED: | Regeneration |
| WARD/S AFFECTED: | All |
| KEY DECISION: | YES <input checked="" type="checkbox"/> NO <input type="checkbox"/> |

SUBJECT: Transport for the North: Incorporation as a Sub-National Transport Body

1. EXECUTIVE SUMMARY

Transport for the North (TfN) is an evolving partnership of Local Transport Authorities, Combined Authorities and Local Enterprise Partnerships across the North of England acting collectively and working with the Government, Highways England, HS2 and Network Rail to develop a Northern Transport Strategy in support of the Government's wider Northern Powerhouse agenda.

The purpose of this report is for the Council to consent to the making of Regulations by the Secretary of State to establish TfN as a Sub-National Transport Body under Section 102E of the Local Transport Act 2008. The consent of each Constituent Authority is required to the making of Regulations by the Secretary of State.

The Executive Board is also asked to approve in principle the transfer of Rail North Limited to TfN, following its inauguration and the signing of a new Rail Franchise Management Agreement with TfN replicating as far as possible the arrangements entered into in respect of Rail North Limited.

2. RECOMMENDATIONS

That the Executive Board:

1. Approves the making by the Secretary of State of Regulations under section 102E of the Local Transport Act 2008 to establish Transport for the North as a Sub-National Transport Body.
2. Approves the transfer of Rail North Limited to Transport for the North so that it can be subsumed within Transport for the North.
3. Approves the signing of a new Rail Franchise Management Agreement with Transport for the North replicating as far as possible the current Rail North Limited Members Agreement.
4. Agrees to the continuation of the payment of the current funding for Rail North Limited to Transport for the North after its inauguration.

3. BACKGROUND

In 2014, Local Transport Authorities and Local Enterprise Partnerships across the North of England came together in partnership with the Department for Transport and the National Transport Agencies

to form Transport for the North (TfN). Together, an ambitious pan-northern transport strategy to drive economic growth in the North has been developed. The purpose of TfN is to transform the transport system of the North of England and the aim of TfN is to plan and deliver the improvements needed to truly connect the region with fast, frequent and reliable transport links, driving economic growth and creating a “Northern Powerhouse”.

As part of this programme of improvements and devolution of transport strategy to a more local level these Local Transport Authorities came together to form Rail North Limited a company whose objects include the management of the TransPennine Express and Northern Rail Franchises on behalf of the Secretary of State for Transport.

In October 2016, with the agreement of all the Constituent Authorities, TfN submitted a proposal to the Secretary of State for Transport that TfN should be established as the first Sub-national Transport Body (STB) under the provisions of section 102E of the Local Transport Act 2008 as amended by the Cities and Local Government Devolution Act 2016.

The 19 Constituent Authorities of TfN are:

- Greater Manchester Combined Authority
- Liverpool City Region Combined Authority
- North East Combined Authority
- Sheffield City Region Combined Authority
- Tees Valley Combined Authority
- West Yorkshire Combined Authority
- Cumbria County Council
- Lancashire County Council
- North Yorkshire County Council
- Blackburn with Darwen Unitary Authority
- Blackpool Unitary Authority
- Cheshire East Unitary Authority
- Cheshire West and Chester Unitary Authority
- Warrington Unitary Authority
- City of York Unitary Authority
- East Riding of Yorkshire Unitary Authority
- Hull Unitary Authority
- North Lincolnshire Unitary Authority
- North East Lincolnshire Unitary Authority

The Proposal submitted by the Constituent Authorities included the following key provisions:

- a) All Constituent Authorities will be entitled to appoint a representative to TfN, such representative to normally be the Elected Mayor or Leader;
- b) Decisions will be expected to be unanimous, but where voting is required votes will be weighted in accordance with the populations of the Constituent Authorities;
- c) Decisions in relation to the Budget, the adoption of a Transport Strategy and the Constitution will require a Super Majority;
- d) Funding will be provided by the Secretary of State and no decision to require financial contributions from Constituent Authorities can be made without the agreement of each Authority;
- e) There will be appropriate mechanisms for Scrutiny of TfN’s decisions;
- f) Rail North Limited will be wholly owned by TfN; and
- g) A wider Partnership Board including representatives of government bodies and the Local Enterprise Partnership will be set up to inform TfN’s decision making.

TfN, with its partners, is developing a Strategic Transport Plan (STP) and accompanying long term Investment Programme, so that people and businesses can see a firm commitment to create a stronger, more diverse and resilient economy.

Informed by important evidence, including Major Roads and Integrated Rail Reports, the plan will have a wide-ranging and ambitious scope, setting out the priorities for connectivity that will inform the Investment Programme required to transform economic performance until 2050.

The key dates for this process are as follows:

- June 2017: TfN publishes its STP position statement along with the Evidence Base, Initial Integrated Rail and Initial Major Roads reports.
- Summer 2017: TfN to undertake initial engagement around the evidence base, which will then be used to produce the STP and long term, sequenced Investment Programme.
- Autumn 2017: Publication of the STP and Integrated Sustainability Appraisal for public consultation.
- Winter 2017 / Spring 2018: Public consultation on the STP and Integrated Sustainability Appraisal. Publication of the Single Integrated Rail Plan.
- Summer 2018: Publication of the final STP and Integrated Sustainability Appraisal. Adoption of the STP as the plan of the statutory body.

For Blackburn with Darwen, existing strategic priorities to improve local road and rail linkages (east / west on the Preston to Leeds railway line and to upgrade the M65 motorway) and improve sustainable public transport are identified by TfN within the June 2017 STP Position Statement as follows:

- Strategic Development Corridors: Central Pennines - key population centres and diverse mix of strategic movements that serve emerging capabilities as well as providing enhanced and additional road and rail capacity across the Pennines.
- Portfolio of Rail Connectivity Priorities: East – West rail (Lancashire, North Yorkshire, Leeds City Region)
- Portfolio of Road Connectivity Priorities: Central Trans-Pennine Corridor Connectivity
- Integrated and Smart Travel: Pan-Northern TfN programme to develop smart travel solutions.

Full details can be found via <http://www.transportforthenorth.com>

4. KEY ISSUES & RISKS

The Secretary of State has now formally responded to the Proposal and has indicated that he is minded to make Regulations creating TfN as the first Sub-national Transport Body with the following functions:

- a) The preparation of a Northern Transport Strategy;
- b) The provision of advice on the North's priorities, as a Statutory Partner in the Department's investment processes; and
- c) The co-ordination of regional transport activities, (such as smart ticketing), and the co-management of the TransPennine Express and Northern rail franchises through the acquisition of Rail North Limited.

The Draft Regulations

Regulations are currently being drafted which will reflect the terms of the Proposal in so far as they have been agreed by the Secretary of State and will give TfN the statutory powers to carry out these functions.

The Draft Constitution

A Draft Constitution has been drawn up which includes provisions which reflect and implement the Submission Proposal. The Constitution contains the following Provisions:

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Articles

The Articles sets out the statutory basis for TfN and its membership. TfN is proposed to be made up of representatives from the 19 Constituent Authorities who are the Transport Authorities for the North of England. TfN will operate through a delegation to its Chief Officers of all its functions other than those specifically reserved to TfN.

The Articles contains an overview of the functions of TfN and the major partnerships through which it will exercise these functions in particular its role as Statutory Partner in determining priorities for road and rail investment and its role in managing the TransPennine Express and Northern Rail Franchises.

TfN will establish a Partnership Board with representatives of all the Constituent Authorities, representatives of the other Authorities who were members of Rail North Limited, representatives of the eleven Local Enterprise Partnerships and representatives of the Department for Transport and of other Government Agencies. This Board will be responsible for setting the strategic agenda for transport in the North of England.

TfN will also engage with its partners in the Rail North Partnership Board setting the strategic priorities for rail investment and in the Highways North Board setting the strategic priorities for road investment.

TfN will co-manage the TransPennine Express and Northern Rail Franchises through a Committee, which will include representatives of all the other Authorities who were members of Rail North Limited.

Voting

The Articles provide for weighted voting in accordance with a matrix, which gives the representative of each Constituent Authority a vote which is weighted to reflect the population of the area of the Constituent Authority.

A decision to approve the Budget, to approve the Constitution or to adopt the Transport Strategy will require an increased majority of 75% of the weighted votes and a simple majority of the Members of TfN.

It is proposed that TfN should be entitled to co-opt Members and that such co-opted Members should have voting rights. It is further proposed that those Authorities, which are members of Rail North Limited, but which will not be a Constituent Authority of TfN (the Rail North Authorities), should each be entitled to appoint a representative to be a co-opted Member of TfN with a right to speak and vote on rail franchise matters. The voting in relation to rail franchise matters shall be weighted in accordance with a voting matrix which reflects the voting arrangements for Rail North Limited.

Powers and Functions

This section sets out the powers and functions, which will be given to TfN through the Regulations and by legislation.

These will be as follows:

- a) To prepare a Transport Strategy for the Combined Area in accordance with section 102I of the Local Transport Act 2008;
- b) To provide advice to the Secretary of State about the exercise of the transport functions in the Combined Area;
- c) To be a Statutory Partner with the Secretary of State in both road and rail investment processes and to be responsible for setting the objectives and priorities for strategic road and rail investments in the Combined Area;
- d) To be consulted in relation to rail franchise agreements for services to and from or within its area;
- e) To co-manage with the Secretary of State the TransPennine Express and Northern Rail Franchises;
- f) To co-ordinate the carrying out of specified transport functions that are exercisable by its

different Constituent Authorities with a view to improving the effectiveness and efficiency of the carrying out of those functions;

- g) To promote and co-ordinate road transport schemes;
- h) To make proposals to the Secretary of State for the transfer of transport functions to TfN;
- i) To make other proposals to the Secretary of State about the role and functions of TfN;
- j) To undertake Smart Ticketing within the Combined Area;
- k) To promote and oppose local or personal bills in Parliament;
- l) To pay Capital Grants to support the funding and delivery of joint projects; and
- m) To exercise the powers of a highway authority to acquire land and to construct highways under Section 24.

Concurrent Functions

Before exercising any transport powers or functions it holds concurrently with any of the Constituent Authorities or Highways Authorities within the TfN area, TfN will consult those Authorities and enter into a Protocol covering the way in which those functions will be exercised.

Responsibility for Functions

The Membership of TfN will together be responsible for approving the Budget, the Constitution and the Transport Strategy.

Officers of TfN will have delegated responsibility to carry out all of TfN's day-to-day functions and to implement the strategic decisions made by TfN.

In carrying out these functions TfN and its officers will have due regard to the views and advice of the Partnership Board, the Department for Transport and other Statutory Agencies.

Audit and Governance Committee

TfN will appoint an Audit and Governance Committee to provide independent review and assurance to Members on governance, risk management and control frameworks. It oversees financial reporting, the Annual Governance Statement process and internal and external audit, to ensure efficient and effective assurance arrangements are in place.

Scrutiny Committee

Each of the Constituent Authorities will be entitled to appoint a representative (and a substitute) to the Scrutiny Committee.

The role of the Scrutiny Committee will include:-

- a) reviewing the decisions of TfN and of officers of TfN under the scheme of delegations;
- b) making reports or recommendations to TfN with respect to the discharge of the functions of TfN and on transport matters that affect the TfN area.

The Rail North Committee

TfN will establish a Rail North Committee, which will advise on TfN's statutory Partner role in relation to rail investment and will have oversight of the management of the TransPennine Express and Northern Rail Franchises.

Procedure Rules

This section sets out the procedures, which shall apply to meetings of TfN. The Rules of Debate reflect the nature of the business of TfN and that most decisions are expected to be consensual without the need for formal debating procedures.

Scrutiny Procedure Rules

The Scrutiny Procedure Rules provide for Scrutiny Committee to set up smaller Scrutiny Panels to review discreet topics and to allow these Panels to invite representatives of outside bodies to attend

to inform their Reviews.

Financial Procedures

CIPFA provisions set out the financial rules and controls, which will govern all expenditure by TfN. It is expected that more detailed financial controls in relation to individual projects will be set out in the Funding Letter from the Secretary of State.

Codes and Protocols

It is not intended that TfN should have its own Code of Conduct for Members, but Members will be expected to adhere to the Code of Conduct of their appointing Authority in the conduct of TfN's business and any Standards issue would be referred back to the appointing Authority by the Monitoring Officer.

Although TfN is not required to adopt its own Code of Conduct for Members, it will need to have a separate Disclosure of Interests by each Member in respect of their interests within the whole of the TfN geographical area.

The Code of Conduct for Officers sets out the standards of behaviour expected from TfN's officers.

The Protocol on Member/ Officer Relations sets out guidance on the mutual respect, which should exist between officers and Members and the way in which they should interact with each other.

The Code of Corporate Governance sets out the core principles and values which will govern the way in which TfN operates.

The Anti-Fraud and Corruption Policy sets out the measures that TfN will put in place to avoid and address fraud and corruption in any of its dealings.

The Whistle blowing Policy sets out the ways in which whistle-blowers may bring their concerns to management and the protections that are in place to ensure that whistle-blowers are not victimised or discriminated against.

Role of the Partnership Board

TfN has evolved over the years, from the inception of TfN as a partnership representing all those with an interest in the improvement of transport in the North of England to the creation of TfN as the first Sub-Nation Transport Body. Although TfN as a corporate body will consist of the representatives of the 19 Constituent Authorities, there is an aspiration that it will continue to operate through the Partnership Board taking decisions in partnership with the representatives of the 11 Local Enterprise Partnerships as representatives of the business community and with representatives of the Department for Transport and other Government Agencies and will continue to have an independent chair.

The draft Constitution reflects the legal requirements for decision making within TfN as a corporate body, but it will be open to TfN to operate these constitutional arrangements in a way that is consistent with continuing the present arrangements of the Partnership Board if Members so agree.

Rail North Limited

One of the drivers for the creation of TfN as a Sub-National Transport Body was to create a body that could speak with one voice on all transport matters affecting the North of England. To achieve that, it is proposed that TfN should take over ownership of Rail North Limited and subsume all of its functions directly into TfN.

Rail North Limited would be replaced by a Committee of TfN on which the former Rail North Member Authorities would be represented and have the same voting rights as under the Memorandum and Articles of the Company.

Before this can be achieved all the current members of Rail North Limited will need to formally agree to the proposals for the transfer of Rail North Limited to TfN.

The Rail Partnership Board

A Rail Partnership Board will be set up to include representatives of the Department for Transport. This Board will make recommendations in relation strategic priorities for rail investment and in relation to existing and future rail franchises.

The Highways North Board

TfN will participate in the Highways North Board with representatives of the Department for Transport and Highways England. The role of the Board will be to make recommendations in respect of the future Roads Investment Strategy and competitive major roads funding programmes.

The Chief Executives Meeting

The Chief Executives or their representatives will continue to meet to provide oversight of the activities of TfN and review draft Board papers and advise on policy and strategy proposals.

Consent to the Regulations

Draft Regulations are being drafted to create TfN as a Sub-National Transport Body. Before the Secretary of State may make these Regulations each of the Constituent Authorities must consent to the making of the Regulations. It is anticipated that the Secretary of State will send a letter to each of the Constituent Authorities at the beginning of September 2017 requesting formal consent to the making of the Regulations. The letter will request a response within 14 days.

5. POLICY IMPLICATIONS

TfN is an evolving partnership of Local Transport Authorities, Combined Authorities and Local Enterprise Partnerships across the North of England acting collectively and working with the Government, Highways England, HS2 and Network Rail to develop a Northern Transport Strategy in support of the Government's wider Northern Powerhouse agenda.

TfN was established in October 2014 to enable the North to speak with one voice on the big decisions necessary to deliver transformational change through improved connectivity, thereby making the North a more attractive place to live, work and do business.

The approval of the regulations will allow the Council to influence the delivery of strategic transport functions in line with its priorities. As the TfN strategy and proposed schemes progress, alignment will be sought with the Council's emerging Local Transport Plan 4.

6. FINANCIAL IMPLICATIONS

TfN is funded through government grant and although future funding decisions will remain the responsibility of the government at the time, establishing TfN in statute ensures it has the stability and permanence to be confident of long-term central Government support.

At present, the Constituent Authorities and the Rail North Authorities make the Rail North Support Payment and the Authorities in receipt of rail administrative grant make the Rail North Supplemental Payment to support Rail North Limited. Upon TfN assuming the responsibilities and functions of Rail North Limited, these payments will continue to be made to TfN to enable it to continue to support rail franchise management.

The Submission Proposal provides that the Constituent Authorities may all agree to contribute to the costs of TfN in the future. However, a decision to raise such contributions and the amount would require a unanimous decision of the Constituent Authorities and could only be taken after written

consent to the proposal has been received from each of the Constituent Authorities.

Unless unanimously agreed otherwise, the apportionment of any financial contributions would be determined on the basis of the Resident Populations of each of the Constituent Authorities.

TfN would be entitled to accept voluntary contributions towards its costs from any of the Constituent Authorities.

7. LEGAL IMPLICATIONS

The Cities and Local Government Devolution Act 2016 provided for the establishment by secondary legislation of Sub-National Transport Bodies. A Sub-National Transport Body is a Body Corporate, and consists of 2 or more relevant authorities i.e. Combined Authorities and/or Local Authorities (see Appendix A).

The process for establishing a Sub-National Transport Body is that the constituent authorities (the Combined Authorities and/or relevant Local Authorities) are required to make a joint proposal to establish a Sub-National Transport Body and all constituent authorities are required to consent.

The TfN proposal can only be submitted with the agreement of the authorities which, if the Sub National Transport Body is established, will be its constituent authorities. The TfN proposal sets out the powers and functions that are being requested by TfN. These include general functions, functions to be exercised concurrently with Local Authorities (or PTEs), and powers devolved from the Government. The proposal does not include a proposal for any local authority functions to be carried out by TfN instead of a Local Authority, only concurrently. The proposal includes a requirement for constituent authorities to make statutory contributions towards the costs of TfN apportioned on the basis of resident population which can only be raised with unanimous support of the Constituent Authorities. The proposal also sets out the decision-making and voting arrangements that TfN will adopt.

The Council will be asked to consider and provide consent to the draft regulations that would establish TfN as a sub-national transport body.

8. RESOURCE IMPLICATIONS

Future input into the activities of TfN will be made with existing Council resources and staff.

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 will continue with TfN through [Page 24 of 52](#) mechanisms through to formulation of TfN as a Sub-National Transport Body.

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

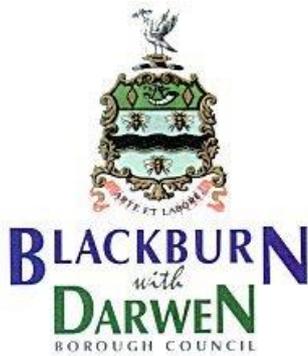
All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded in the Summary of Decisions published on the day following the meeting.

| | |
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| VERSION: | 0.01 |
|-----------------|------|

| | |
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| CONTACT OFFICER: | Mike Cliffe, Strategic Transport Manager, ext 5310 |
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| | |
|--------------|---------------------------|
| DATE: | 3 rd July 2017 |
|--------------|---------------------------|

| | |
|--------------------------|---|
| BACKGROUND PAPER: | Executive Member decision dated 5 th August 2016: Transport for the North: Approval to support the establishment of a Sub-National Transport Body Appendix A: Local Transport Act 2008 Section 102E |
|--------------------------|---|



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of Finance and IT

DATE: 10 August 2017

**PORTFOLIO/S
AFFECTED:** All

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CORPORATE REVENUE BUDGET MONITORING REPORT QUARTER 1 - 2017/18

1. EXECUTIVE SUMMARY

To report the overall revenue financial position of the Council, highlighting any significant issues and explaining variations in the first quarter of the financial year.

2. RECOMMENDATIONS

The Executive Board is asked to approve:

- the portfolio cash limit adjustments outlined in Appendix 1.
- the Earmarked reserves position shown in Appendix 2
- the variations to revenue expenditure, as listed in Section 6, giving rise to a forecast balance of £6.192 million in the unallocated General Fund revenue reserve at 31st March 2018.

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 revenue expenditure at 30th June 2017 in relation to cash limited budgets across all portfolios was £23.151million, which is 22.56% of the current budget. Further details relating to the financial position of each portfolio are outlined in Section 6.

b) General Fund unallocated reserves are forecast to be £6.192 million at 31st March 2018 based on information available at this point in time.

c) Based on the information currently available, Earmarked reserves available for discretionary use within the Council are forecast to be £15.445 million at 31st March 2018 compared with a balance of £13.874 million at 31st March 2017, with a further £17.282 million of other reserves held mainly in relation to schools.

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5. POLICY IMPLICATIONS

The information contained within the report accords with the three year budget forecast within the Medium Term Financial Strategy 2017-20, 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

Given the scale of the financial challenge faced, throughout the course of 2016/17 Executive Members and Officers continued to review all services and worked to develop options to deliver budget reductions as part of a £15.0m savings programme.

The budget for 2017/18 and the Medium Term Financial Strategy (MTFS) reflected these savings, as well as the other measures taken to address reductions in funding. The implementation of the savings programme within the challenging timescales set, and delivering this in the face of further increases in demand and demographic pressures, will be critical to balancing the revenue account this year.

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 from Earmarked reserves in respect of grants / contributions and other budgets approved for carry forward from 2016/17

The principle issues for each portfolio are as follows:

Health & Adult Social Care

At this early point in the year, the HASC portfolio is reporting significant pressures consistent with the trend experienced last year. The Government has allocated additional funding for adult social care from 1st April 2017 via the Improved Better Care Fund (iBCF). Initial allocations of the fund were issued through the Core Spending allocations to local government; for Blackburn with Darwen, the initial allocation was £717,000 in 17/18 which was included in the Medium Term Financial Strategy approved at Finance Council on 27th February 2017. Further allocations were subsequently announced in the Chancellor's Spring Budget, increasing the total funding for iBCF for Blackburn with Darwen to £4.307 million in 2017/18, i.e. an increase of £3.590 million.

This funding is paid directly to all Local Authorities with adult social care responsibilities who must meet the grant conditions as part of locally agreed plans through the Better Care Fund pooled budget.

The grant must be spent on adult social care and used for the purposes of:

1. Meeting adult social care needs
2. Reducing pressures in the NHS – including provision of support to more people to ensure they can be discharged from hospital when they are ready
3. Stabilising the social care provider market

social care colleagues across Pennine Lancashire, and indeed across the wider county, to develop proposals to address the requirements of iBCF. The additional funding of £3.590 million in 2017/18 is planned to be allocated as follows:

- £500k - investment to reduce pressures in the NHS through a reduction in delayed transfers of care from hospital to the community and in enhancements to the 7 day integrated discharge service
- £205k - investment to address the increase in the number of reviews required following changes to the deprivation of liberty legislation
- £80k – investment to increase capacity within the Integrated Neighbourhood Teams
- The remaining £2.8 million will be used to address the pressures in adult social care arising from service demand and from fee uplifts to stabilise the provider market, as identified in the budget setting process in February 2017 and which have continued into this financial year

Given the ongoing demand pressures across the social care system, the Council will also maintain a specific Earmarked reserve established to be used to meet the impact of increases in demand for social care, complexity of need and in the stabilisation of the social care market.

This additional funding however is non-recurring as it reduces to £2.186 million in 2018/19, reducing again down to £1.081 million in 2019/20, beyond which date we have no indication as to whether it will continue; the costs to which the funding must be applied however are recurring as the forecasts and projections on demand and demographic pressures illustrate.

Alongside these pressures, the portfolio also has some difficult savings targets to deliver this year in relation to day care services and supporting people as agreed by Policy Council in December 2016. The forecast outturn does not take into consideration the pressures arising from any delay in implementation (or unrealised) efficiency targets. Forecasts will be refined and presented as we progress through the year as more specific information becomes available.

Public Health

Budget transfers into the portfolio have been requested for grant funding brought forward from 2016/17 in respect Public Health grant (£87,600) and Transforming Lives grant (£93,000) to reflect the slippage of the spend profile in 2016/17.

Children's Services

In line with 2016/17, the portfolio has identified cost pressures for the year ahead due to increasing social work caseloads in respect of vulnerable children, combined with increasing expenditure on commissioned placements and special guardianship orders. Whilst the majority of these costs were contained in 2016/17 through other savings achieved in the portfolio, in line with the delivery of the savings programme, many of these savings have now been removed from the budget thereby reducing the ability to mitigate the difficult financial position.

These, and other areas of the budget, are being closely monitored and will be refined as further information becomes available over the coming months. However it is clear at this point that increasing costs, the removal of those savings that had been available in previous years and with a challenging savings programme to be delivered, it will be a difficult financial year for the portfolio; approval therefore is requested to release the £800k of contingencies set aside for this purpose during the budget setting process and to transfer £1.100 million from the Complex Needs and Transition reserve.

Further to the Executive Member (Children's Services) Decision report in June 2017, the portfolio is requesting a cash limit increase from Unallocated reserves of £166,700 to meet the costs of an extension to the contract with a specialist company for the provision of additional short-term social work resource for an additional period of 8 weeks (until the middle of September 2017); this is to deliver a managed social work service focussing on children subject to Child in Need plans.

Environment

The portfolio has now delivered all of the savings allocated as part of the Council's savings programme and at this point in the year is forecasting a breakeven position at outturn. The main pressure faced is in respect of the Household Waste Recycling contract which has been through a recent tender exercise; unfortunately conditions in the market have led to an increase in price. Whilst budget uplift was provided in 2017/18 for increases in tonnage and inflation, this does not fully cover the amount of the price increase; the portfolio will look to contain the pressure however within existing budgets over the course of the year.

Leisure, Culture and Young People

A request is made to transfer £122,800 out of Earmarked reserves into the portfolio cash limit, as itemised in Appendix 1, in respect of specific grants and budgets carried forward from 2016/17, as reported in the 2016/17 Revenue Outturn report approved by Executive Board in July.

Cost pressures have been identified for the year in relation to delivery of the savings programme however the portfolio is trying to contain these within the existing cash limit budget.

Neighbourhoods & Prevention

The Neighbourhoods and Prevention portfolio are requesting a total transfer from Earmarked reserves into their cash limit budget of £230,100, as detailed in Appendix 1, in respect of specific grants and budgets brought forward from 2016/17 as reported in the 2016/17 Revenue Outturn report approved by Executive Board in July.

The portfolio has now completed the work to deliver their specific elements of the wider Council savings programme although in doing so there may be some costs that fall into 2017/18 with a part year effect; every effort will be made to contain these within existing budgets.

Regeneration

The portfolio is requesting a cash limit increase from Earmarked reserves of £75,000 in order to meet the revenue costs associated with the implementation of the new Property IT system; this amount was carried forward from 2016/17 for this purpose as reported in the 2016/17 Revenue Outturn report approved by Executive Board in July.

The portfolio ended the 2016/17 financial year with an overspend against the cash limit budget of £325,000; a thorough financial review is being undertaken and options and proposals are being explored and developed to address these pressures. The outcome of this work will be brought to the Executive Board meeting in October/November 2017.

Resources

The portfolio is requesting a cash limit increase from Unallocated reserves of £73,000 to address and support the increase in workload in the Legal Services Social Care Team due to the increase in Children Social Care cases and in respect of Deprivation of Liberty (DoLs) renewals in Adult Social Care.

Cash limit increases are also requested from Earmarked reserves totalling £60,000, as itemised in Appendix 1, relating to resources carried forward from 2016/17.

Schools & Education

Cost pressures have been identified for the year in relation to delivery of the savings programme however the portfolio is trying to contain these within the existing cash limit budget.

Dedicated Schools Grant / Schools Block

Services in Schools & Education (DSG) are currently predicted to spend the funding available in

2017/18 through the Dedicated Schools Grant and Pupil Premium.

Schools and Education funding from DSG is monitored by the Schools Forum and reports are considered on a regular basis.

Business Support and Procurement Workforce Review

The Medium Term Financial Strategy was predicated on a savings programme which included delivery of the Workforce Review Programme over a three year period. Following completion of the Business Support and Procurement workforce reviews, virements are now requested between portfolios to reflect the organisation of the future staffing structure and delivery of the contribution to the savings programme in the year. The details of these virements are outlined in Appendix 1.

6.2 General Fund Unallocated Reserves

| | £'000 |
|--|--------------|
| Unallocated reserves as per Executive Board Report July 2017 | 6,189 |
| Transfers from Unallocated reserves | |
| To Resources Portfolio re: increase in caseloads in Legal Services Social Care Team | (73) |
| To Children's Services Portfolio re: provision of additional short-term social work resource | (167) |
| Transfers to Unallocated reserves | |
| Savings in respect of interest and debt repayment budgets | 243 |
| Forecast balance on Unallocated General Fund reserves at 31 March 2018 | 6,192 |

6.3 Earmarked reserves

The level of Earmarked reserves held for discretionary use by the Council at 30th June 2017 is currently expected to increase to £15.445 million compared with the outturn position of £13.874 million as at 31st March 2017.

| Summary of movement | £'000 |
|--|---------------|
| Balance of reserves at 31st March 2017 as reported to Executive Board July 2017 | 13,874 |
| Release to portfolios of grants and budgets carried forward from 2016/17 into 2017/18 (incl in Appendix 1) | (669) |
| Support to 2017/18 budget from Earmarked reserves as agreed at Finance Council on 27 th February 2017 | (500) |
| Increases to/establishment of Earmarked reserves agreed as part of the 2017/18 budget setting process | 2,073 |
| Utilisation of Complex Needs and Transition Reserve within Children's Services | (1,100) |
| iBCF as notified in Chancellor's Spring Budget | 3,590 |
| Allocation of iBCF in respect of investment and support for demand and market pressures | (3,590) |
| Transfer to social care future demand earmarked reserve | 1,767 |
| Balance of reserves at 30th June 2017 | 15,445 |

Other earmarked reserves, largely in respect of schools, are currently held of £17.282 million.

Details of the requested application of reserves are outlined in Section 6.1.2 of the report (above) and in Appendices 1 and 2.

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: | V4 |
|-----------------|-----------|

| | |
|-------------------------|--|
| CONTACT OFFICER: | Simon Ross (Ext 5569) Julie Jewson (Ext 5893) |
|-------------------------|--|

| | |
|--------------|----------------|
| DATE: | 31st July 2017 |
|--------------|----------------|

| | |
|--------------------------|-----|
| BACKGROUND PAPER: | N/A |
|--------------------------|-----|

[Page 31 of 52](#)

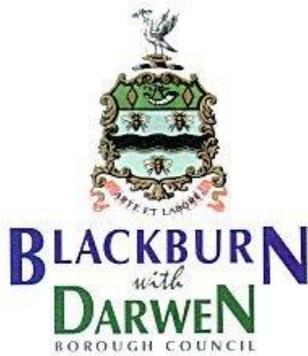
SCHEDULE OF CASH LIMIT ADJUSTMENTS REQUESTED

| | Health & Adult Social Care | Children's Services | Environment | Leisure, Culture & Young People | Neighbourhood & Prevention Services | Regeneration | Resources | Schools & Education (Non-DSG) |
|--|-------------------------------|------------------------|------------------|------------------------------------|--|------------------|-------------------|----------------------------------|
| | £ | £ | £ | £ | £ | £ | £ | £ |
| Original Cash Limit 2017/18 | 43,352,900 | 21,133,300 | 8,859,700 | 3,162,100 | 1,367,900 | 7,691,800 | 13,531,300 | 3,401,400 |
| Transfers between portfolios: | | | | | | | | |
| Business Support Review | (384,900) | (373,500) | (240,500) | (40,800) | (110,700) | (235,100) | 1,138,100 | (72,400) |
| Procurement Workforce Review | (236,900) | (186,600) | | | | (53,900) | 515,800 | (38,400) |
| | | | | | | | | |
| Transfers (to)/from earmarked reserves | | | | | | | | |
| Public health grant carried forward from 2016/17 | 87,600 | | | | | | | |
| Transforming lives carried forward from 2016/17 | 93,000 | | | | | | | |
| Improved Better Care Fund | 3,590,000 | | | | | | | |
| Transfer to social care future demand earmarked reserve | (1,767,000) | | | | | | | |
| Complex Needs and Transition | | 1,100,000 | | | | | | |
| Heritage Lottery Grant carried forward from 2016/17 | | | | 5,200 | | | | |
| Museum Resilliance Fund carried forward from 2016/17 | | | | 13,100 | | | | |
| Macmillan funding carried forward from 2016/17 | | | | 3,500 | | | | |
| Museum and Schools, Arts Council England carried forward from 2016/17 | | | | 17,000 | | | | |
| Lancashire Not Forgotten carried forward from 2016/17 | | | | 13,000 | | | | |
| Festival of Making carried forward from 2016/17 | | | | 15,000 | | | | |
| Witton Park drainage carried forward from 2016/17 | | | | 30,000 | | | | |
| Creative support carried forward from 2016/17 | | | | | 3,400 | | | |
| Heritage support carried forward from 2016/17 | | | | | 1,500 | | | |
| Troubled Families carried forward from 2016/17 | | | | 26,000 | 59,800 | | | |
| Transformation challenge carried forward from 2016/17 | | | | | 80,600 | | | |
| Police Innovation Fund (Violent Crime) carried forward from 2016/17 | | | | | 29,000 | | | |
| Prevent - Police contribution carried forward from 2016/17 | | | | | 500 | | | |
| Contributions from Early Action Pilot Funding - Police & Crime Commissioner - carried forward from 2016/17 | | | | | 29,400 | | | |
| S106 Spring Vale Garden carried forward from 2016/17 | | | | | 2,000 | | | |
| S106 Olive Lane Bowling Green carried forward from 2016/17 | | | | | 700 | | | |
| S106 Repair of swings in Queens Park carried forward from 2016/17 | | | | | 1,500 | | | |
| S106 Restoring Sport to the Square Meadow carried forward from 2016/17 | | | | | 4,700 | | | |
| S106 Former Darwen Health Centre carried forward from 2016/17 | | | | | 400 | | | |
| S106 89 Preston New Road | | | | | 1,200 | | | |
| s106 The Moss Ryecroft lane, Belmont carried forward from 2016/17 | | | | | 15,400 | | | |
| New Property IT system carried forward from 2016/17 | | | | | | 75,000 | | |
| Property water purity carried forward from 2016/17 | | | | | | | 40,000 | |
| Elections carried forward from 2016/17 | | | | | | | 20,000 | |
| | | | | | | | | |
| Transfers (to)/from unallocated reserves | | | | | | | | |
| Legal Services Social Care team - increased social care workload | | | | | | | 73,000 | |
| Provision of additional short-term social work resource - contract extension | | 166,700 | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Transfers (to)/from contingency | | | | | | | | |
| Social determinants of health | | | | | (300,000) | | | |
| Demand pressures | | 800,000 | | | | | | |
| | | | | | | | | |
| Other budget adjustments | | | | | | | | |
| | | | | | | | | |
| | | | | | | | | |
| Final revised cash limit as at 31st March 2017 | 44,734,700 | 22,639,900 | 8,619,200 | 3,244,100 | 1,187,300 | 7,477,800 | 15,318,200 | 3,290,600 |

| | Balance at 31 March 2017 As reported to Exec Board July 2017 £000 | Support to 2017/18 Budget | Requested Transfers to/(from) earmarked reserves in Qtr 1 | Balance at 30 June 2017 Quarter 1 £000 |
|---|--|------------------------------|---|--|
| ICT developments | | | | |
| ICT revenue projects | 559 | 0 | 0 | 559 |
| Welfare, council tax and business rates reforms | | | | |
| Welfare and council tax reforms | 268 | 0 | 0 | 268 |
| Investment in assets and infrastructure | | | | |
| Office Accommodation and property improvements | 888 | (300) | 0 | 588 |
| Highways winter maintenance | 24 | 0 | 0 | 24 |
| Redevelopment of Blackburn Markets site | 200 | 0 | 0 | 200 |
| Flood Defence | 77 | 0 | 0 | 77 |
| Other Resources and Transformation projects | | | | |
| Legal Advice Reserve | 105 | 0 | 0 | 105 |
| Partnerships & Transformation | 80 | 0 | 0 | 80 |
| Elections | 20 | 0 | (20) | 0 |
| Claims in respect of land charge search fees | 93 | 0 | 0 | 93 |
| Support for People Services | | | | |
| Complex Needs and Transition | 1,183 | 0 | (1,100) | 83 |
| Troubled Families | 316 | 0 | (86) | 230 |
| YOT partnership | 118 | 0 | 0 | 118 |
| Music Services | 159 | 0 | 0 | 159 |
| Disabled Facilities Grants | 289 | 0 | 0 | 289 |
| VIA (Connexions) Reserve | 141 | 0 | 0 | 141 |
| Future Demand Pressures | 2,200 | 500 | 1,767 | 4,467 |
| PLACE | | | | |
| New Homes Bonus | 176 | (100) | 0 | 76 |
| Investment to support business rates growth | 370 | | | 370 |
| Place Shaping Investment Reserve | 0 | 250 | 0 | 250 |
| Invest to Save projects | | | | |
| Insurance risk investment fund | 43 | 0 | 0 | 43 |
| Contingent sums to support future downsizing and transformation programmes | | | | |
| Review of services provided by strategic partnership | 102 | 0 | 0 | 102 |
| Support for future redundancy costs | 1,882 | 623 | 0 | 2,505 |
| Support for part year effect of future savings plans | 1,640 | 700 | 0 | 2,340 |
| Amounts carried forward in respect of unspent grants and contributions | | | | |
| Transformation Challenge Award | 144 | 0 | (80) | 64 |
| Regenerate Pennine Lancashire Ltd | 0 | 0 | 0 | 0 |
| Public Health Grant | 88 | 0 | (88) | 0 |
| Transforming Lives | 130 | 0 | (93) | 37 |
| SEN / SEND Reform Grant /SNND Prep for Empl | 236 | 0 | 0 | 236 |
| Social Fund (Children's) | 68 | 0 | 0 | 68 |
| Manchester CC Grant Housing Benefit Officer - Asylum Fund | 9 | 0 | 0 | 9 |
| DCLG Grant Housing Advisor Post | 24 | 0 | 0 | 24 |
| DCLG Grant organised crime admin budget | 37 | 0 | 0 | 37 |
| Local Family Offer Trial | 25 | 0 | 0 | 25 |
| 30 hours Childcare Digital Accelerate | 7 | 0 | 0 | 7 |
| Heritage Lottery | 7 | 0 | (7) | 0 |
| Museum Resilience Fund | 13 | 0 | (13) | 0 |
| Arts Council | 17 | 0 | (17) | 0 |
| Macmillan | 4 | 0 | (4) | 0 |
| Lancashire Not Forgotten - Lottery grant | 13 | 0 | (13) | 0 |
| Creative support | 3 | 0 | (3) | 0 |
| Police Intervention Fund monies - Violent Crime | 29 | 0 | (29) | 0 |
| Prevent - Police contribution | 1 | 0 | (1) | 0 |
| Contributions from Early Action Pilot Funding - Police & Crime Commissioner | 29 | 0 | (29) | 0 |
| Amounts committed in future year budgets/MTFS | | | | |
| Social Worker Contract (Childrens) | 73 | 0 | 0 | 73 |
| Festival of Making | 15 | 0 | (15) | 0 |
| Drainage work at Witton Park | 30 | 0 | (30) | 0 |
| Property - Atrium replacement | 75 | 0 | (75) | 0 |
| Property - Water Purity | 40 | 0 | (40) | 0 |
| Reserves held for specified non discretionary purposes | | | | |
| Developers Contributions (\$106 Income) | 600 | (100) | (26) | 474 |
| Future Maintenance of Wainwright Bridge | 506 | 0 | 0 | 506 |
| Highways claims anticipated for years up to current year but not yet received | 434 | 0 | 0 | 434 |
| Art Acquisitions Fund | 14 | 0 | 0 | 14 |
| W. Ferrier Bequest (for museum re Kathleen Ferrier) | 20 | 0 | 0 | 20 |
| Allowance for contingent liabilities (e.g. MMI) | 250 | 0 | 0 | 250 |
| TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE | 13,874 | 1,573 | (2) | 15,445 |
| Other Earmarked' Reserves | | | | |
| Reserves held in respect of joint arrangements and charitable bodies | | | | |
| Darwen Market Traders Association | 2 | 0 | 0 | 2 |
| Joint Building Control Account | 182 | 0 | 0 | 182 |
| Turton Tower Charity | 45 | 0 | 0 | 45 |
| LSCB Safeguarding Partners Fund | 156 | 0 | 0 | 156 |
| Reserves held in relation to schools | | | | |
| Dedicated Schools Grant - Surplus | 10,644 | 0 | 0 | 10,644 |
| LMS Schools Balances | 6,253 | 0 | 0 | 6,253 |
| TOTAL 'OTHER EARMARKED' RESERVES | 17,282 | 0 | 0 | 17,282 |

DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

| | Balance at 31 March 2017 As reported to Exec Board July 2017 £000 | Support to 2017/18 Budget | Requested Transfers to/(from) earmarked reserves in Qtr 1 | Balance at 30 June 2017 Quarter 1 £000 |
|---------------------------------|--|------------------------------|---|--|
| TOTAL EARMARKED RESERVES | 31,156 | 1,573 | (2) | 32,727 |
| UNALLOCATED RESERVES | 6,189 | 0 | 3 | 6,192 |



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of Finance and IT

DATE: 10 August 2017

**PORTFOLIO/S
AFFECTED:** Resources

WARD/S AFFECTED: All

KEY DECISION: YES NO

**SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT
2017/1 – Quarter 1 30 June 2017**

1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 30th June 2017, highlighting issues and explaining variations in the first quarter of the financial year.

2. RECOMMENDATIONS

The Executive Board is asked to approve the revised capital programme as per Appendix 1, together with the variations shown in Appendix 2.

3. BACKGROUND

All portfolios are required to examine their capital budget position on a monthly basis.

4. KEY ISSUES & RISKS

a) The projected aggregate cost of the Council's capital investment for 2017/18 has now increased from £17.884million, as approved by Finance Council on 27th February 2017, to £38.946 million. The net variation of £21.062million (detailed in Appendix 2) reflects;

- requested variations to the programme following the finalisation of the outturn position for 2016/17 (£9.837 million) and
- variations made to reflect the approval of programmes during the first quarter of the year (£11.225 million).

b) As at 30th June 2017, the capital expenditure across the portfolios was £1.57 million (4.03% of the current projected spend).

c) The estimate of capital receipts expected in 2017/18 is £2.557 million; to date £170,000 has been received.

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 2017-20, as approved at Finance Council on 27th February 2017.

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6. FINANCIAL IMPLICATIONS

6.1 CAPITAL PROGRAMME

The variations in projected spend and resource availability for 2017/18 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The capital programme for 2017/18 has increased in the first quarter by £21.062million. The major capital variations to note are as follows:

6.1.1 Children's Services

Early Years Capital Fund

Grant funding of £347k has been secured from the Education Funding Authority to support the delivery of 30 hours free childcare for working parents of 3 and 4 years olds, building on the existing 15 hour universal entitlement. Match funding of £114k has been agreed from the Council which will be financed through revenue contributions and Devolved Formula Capital funding. The grant will fund specific capital build projects to provide capacity to deliver 30 hour places for the following establishments within the Borough:

- Audley Children's Centre - £133k
- Little Harwood Children's Centre - £94k
- Longshaw Nursery School & Childcare Centre - £189k
- Stepping Stone's Nursery - £61k (with the match funding for this scheme of £15,000 to be met the independent owners of this nursery).

Each project will be treated as an individual capital scheme, as per Appendix 2, and approval is requested to add these to the capital programme.

6.1.2 Environment

Old Bank Lane Car Park

As approved by the Executive Board in July, this scheme is for the building of a 500 space car park on Old Bank Lane to address the inadequate parking provision for both the hospital and local businesses. The budget for this scheme is £1.196 million and covers the costs to surface and mark out the car park and the installation of barriers, lighting and pay and display machines.

6.1.3 Regeneration

Cinema and Leisure Development

At the Executive Board meeting in April 2017, approval was given for a cinema and leisure development on the site of the former Waves centre. This is a £6.5 million scheme and the final proposals recommended direct development by the Council, subject to securing a contractual commitment with a cinema/leisure operator to take a lease of the building on completion. Approval is required to add this to the capital programme.

Housing Zones Capacity Funding

£125k has been received in respect of Housing Zones Capacity Funding. This will be used to carry out intrusive ground investigations and option assessments for sites at Blackamoor, Haslingden Road and other sites within South East Blackburn. The detailed work will be used to assess and prepare the sites for development. Approval is sought to add this scheme to the capital programme.

6.1.4 Schools and Education

Education Planned Capital Programme

The requested programme variation of £1.197 million includes;

- £1.329m of new capital programme to reflect the Department of Education funded schemes that will largely take place over the summer, these incorporate a new heating system and roofing works at Audley Infants and Juniors School along with various smaller schemes at a variety of other establishments
- £1.082 brought forward from the school's capital programme agreed for future years in respect of the demolition of Newfield ASD school and works at St Barnabas and St Pauls and Audley Juniors school.

6.1.5 Resources

Corporate ICT

Corporate ICT Adults Mobile Working

A request is made to add the ICT adults mobile working scheme to the capital programme at a cost of £12,000. This scheme will require the purchase of smart phone handsets to allow social work staff to work both remotely and onsite during appointments, which will reduce the current level of hard copy documents, and their transportation. This is an 'Invest to Save' scheme and will be funded from a transfer from the Corporate ICT Earmarked Capital Reserve.

Corporate ICT Leisure System

A new ICT leisure system will be implemented at ten sites across Blackburn with Darwen Borough Council. The primary driver for replacing the current leisure system is to provide customers with a flexible/digital service and to offer online functionality for them to book and pay for services. This is an 'Invest to Save' scheme, as implementation will result in efficiency savings. The cost to implement this system is estimated at £48,000 and approval is requested to add this to the programme funded from a transfer from the Corporate ICT Earmarked Capital Reserve.

6.1.6 Earmarked Schemes

Approval is sought to slip £1.514 million from the Accommodation Strategy Earmarked scheme, as per Appendix 2, to cover the future year costs of schemes identified in the development of this strategy.

6.2 CAPITAL RECEIPTS

Actual capital receipts at the end of June 2017 were £170,000; all of these receipts will be utilised in support of the Minimum Revenue Provision.

6.3 BALANCE SHEET POSITION

6.3.1 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.

6.3.2 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 in Appendix 1.

6.3.3 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, and options for optimising borrowing requirements are actively reviewed.

The Council has continued its strategy of financing capital expenditure through short term borrowing, at this time, whilst short term borrowing costs remain low. The last long term borrowing arrangements put into place was over three years ago. Most economic forecasts indicate a continuation of low interest rates for the short to medium term. The continuing lower interest rates, together with lower than forecast outturn capital spend in 2016/17, have generated projected savings of £243,000 on interest costs and on the projected 2017/18 Minimum Revenue Provision (MRP). It should be noted that the changes to the MRP policy adopted in January 2017 will mean that future variations in the level of capital receipts will impact on the MRP charge for the year.

The current borrowing and investment position is as follows

| | Amounts at 31/03/16 £000 | Amounts at 31/03/2017 £000 | Amounts at 30/06/17 £000 |
|---|--------------------------------|----------------------------------|--------------------------------|
| Short term borrowing | £18,500 | £57,000 | £65,000 |
| Long term borrowing | £134,684 | £127,122 | £127,122 |
| Transferred debt re Local Government Re-Organisation | £16,658 | £15,992 | £15,992 |
| Recognition of debt re PFI arrangements | £70,095 | £68,551 | £68,267 |
| Investments made by the Council | £10,550 | £22,075 | £30,475 |

The totals include the debt recognised on the balance sheet as a result of accounting adjustments in respect of bringing the BSF school buildings in to use 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).

6.3.4 Debtors

The Council has a corporate debt policy as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of page 38 of 52 debts and the total outstanding debt in the respective areas at a single point in time, i.e. 30th June 2017. The table also shows the corresponding

level of debt at the same point in the last financial year.

| | Position at 30/06/17 | Position at 30/06/16 |
|-------------------------------------|-------------------------|-------------------------|
| Council tax | | |
| Current year arrears (£000) | 40,664 | 38,632 |
| Previous year arrears (£000) | 9,514 | 8,413 |
| Total Council tax arrears | 50,178 | 47,045 |
| Collection rates | 27.88% | 27.88% |
| Business rates | | |
| Current year arrears (£000) | 33,530 | 37,603 |
| Previous year arrears (£000) | 3,254 | 3,013 |
| Total Business rates arrears | 36,784 | 40,616 |
| Collection rates | 29.7% | 26.3% |
| Housing Benefit | | |
| Overpayments balances (£000) | 2,774 | 2,650 |
| Collection rates | 11.64% | 10.10% |

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: | V2 |
|-----------------|-----------|

| | |
|-------------------------|---|
| CONTACT OFFICER: | Gaynor Simons (Ext 5635) Julie Jewson (Ext 5893) |
|-------------------------|---|

| | |
|--------------|--------------|
| DATE: | 31 July 2017 |
|--------------|--------------|

| | |
|--------------------------|-----|
| BACKGROUND PAPER: | N/A |
|--------------------------|-----|

Overall Capital Monitoring 2017/18

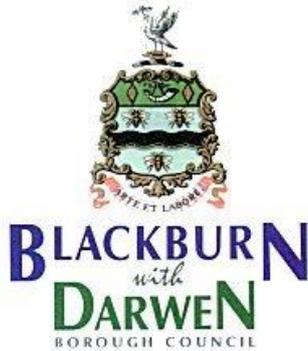
| | Approved Programme 2017/18 | Updated Programme (following outturn and portfolio changes) | Variations to programme in Quarter 1 | Revised Programme at 30th June 2017 | Total Variations |
|---|----------------------------|---|--------------------------------------|-------------------------------------|------------------|
| | (Budget Book) £'000 | £'000 | £'000 | | £'000 |
| Costs | | | | | |
| Health & Adult Social Care | 2,079 | 2,114 | 0 | 2,114 | 35 |
| Children's Services | 533 | 658 | 477 | 1,135 | 602 |
| Environment | 0 | 0 | 1,196 | 1,196 | 1,196 |
| Leisure, Culture & Young People | 6 | 548 | 0 | 548 | 542 |
| Neighbourhood and Prevention Services | 623 | 84 | 0 | 84 | -539 |
| Regeneration | 6,033 | 11,807 | 8,295 | 20,102 | 14,069 |
| Resources | 2,115 | 3,032 | 60 | 3,092 | 977 |
| Schools & Education | 6,495 | 9,478 | 1,197 | 10,675 | 4,180 |
| Total Predicted Expenditure | 17,884 | 27,721 | 11,225 | 38,946 | 21,062 |
| Resources | | | | | |
| - Department for Communities & Local Government | 0 | 0 | 0 | 0 | 0 |
| - Department for Education | 6,495 | 9,689 | 1,547 | 11,236 | 4,741 |
| - Department for Energy & Climate Change | 0 | 589 | 0 | 589 | 589 |
| - Department for Transport | 3,827 | 3,977 | 0 | 3,977 | 150 |
| - Disabled Facilities Grants | 1,461 | 1,461 | 0 | 1,461 | 0 |
| - Housing Grants | 0 | 165 | 123 | 288 | 288 |
| - Other Grants | 333 | 1,485 | 0 | 1,485 | 1,152 |
| Government Grants | 12,116 | 17,366 | 1,670 | 19,036 | 6,920 |
| Unsupported Borrowing | 3,753 | 7,020 | 9,426 | 16,446 | 12,693 |
| External Contributions | 1,515 | 2,352 | 62 | 2,414 | 899 |
| Revenue Contributions | 500 | 983 | 67 | 1,050 | 550 |
| Total Resources | 17,884 | 27,721 | 11,225 | 38,946 | 21,062 |
| Difference | 0 | 0 | 0 | 0 | 0 |
| Earmarked Schemes | | | | | |
| Corporate ICT | 1,416 | 2,811 | -60 | 2,751 | -60 |

Scheme variations to 2016/17 Capital Programme

| | Capital Programme Schemes Approved at Finance Council 27th Feb 2017 £ 000 | Programme Adjustments following Outturn 2016/17 £ 000 | Portfolio changes £ 000 | Requested Variations £ 000 | Total £ 000 |
|---|--|--|----------------------------|-------------------------------|----------------|
| <u>Health & Adult Social Care</u> | | | | | |
| Demolition of Feniscliffe HOP | 75 | - | - | - | 75 |
| Disabled Facilities Grant | 1,658 | 35 | - | - | 1,693 |
| Telecare Project | 160 | - | - | - | 160 |
| Shorey Bank Extra Care Scheme Site | 186 | - | - | - | 186 |
| | 2,079 | 35 | - | - | 2,114 |
| <u>Children's Services</u> | | | | | |
| Disable Facilities Grant | 300 | 95 | - | - | 395 |
| Two Year Old Grant | 233 | 30 | - | - | 263 |
| Audley Children's Centre Early Years | 0 | - | - | 133 | 133 |
| Little Harwood Children's Centre | 0 | - | - | 94 | 94 |
| Stepping Stone's Nursery | 0 | - | - | 61 | 61 |
| Longshaw Nursery School | 0 | - | - | 189 | 189 |
| | 533 | 125 | - | 477 | 1,135 |
| <u>Environment</u> | | | | | |
| Old Bank Lane Car Park | 0 | - | - | 1,196 | 1,196 |
| | 0 | - | - | 1,196 | 1,196 |
| <u>Leisure, Culture & Young People</u> | | | | | |
| Darwen Leisure Centre Replacement | 6 | - | - | - | 6 |
| Blackburn Leisure Centre Replacement | 0 | 176 | - | - | 176 |
| Waves Demolition | 0 | 99 | - | - | 99 |
| Witton Athletics - Floodlights | 0 | 13 | - | - | 13 |
| Bangor St - Refurbish Car Park | 0 | 21 | - | - | 21 |
| Wooldridge Playing Fields | 0 | 231 | - | - | 231 |
| Making Rooms Equipment | 0 | 2 | - | - | 2 |
| | 6 | 542 | - | - | 548 |
| <u>Neighbourhood and Prevention Services</u> | | | | | |
| Bank Top and Griffin Clearance | 100 | 99 | (199) | - | - |
| Group Repair (Inner NW/InnerSE/Darwen) | | 3 | (3) | - | - |
| Insulation for Hard to Treat Properties | 50 | (4) | (46) | - | - |
| Neighbourhood Intervention Fund | 100 | 134 | (234) | - | - |
| Equity Loans | 73 | 14 | (87) | - | - |
| Empty Homes Cluster | 100 | 60 | (160) | - | - |
| Other Acquisition costs | | 10 | (10) | - | - |
| DECC Central Heating Fund | | 589 | (589) | - | - |
| Affordable Homes Funding | 100 | 4 | (104) | - | - |
| Development Investment Fund | 100 | 44 | (144) | - | - |
| CCTV Hub | | 84 | - | - | 84 |
| | 623 | 1,037 | (1,576) | - | 84 |
| <u>Regeneration</u> | | | | | |
| Assistance to Industry | 150 | 37 | - | - | 187 |
| Cathedral Quarter Development | 0 | 100 | - | - | 100 |
| Cathedral Quarter Office Block Fit Out | 301 | (30) | - | - | 271 |
| Darwen 3 Day Market | 274 | (28) | - | 1,670 | 1,916 |
| Blakey Moor | 0 | 3,547 | - | - | 3,547 |
| Local Transport Plan | 5,308 | - | - | - | 5,308 |
| Street Lighting Investment | 0 | 125 | - | - | 125 |
| Bury Fold Brook | 0 | 15 | - | - | 15 |
| Integrated Modelling Works | 0 | 11 | - | - | 11 |
| Bala Close Drainage Improvements | 0 | 13 | - | - | 13 |
| Granvill Rd/Westland Ave Flood Study | 0 | 20 | - | - | 20 |
| Birch Hall Ave diversion appraisal | 0 | 14 | - | - | 14 |
| Livesey Branch Rd Culvert | 0 | 41 | - | - | 41 |
| Highways Network Recovery | 0 | 84 | - | - | 84 |
| M65 J5 Signalisation | 0 | 249 | - | - | 249 |
| Bank Top and Griffin Clearance | 0 | - | 199 | - | 199 |
| Group Repair (Inner NW/InnerSE/Darwen) | 0 | - | 3 | - | 3 |
| Insulation for Hard to Treat Properties | 0 | - | 46 | - | 46 |
| Neighbourhood Intervention Fund | 0 | - | 234 | - | 234 |
| Equity Loans | 0 | - | 87 | - | 87 |
| Empty Homes Cluster | 0 | - | 160 | - | 160 |
| Other Acquisition costs | 0 | - | 10 | - | 10 |
| DECC Central Heating Fund | 0 | - | 589 | - | 589 |
| Affordable Homes Funding | 0 | - | 104 | - | 104 |
| Development Investment Fund | 0 | - | 144 | - | 144 |
| Capacity Funding | 0 | - | - | 125 | 125 |
| Cinema and Leisure Development | 0 | - | - | - | 6,500 |
| | 6,033 | 4,198 | 1,576 | 8,295 | 20,102 |

Scheme variations to 2016/17 Capital Programme

| | Capital Programme Schemes Approved at Finance Council 27th Feb 2017 £ 000 | Programme Adjustments following Outturn 2016/17 £ 000 | Portfolio changes £ 000 | Requested Variations £ 000 | Total £ 000 |
|--|--|--|----------------------------|-------------------------------|----------------|
| Resources | | | | | |
| Corporate ICT - Montr & Mgmt, service systems & op | 70 | 3 | - | - | 73 |
| Corporate ICT - System Migration | | | - | - | - |
| Corporate ICT - Digital Services | 100 | 11 | - | - | 111 |
| Corporate ICT - Public Access | 150 | 127 | - | - | 277 |
| Corporate ICT - WAN Connectivity | 100 | 36 | - | - | 136 |
| Corporate ICT - Replacement Infrastructure | 934 | 67 | - | - | 1,001 |
| Corporate ICT - HR & Payroll System | | 2 | - | - | 2 |
| Corporate ICT - Adult Social Care IT System | | 1 | - | - | 1 |
| Corporate ICT - Digitisation of Planning Service | 50 | 167 | - | - | 217 |
| Corporate ICT - Till and Stock System | | 20 | - | - | 20 |
| Corporate ICT - Virtual Learning Environment | | | - | - | - |
| Corporate ICT - Finance System | 50 | 174 | - | - | 224 |
| Corporate ICT - Microsoft EA | 22 | (4) | - | - | 18 |
| Corporate ICT - New Leisure System | | | | 48 | 48 |
| Coporate ICT Adults Mobile Working | | | | 12 | 12 |
| Carbon Management Plan | | 212 | - | - | 212 |
| Old Town Hall Stonework | 25 | (5) | - | - | 20 |
| Land Remediation Schemes | 214 | (1) | - | - | 213 |
| Accommodation Strategy | | 30 | - | - | 30 |
| Corporate DDA Work | 100 | 77 | - | - | 177 |
| Griffin Lodge | 300 | | - | - | 300 |
| | 2,115 | 917 | - | 60 | 3,092 |
| Schools and Education | | | | | |
| Capital allocations | 2,212 | 318 | - | (1,212) | 1,318 |
| Audley Juniors | 0 | | - | 32 | 32 |
| Cedars Primary | 950 | 461 | - | - | 1,411 |
| St Barnabas and St St Pauls | 550 | 272 | - | 50 | 872 |
| St Thomas CE Primary School | 5 | 186 | - | - | 191 |
| St Thomas Centre Phase 2 | 475 | 12 | - | - | 487 |
| Newfield ASD Demolition | 2,300 | 1,635 | - | 1,000 | 4,935 |
| Turton/Edgworth Primary School | 0 | 99 | - | - | 99 |
| Audley Nursery | 1 | - | - | - | 1 |
| Longshaw Nursery | 1 | - | - | (1) | - |
| Feniscowles | 1 | - | - | (1) | - |
| Audley Infant and Junior - New Heating System | 0 | - | - | 500 | 500 |
| Audley Junior - Roofing Works | 0 | - | - | 237 | 237 |
| Belmont | 0 | - | - | 10 | 10 |
| Feniscowles | 0 | - | - | 25 | 25 |
| Intack | 0 | - | - | 25 | 25 |
| Longshaw Junior | 0 | - | - | 65 | 65 |
| Lower Darwen | 0 | - | - | 190 | 190 |
| Meadowhead Junior | 0 | - | - | 25 | 25 |
| Roe Lee Park - Classroom Works | 0 | - | - | 150 | 150 |
| Roe Lee Park - Refurbishment of boys toilets | 0 | - | - | 38 | 38 |
| Shadsworth Juniors | 0 | - | - | 14 | 14 |
| Project Management Fee | 0 | - | - | 50 | 50 |
| | 6,495 | 2,983 | - | 1,197 | 10,675 |
| Portfolios Total | 17,884 | 9,837 | - | 11,225 | 38,946 |
| Earmarked schemes: | | | | | |
| Corporate ICT | 1,416 | 1,395 | | (60) | 2,751 |
| Corporate Property Investment | 658 | 818 | | | 1,476 |
| Phase 2 Accomdation Strategy | | 2,271 | | (1,514) | 757 |
| Vehicles (funded from capital or leased) | 700 | | | | 700 |
| Total | 2,774 | 4,484 | | (1,574) | 5,684 |



EXECUTIVE BOARD DECISION

REPORT OF: Executive Member for Resources

LEAD OFFICERS: Director of Finance and IT

DATE: 10 August 2017

PORTFOLIO/S AFFECTED: Resources

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: Introduction of Supporting Small Business relief, Business Rate relief for Pubs and the Local Discretionary Relief Scheme

1. EXECUTIVE SUMMARY

The March 2017 budget announced three separate measures to assist businesses that had faced increases in business rate bills following the revaluation of all business properties in the country.

The announcements included;

- additional support for small businesses facing large increases,
- a one year £1000 discount for pubs and,
- £300m of extra funding for local authorities to provide a local discretionary relief to those facing increases in their business rate bills.

Blackburn with Darwen Council will be receiving the following funding to be awarded through its local scheme:

2017/18 - £176,000
2018/19 - £86,000
2019/20 - £35,000
2020/21 - £5,000

The criteria for providing financial support for small businesses and for pubs has been prescribed by government and is contained in Appendix A. The local discretionary policy for those business facing increases in bills has been developed in consultation with the Executive Member for Resources. The principles used in the design of the local discretionary relief include the following:

- I. Relief to be targeted at businesses that are facing an increase in their business rate bills following the revaluation, encompassing different sizes, sectors and locations across the borough;
- II. The relief to be distributed in a way that is proportionate to how much the business rates bill has increased, and in a fair manner;
- III. The extra relief is distributed to local businesses quickly and smoothly; and,
- IV. The relief is simple for the Council to administer.

2. RECOMMENDATIONS

The Executive Board is asked:

- To approve the new Business reliefs and discount policy outlined in Appendix A;
- To delegate to the Director of Finance and IT, in consultation with the Executive Member for Resources, the authority to approve the amendment to the Council's Business Rates Relief policy to include the provision for implementing any future government announced relief or discount;
- To delegate the setting of the discretionary relief amounts in 2018/19, 2019/20 & 2020/21 to the Executive Member for Resources.

3. BACKGROUND

The Government has undertaken a national revaluation of all commercial premises in England and Wales; as a consequence, all premises in the borough were assigned a new 'rateable value' by the Valuation Office with effect from 1st April 2017. The rateable value attributable to a property is then used to calculate the level of business rates paid by the occupier or owner of commercial properties. Those properties that have seen an increase in their rateable value have therefore seen an increase in the amount of Business Rates payable.

In the Spring Budget of 8th March 2017, the Chancellor announced;

- additional support for small businesses facing large business rate increases,
- a one year discount of £1,000 for pubs and,
- £300m of extra funding for local authorities to provide discretionary relief to those facing increases in their business rate bills following the revaluation.

This report outlines the approach to be taken in respect of the small business rate support and the £1,000 business rates discount for pubs and it also details the criteria to be applied in the administration of the Council's own local discretionary relief scheme.

4. KEY ISSUES & RISKS

4.1 Supporting Small Business relief and Discounts for Pubs

Those businesses and premises that are identified as having an entitlement to the small business rate support relief, or the discount for pubs, will be awarded the relief/discount without the need for an application form. All those entitled to this will be immediately contacted once the assessment has been completed by the Council.

4.2 Local Discretionary Relief

The design of the Local Discretionary Relief has been delegated to each Local Authority. The Government guidelines for relief state that certain conditions should be met, including the requirement that this relief can only be targeted at businesses that will see their rates bills increase in April 2017 as a result of the revaluation.

In respect of the financial year 2017/18, those businesses that qualify for the extra discretionary relief will receive a reduction in their business rate bill equivalent to the amount of the increase in the year e.g. a qualifying company facing a 10% increase on their previous bill equating to £10,000 would receive a £10,000 relief on their bill.

The amount of relief to be awarded in future financial years will be determined by the Executive Member for Resources on a year by year basis based on the funding made available by the government for this purpose and the increase in business rates for businesses in the borough.

4.2.1 Exclusions

The Local Discretionary Relief scheme will not apply to all properties that have received an increase in rates payable. Certain organisations and premises will be excluded from consideration for the relief, which include:

- Financial services (banks, cashpoints, bureau de change, pay day lenders);
- Professional services (solicitors, accountants, insurance agents, financial advisors);
- Premises mainly used for religious worship;
- Overseas Aid organisations;
- Administration Offices for National Charities;
- Amusement arcades – establishments operating a business that is predominately gambling/slot machines, etc.
- Takeaways – establishments that predominately function as a takeaway;
- Off licences – establishments that predominately sell alcohol, and;
- Shisha cafes.

In addition, where any of the following apply, again the ratepayer will not be eligible for local discretionary rate relief:

- Ratepayers in receipt of reoccupation or regeneration relief for the financial year 2017/18;
- Ratepayers who occupied the property after the 31st March 2017;
- Properties that are unoccupied;
- Properties that have no employees based in the hereditament on which relief is being sought;
- Where the relief would not comply with EU law on state aid rules;
- Ratepayers operating an intermittent occupation, and;
- National companies, national charities, national chains and public bodies;

5. POLICY IMPLICATIONS

A full and comprehensive policy for small business support, the discount for pubs and local discretionary relief has been detailed in Appendix A.

6. FINANCIAL IMPLICATIONS

The small business relief and the £1,000 discount for pubs will be fully funded by the Government based on the criteria set out in the guidance. The local Discretionary Relief is however capped based on a Government calculation of the business properties in the borough. Any allocation made by an individual Council in excess of their allocation will not attract the Government grant.

It is expected that Blackburn with Darwen will be issued with £302,000 over the next four years as detailed below;

| Amount of Discretionary relief funding awarded | | | | |
|--|---------|---------|---------|----------|
| 2017/18 | 2018/19 | 2019/20 | 2020/21 | Total |
| £176,000 | £86,000 | £35,000 | £5,000 | £302,000 |

To assist Local Authorities with the administrative burden, additional funding of £12,000 has been announced for each authority, plus £0.50 for each notification issued to businesses.

7. LEGAL IMPLICATIONS

The Governments funding for all three reliefs is to be provided by way of a grant under section 31 of the Local Government Act 2003. To access the funding, the Council is required to establish a discretionary scheme for administering the rate relief under section 47 of the Local Government

Finance Act 1988. In addition, the scheme will have to also meet the Government's grant conditions. Section 69 of the Localism Act 2011 amends section 47 and provides a new discretionary power to reduce business rates for any local ratepayer.

8. RESOURCE IMPLICATIONS

Existing resources within the Business Rates team will be used to administer all three reliefs.

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 has already taken place with the Fire Authority regarding the scheme.

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: | Andy Ormerod |
|-------------------------|--------------|

| | |
|--------------|----------------------------|
| DATE: | 26 th July 2017 |
|--------------|----------------------------|

| | |
|--------------------------|--|
| BACKGROUND PAPER: | |
|--------------------------|--|

1. Local Discretionary Rate Relief

1.1 Overview

In the 2017 Spring Budget, the Government announced a £300m fund which would be distributed to Local Authorities over a number of years to fund local discretionary schemes with the aim of delivering relief to ratepayers who have experienced large increases in bills following the 2017 Revaluation.

In the guidance issued by the government, it stated that there is an expectation that the relief should target:

- Ratepayers or areas facing the most significant increase in bills, and;
- Ratepayers occupying lower value properties.

The relief will be awarded by use of the Council's Discretionary Relief powers under section 47 of the Local Finance Act 1988. All awards made by Local Authorities will be funded by the government through the section 31 grant.

Each Local Authority has been allocated funds based on a prescribed formula, Blackburn with Darwen BC's award over the four financial years is detailed below:

| 2017/18 | 2018/19 | 2019/20 | 2020/21 |
|----------|---------|---------|---------|
| £176,000 | £86,000 | £35,000 | £5,000 |

1.2 Principles of the scheme

The principles used in the design of the local discretionary relief include the following:

- I. Relief to be targeted at businesses that are facing an increase in their business rate bills following the revaluation, encompassing different sizes, sectors and locations across the borough;
- II. The relief to be distributed in a way that is proportionate to how much a bill has increase, and in a fair manner;
- III. The extra relief is distributed to local businesses quickly and smoothly; and,
- IV. Be simple for the Council to administer.

1.3 Calculation of the relief

In respect of the financial year 2017/18 those businesses that qualify for the extra discretionary relief will receive a reduction in their business rate bill equivalent to the increase. For example, a qualifying company facing a 10% increase on their previous bill equating to £10,000 would receive a £10,000 relief on their bill.

The amount of relief to be awarded in future financial years will be determined by the Executive Member for Resources on a year by year basis based on the funding available and the increases facing businesses.

1.4 Non-qualifying properties

Blackburn with Darwen Borough Council will not award local discretionary relief to

organisations providing the following services to members of the public:

- Financial services (banks, cashpoints, bureau de change, pay day lenders);
- Professional services (solicitors, accountants, insurance agents, financial advisors);
- Premises mainly used for religious worship;
- Overseas Aid organisations;
- Administration Offices for National Charities; and,
- Doctors surgeries, Dentists.

In addition, the following establishments/organisations will not be eligible for relief:

- Amusement arcades – establishments operating a business that is predominately gambling/slot machines, etc.
- Takeaways – establishments that predominately function as a takeaway;
- Off licences – establishments that predominately sell alcohol, and;
- Shisha cafes.

1.5 Further exclusions

For properties where any of the following apply, the ratepayer will not be eligible for local discretionary rate relief:

- Ratepayers in receipt of reoccupation relief for the financial year 2017/18;
- Ratepayers in receipt of the regeneration relief for the financial year 2017/18;
- Ratepayers who occupied the property after the 31st March 2017;
- Properties that are unoccupied;
- Properties that have no employees based in the hereditament on which relief is being sought;
- Where the relief would not comply with EU law on state aid rules;
- Ratepayers operating an intermittent occupation will not be eligible for any relief, and;
- National companies, national charities, national chains and public bodies will not be eligible for any relief;

1.6 Calculation of the relief

Local Discretionary relief will be calculated after all exemptions and reliefs have been applied to the account.

1.7 Period of Relief

Each amount of rate relief awarded shall apply for no more than one financial year. Adjustments to the amount of relief will reduce over the three financial years and be calculated based on the total amount of funding. However, a new application will **not** be needed each financial year.

1.8 Appeals

Any appeal against a decision made under the '*Local Discretionary Rate Relief*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance and IT will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.

1.9 Special Circumstances

The Council will reserve the right to award or decline applications for business rate relief when faced with exceptional cases.

1.10 General

The Council will consider each case in accordance with the criteria set out above. The criteria is not restrictive and does not restrict the Councils ability to depart from its general policy as to the granting of relief if it sees fit to do so bearing in mind the facts of each case.

2. Supporting Small Business Relief

2.1 Overview

At the 2017 Spring Budget, the Government announced its intention to introduce a new relief for properties losing some or all of their Small Business Rate Relief or Rural Relief as a result the 2017 Revaluation.

To support ratepayers, the Supporting Small Business relief will ensure that the increase per year in the bills of those ratepayers will be limited to the greater of:

- I. A percentage increase per annum of 5%, 7.5%, 10%, 15% and 15% (plus inflation) for the period 2017/18 to 2021/22, as compared to the bill for 31st March 2017, **or**;
- II. A cash value of £600 per year (£50 per month).

This means that all ratepayers losing some or all of their small business rate relief or rural relief will see the increase in their bill capped at £600 with a minimum increase of £600 per year thereafter.

2.2 Eligible criteria

A change of ratepayer will not affect eligibility for the relief, however, eligibility will be lost if the property falls vacant or becomes occupied by a charity or Community Amateur Sports Club

2.3 Period of relief

Ratepayers will remain in the Supporting Small Business Relief for either 5 years or until they reach the bill they would have paid without the scheme.

3. Business Rate Discount Scheme for Pubs

3.1 Overview

At the 2017 Spring Budget, the Government announced a £1000 business rate discount for public houses with a rateable value of up to £100,000 for one year from

1st April 2017.

The relief will be awarded by use of the Council's Discretionary Relief powers under section 47 of the Local Finance Act 1988. All awards made by Local Authorities will be funded by the government through the section 31 grant.

3.2 Eligibility criteria

To be considered for relief the rateable value of the property must be £100,000 or less.

There is no definitive description of a traditional pub or public house in law, and as such the council has adopted the approach that makes the design and eligibility of the scheme easy to implement, in a clear and consistent way that is consistent with the Government's policy.

To qualify, a pub should:

- Be open to the general public;
- Allow free entry other than when occasional entertainment is provided;
- Allow drinking without requiring food to be consumed, and;
- Permit drinks to be purchased at a bar

3.3 Exclusions

This relief will also exclude the following types of properties:

- Restaurants
- Cafes
- Nightclubs
- Hotels
- Snack bars
- Guesthouses
- Boarding Houses
- Sporting venues
- Music venues
- Festival sites
- Theatres
- Museums
- Exhibition halls
- Cinemas
- Concert halls
- Casinos

Where eligibility is unclear the Council will consider all relevant factors in making its decision.

3.4 Amount of relief

Eligible properties will be entitled to £1000 relief for the full financial year. The relief will be calculated on a daily basis with reductions applied to properties that have a

reduction in rateable value or cease to operate as a pub.

3.5 Period of relief

The relief will be applied for the 2017/18 financial year only. Future years' relief will be reviewed after considering the amount of funding available and the increases faced by businesses.

3.6 Appeals

Any appeal against a decision made under the '*Local Discretionary Rate Relief*' policy must be made in writing and reach the Council within 28 days of an organisation receiving notification of an award decision.

- The Council will acknowledge the appeal within 5 working days of receipt.
- The Director of Finance and IT will consider the appeal.
- The applicant will be informed of the final decision as soon as practicable thereafter.