

# Public Document Pack

## Executive Board

Thursday, 14 February 2019

Time: 6.00 pm

Venue: Meeting Room A

Address: Blackburn Town Hall

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### AGENDA

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

1. **Welcome and Apologies**
2. **Minutes of the Previous Meeting**  
**Minutes 10th January 2019** **4 - 8**  
To approve the Minutes of the Meeting held on 10<sup>th</sup> January 2019 as a correct record.
3. **Declarations of Interest**  
**Declarations of Interest** **9**  
To receive any Declarations of Interest.
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 4pm on the day prior to the meeting.
6. **Questions by Non-Executive Members**  
To receive written questions submitted by Non-Executive Members no later than 4pm on the day prior to the meeting.
7. **Youth MPs Update**  
To receive an update from the Youth MPs along with any issues they would like to raise.
8. **Executive Member Reports**  
Verbal updates may be given by each Executive Member.

**Leader**

8.1	<b>Social Integration Programme</b>	
	<b>Social Integration</b>	<b>10 - 13</b>
	<b>Health and Adult Social Care</b>	
	<b>Children, Young People and Education</b>	
	<b>Environment</b>	
	<b>Leisure and Culture</b>	
	<b>Neighbourhood and Prevention Services</b>	
	<b>Regeneration</b>	
	<b>Resources</b>	
8.2	<b>Revenue Budget Monitoring: Quarter 3</b>	
	<b>Revenue Monitoring Report 2018-19 Qtr3</b>	<b>14 - 21</b>
	<b>Revenue Monitoring Appendix 1</b>	
	<b>Revenue Monitoring Appendix 2</b>	
8.3	<b>Capital Budget Monitoring: Quarter 3</b>	
	<b>Capital Monitoring 2018 - 2019 Qtr3</b>	<b>22 - 32</b>
	<b>Capital Monitoring Appendix 1</b>	
	<b>Capital Monitoring Appendix 2</b>	
9.	<b>Corporate Issues</b>	
9.1	<b>Disposal of Council Land at Tower Road, Blackburn BB2 5LE</b>	
	<b>Land at Tower Road Pt1</b>	<b>33 - 43</b>
	<b>Appendix A - Land at Tower Road Red Line Boundary</b>	
	<b>Appendix B - Land at Tower Road Appropriation of Open Space Objection Log v2</b>	
9.2	<b>Peer Review</b>	
	<b>LGA Peer Review</b>	<b>44 - 63</b>
	<b>BwD CPC - Final report</b>	
10.	<b>Matters referred to the Executive Board</b>	

**PART 2 – THE PRESS AND PUBLIC MAY BE EXCLUDED DURING CONSIDERATION OF THE FOLLOWING ITEMS**

11. **Disposal of Council Land at Tower Road, Blackburn**  
**BB2 5LE**  
**Land at Tower Road Pt2**

**64 - 70**

Date Published: Wednesday, 06 February 2019  
Harry Catherall, Chief Executive

## EXECUTIVE BOARD Thursday, 10th January, 2019

### PRESENT

#### COUNCILLOR:

Councillor Mohammed Khan  
Councillor Shaukat Hussain

Councillor Andy Kay  
Councillor Maureen Bateson  
Councillor Phil Riley  
Councillor Jim Smith  
Councillor Damian Talbot  
Councillor Brian Taylor

#### PORTFOLIO:

Leader  
Neighbourhood and Prevention  
Services  
Resources  
Children Young People and Education  
Regeneration  
Environment  
Leisure and Culture  
Health and Adult Social Care.

#### EXECUTIVE MEMBER:

Councillor John Slater

#### NON-PORTFOLIO:

Leader of the Conservative Group

	Item	Action						
1	<p><b><u>Welcome and Apologies</u></b></p> <p>The Leader of the Council, Councillor Mohammed Khan, welcomed all present to the meeting. Apologies were received from the Youth MPs.</p>							
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The Minutes of the meeting held on 8<sup>th</sup> November 2018 were approved as a correct record and signed by the chair.</p>	Approved						
3	<p><b><u>Declarations of Interest</u></b></p> <p>There were no declarations of interest made.</p>							
4	<p><b><u>Equality Implications</u></b></p> <p>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.</p>	Confirmed						
5	<p><b><u>Public Forum</u></b></p> <table border="1"> <thead> <tr> <th>Name of Person asking the Question</th><th>Subject Area</th><th>Response by</th></tr> </thead> <tbody> <tr> <td>Keith Murray</td><td>House Building Targets in the Borough</td><td>Councillor Phil Riley</td></tr> </tbody> </table> <p>Councillor Phil Riley provided a response to the question and the supplementary question arising.</p>	Name of Person asking the Question	Subject Area	Response by	Keith Murray	House Building Targets in the Borough	Councillor Phil Riley	
Name of Person asking the Question	Subject Area	Response by						
Keith Murray	House Building Targets in the Borough	Councillor Phil Riley						
6	<p><b><u>Questions by Non-Executive Members</u></b></p>							

	Item	Action
	No questions were received from Non-Executive Members	
7	<p><b><u>Youth MPs Update</u></b></p> <p>The Chair informed the meeting that the Youth MP and Deputy had been unable to attend the meeting.</p>	
8	<p><b><u>Quarter 2 Fostering Report</u></b></p> <p>A report was submitted which provided information on the management and performance of the Local Authority's Fostering Service for the quarter of 2018/19.</p> <p><b>RESOLVED</b> – That the Executive Board note the report</p> <ul style="list-style-type: none"> <li>Note the Quarterly report is available on the Council's website.</li> </ul>	Noted
9	<p><b><u>Six Monthly Adoption Report</u></b></p> <p>A report was submitted that provided information on the management and performance of the Local Authority's Adoption Service for the first half of 2018/19.</p> <p><b>RESOLVED</b> – That the Executive Board note the report</p> <ul style="list-style-type: none"> <li>Note the report is available on the Council's website.</li> </ul>	Noted
10	<p><b><u>Local Plan Issues and Options Consultation</u></b></p> <p>The Committee were informed that the Authority currently had a Local Plan Core Strategy and Local Plan Part 2: Site Allocations and Development Management Policies which set out the land use planning strategy for the Borough up to 2026.</p> <p>New planning regulations were published by Government in late 2017 that required local authorities to review Local Plans at least every five years from the date of their adoption. In response to the new regulations, an assessment of the two adopted local plans had been undertaken.</p> <p>The Council approved a new Local Development Scheme in February 2018 that set out the intention to develop a single Local Plan to replace the Core Strategy and Local Plan Part 2. The consultation on "Issues and Options" marked the first stage towards the development of a new local plan. The intention was to consult on the Issues and Options document in February and March 2019 for a period of six weeks.</p> <p>The Issues and Options consultation document set out the main points to consider in producing a new local plan and covered the following matters:</p>	

	Item	Action
	<ul style="list-style-type: none"> <li>• Vision and Strategic Objectives</li> <li>• Growth Options</li> <li>• Spatial Issues</li> <li>• Thematic Issues covering employment, housing, public facilities, environment, quality of place, and access to jobs and services.</li> </ul> <p>The key risks revolved around the need to update the existing adopted local plan and address the proposed growth options that feature in the Issues and Options document. The consultation on Issues and Options addressed both of these risks by demonstrating the Council's intention to develop a new local plan; and sought consultation responses on potential growth options.</p> <p><b>RESOLVED-</b></p> <ol style="list-style-type: none"> <li>1. That the Issues and Options Document be approved for consultation;</li> <li>2. That the Director of Growth &amp; Development (in consultation with the Executive Member for Regeneration) be delegated authority to any make editorial amendments to the Issues and Options Document prior to its final publication for consultation.</li> </ol>	<p><b>Approved</b></p> <p><b>Approved</b></p>
11	<p><b><u>Approval of the Lancashire Bid to become a 75% Business Rates Retention (BRR) Pilot for 2019/20</u></b></p> <p>The Board were informed that the Lancashire wide bid to become a 75% Business Rates Retention pilot area for the 2019/20 financial year was one of 15 successful bids announced in the Provisional Local Government Finance Settlement on 13<sup>th</sup> December 2018.</p> <p><b>RESOLVED-</b> That the Executive Board noted that:</p> <ol style="list-style-type: none"> <li>1. Blackburn with Darwen Borough Council (BwD), will become a member of the Lancashire Business Rates Pool Member for the 2019/20 financial year following confirmation of the success of the bid to become a 75% Business Rates Retention pilot area, that was submitted in September 2018;</li> <li>2. Within the bid, the first 5% of any additional growth in Business Rates in Lancashire (i.e. in the move from 50% to 75% BRR), would be used to create a 'resilience reserve' to mitigate against any associated, additional loss for a council as a result of them being a pilot member. If funds were remaining in this reserve at the end of the pilot, this would be used to further compensate individual councils facing a loss;</li> <li>3. Within the bid, a further 25% of the additional growth would be set aside to create a Lancashire wide fund to be used to target strategic economic growth and sustainability. This investment fund would be allocated on the basis of unanimous</li> </ol>	<p><b>Noted</b></p> <p><b>Noted</b></p> <p><b>Noted</b></p>

	Item	Action
	<p>decision by members of the Lancashire Leaders Business Rates Pilot Group;</p> <p>4. Within the bid, the remaining retained growth would be apportioned according to the new tier splits i.e. Districts 56% (currently 40%); County Council 17.5% (currently 9%); Unitaries 73.5% (currently 49%); Fire 1.5% (currently 1%) to promote local economic growth and to enable the financial sustainability of pool members;</p> <p>5. That responsibility for finalising the arrangements for the pilot be delegated to the Director of Finance and Customer Services, in consultation with the Executive Member for Resources.; and,</p> <p>6. That once further information is released by Government on this, as part of the final Local Government Finance Settlement; this would be included in the 2019/20 Budget Reports presented to Finance Council in February 2019.</p>	<p><b>Noted</b></p> <p><b>Approved</b></p> <p><b>Noted</b></p>
12	<p><b><u>Corporate Complaints Report 2017/18</u></b></p> <p>The Board received monitoring information setting out the complaints and compliments received by the Council for the period 1st April 2017 to 31st March 2018. The information had been compared to data collected from previous years to allow reasonable comparison.</p> <p><b>RESOLVED-</b> That the Executive Board note the report.</p>	<p><b>Noted</b></p>
13	<p><b><u>Council Office Accommodation Strategy Update</u></b></p> <p>Further to the report to Executive Board on 8<sup>th</sup> February 2018, the Board were updated on the implementation plans for the next stage of the Council's Office Accommodation Strategy.</p> <p>Since the funding reductions started in 2010 the Council had made budget cuts each year and downsized its workforce, and as a consequence of this, had routinely reviewed its core office accommodation sites to rationalise property and reduce costs.</p> <p>Modernisation of Blackburn Town Hall, would increase capacity, improve service provision, reduce operational and backlog maintenance costs. The remodelling of the internal cellular spaces into flexible office accommodation would encourage and promote future agile and digital working practices</p> <p>The refurbishment of the Davyfield Road bungalow site was now complete which provided staff accommodation and emergency/civil contingency facilities in the event of a town centre buildings failure.</p> <p><b>RESOLVED-</b> That the Executive Board notes: 1. Further to the Executive Board report of February 2018, the</p>	<p><b>Noted</b></p>

	Item	Action
	<p>level of refurbishment planned for Blackburn Town Hall is being scaled back in line with the Council's ongoing budget constraints.</p> <p>2. The proposed reduced refurbishment works will be funded from the existing accommodation strategy capital programme fund.</p> <p>3. That a further report will be brought on the future options for the Tower Block.</p>	<p><b>Noted</b></p> <p><b>Noted</b></p>
14	<p><b><u>Matters referred to the Executive Board</u></b></p> <p>There were no matters referred to the Executive Board.</p> <p>Signed at a meeting of the Board</p> <p>on Thursday, 14 February 2019</p> <p>(being the ensuing meeting on the Board)</p> <p>Chair of the meeting at which the Minutes were confirmed</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: **14<sup>th</sup> February 2019**

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



<b>REPORT OF:</b>	Leader
<b>LEAD OFFICERS:</b>	Director of Adult & Prevention Services
<b>DATE:</b>	14 February 2019

**PORTFOLIO/S AFFECTED:** Health and Adult Social Care

**WARD/S AFFECTED:** All

**KEY DECISION:** YES ☒ NO ☐

**SUBJECT:**

**SOCIAL INTEGRATION PROGRAMME**

### 1. EXECUTIVE SUMMARY

Working in partnership with the Ministry of Housing, Communities & Local Government (MHCLG), Blackburn with Darwen Council have submitted a 3 year programme of activity to better understand and overcome barriers to social integration in the borough.

In the Autumn, funding from MHCLG was approved for Year 1, and this has left a significant time pressure to deliver the agreed programme for Year 1 (2018/19).

We are anticipating confirmation of Year 2 funding by the end of the financial year, March 2019. There is an expectation that we will demonstrate funds committed by March 2019.

### 2. RECOMMENDATIONS

That the Executive Board:

2.1 Approves the delegation of authority to the Director of Adult Services and Prevention in conjunction with the Director of Finance and Customer Services, in consultation with Leader of the Council, to award contracts to partner organisations to deliver elements of the Social Integration Programme following a competitive commissioning process led by the Social Integration Programme Team.

2.2 Notes that the Local Integration Partnership Board will continue to provide programme Governance to ensure monitoring and evaluation of contracts commissioned in the delivery plan.

2.3 Notes that further reports and presentations will be made to the Executive Board to report on the overall progress of the Social Integration Strategy at a frequency that is able to capture meaningful progress.

### **3. BACKGROUND**

#### **Governance**

A Local Integration Programme Board is steering the development of the Social Integration Strategy for Blackburn with Darwen. The Board is Chaired by the Leader of Blackburn with Darwen Borough Council with, the Chair of YMCA, Blackburn as 'Vice Chair'.

#### **Delivery Plan**

The Programme Delivery Plan, drafted after consultation with public, private and voluntary sector partners was approved by MHCLG in October 2018.

#### **Our Community, Our Future**

Late October and November 2018 saw over 100 people from a variety of local organisations and businesses come along to a series of co-production workshops, and the Our Community, Our Future Strategy was then launched in December.

#### **Budget**

Whilst approval was only received in October 2018, March 2019 marks the end of Year 1 of Programme delivery.

The funding allocation announced from MHCLG for 2018/19 is £343k.

The funding profiled for 2019/20 is £1.7m. The council is confident of being able to commit a proportion of this funding before the end of 2018/19, providing commissioning activity can be undertaken, and funding committed in the current financial year.

Activity to be commissioned will be funded both from the 2018/19 and 19/20 budgets. Taking the usual step of seeking approval from Executive Board following the completion of the commissioning process would increase the length of the process beyond the end of March 2019, accordingly approval is being sought for a delegated officer decision. This would facilitate contracts being awarded and financial commitments could also be demonstrated to MHCLG.

#### **Key Commissioning Activity**

- The Programme Team will advertise opportunities on The CHEST and will ensure promotion to alert potential partners and stakeholders (February 2019).
- The Programme Team have worked with Young People's Services, supporting the commissioning. There is an ambition to have young people involved in design and delivery of Youth Voices and Youth Ambassadors (February/ March 2019).
- The commissioning format breaks down programme areas into individual lots (detailed above). This allows organisations to compete for single projects or combinations of projects.
- The commissioning will encourage collaborative proposals.
- Time permitting and where there are no conflicting interests, the Chair and Vice Chair of the Local Integration Partnership (LIP) Board, and other key stakeholders from the LIP Board will be invited to be part of the decision making process.
- Preferred providers will be made a formal award in this financial year (March 2019)

### **4. KEY ISSUES & RISKS**

As some projects span both the 2018/19 and 2019/20 financial year, the Council wishes to commission projects which cover both years – rather than repeating a lengthy commissioning process.

This means the need to commission and show a financial commitment in 2018/19 (by the end of March 2019).

Should funding not be committed in the current financial year, there is a risk that any future funding allocation from MHCLG will be significantly reduced.

## **5. POLICY IMPLICATIONS**

There are no adverse policy issues.

The council has set out its ambition under the social integration strategy very clearly. Work in the policy area is of high priority and has a strategic fit with the Government's own social integration strategy green paper.

As a selected Partner with the MHCLG we will be required to evaluate and monitor progress to show how the investment will achieve the agreed outcomes in our delivery plan.

As a broader community based programme the strategy and programme has synergy with the council's Corporate Plan and future Vision beyond 2020.

## **6. FINANCIAL IMPLICATIONS**

Because taking the usual route of seeking approval from Executive Board following the completion of the commissioning process would increase the length of the process beyond the end of March 2019, we are seeking to gain approval for a delegated officer decision. With a delegated officer decision, contract awards can be made and financial commitments demonstrated to MHCLG.

The council is looking to commission the following programmes for delivery to start as soon as possible and complete by March 2020 with:

- Community Voices (£70,000)
- Community Ambassadors (£140,000)
- Youth Voices (£25,000)
- Youth Ambassadors (£120,000)
- Workforce Integration Ambassadors (£15,000)
- Work Placements and Apprenticeships (£150,000)

The total value of the above commissions is £520k utilising the 2018/19 allocation and a proportion of the 2019/20 allocation subject to MHCLG being able to allocate against committed expenditure.

## **7. LEGAL IMPLICATIONS**

Contracts will be procured in accordance with the Council's Contract Procurement Procedure Rules. As these contracts fall under the Light Touch Regime they will be below the threshold of £598,148 then advertising in OJEU is not necessary. Contracts will need to be in an approved form.

## **8. RESOURCE IMPLICATIONS**

Funding from MHCLG could be at risk if we are unable to make awards and commit funding in this financial year.

## 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.

<b>VERSION:</b>	<b>2</b>
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<b>CONTACT OFFICER:</b>	<b>Rebecca Ramsay</b>
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<b>DATE:</b>	29 <sup>th</sup> January 2019
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<b>BACKGROUND PAPER:</b>	
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## EXECUTIVE BOARD DECISION



**REPORT OF:** Executive Member for Resources

**LEAD OFFICERS:** Director of Finance and Customer Services

**DATE:** 14 February 2019

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**KEY DECISION:** YES ☒ NO ☐

**SUBJECT: CORPORATE REVENUE BUDGET MONITORING REPORT QUARTER 3 - 2018/19**

### 1. EXECUTIVE SUMMARY

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

### 2. RECOMMENDATIONS

The Executive Board is asked to approve:

- the portfolio budget adjustments outlined in Appendix 1.
- the Earmarked reserves position at 31<sup>st</sup> December 2018, as shown in Appendix 2
- the variations to revenue expenditure, as listed in Section 6, giving rise to a balance of £6.038 million in the unallocated General Fund revenue reserve at 31<sup>st</sup> December 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

- Actual revenue expenditure at 31<sup>st</sup> December 2018 in relation to controllable budgets across all portfolios was £81.62 million, which is 71.27% of the current budget. Further details relating to the financial position of each portfolio are outlined in Section 6.1.2.
- Subject to Executive Board approval of the proposed adjustments, General Fund unallocated reserves are £6.038 million at 31<sup>st</sup> December 2018 compared to the minimum level of unallocated reserves agreed at Finance Council in February 2018 of £4.0 million; it must be noted however, that the movements in unallocated reserves (as detailed in section 6.2), do not take account of any requirement to fund the projected portfolio overspends outlined in section 6.1.2 below.
- Earmarked Reserves available for discretionary use within the Council are £11.052 million at 31<sup>st</sup> December 2018 compared with a balance of £10.919 million at 30<sup>th</sup> September 2018, with a

further £12.593 million of 'Other Reserves' held mainly in relation to schools.

## **5. POLICY IMPLICATIONS**

The information contained within the report accords with the three year budget forecast within the Medium Term Financial Strategy 2018-21, as approved at Finance Council on 26<sup>th</sup> February 2018.

## **6. FINANCIAL IMPLICATIONS**

### **6.1 CONTROLLABLE BUDGETS AND REVENUE EXPENDITURE**

#### **6.1.1 Revenue Budget Overview**

In light of the Local Government Finance Settlement for 2018/19 and the financial constraints on the authority, the Leader and the Executive Members continue to work with Officers to review the allocation and use of resources, including continued review of all expenditure and income budgets, of contractual commitments and property holdings and the implementation of savings plans, set within the context of the Council's statutory responsibilities and corporate priorities.

A balanced budget for 2018/19 was approved at Finance Council on 26<sup>th</sup> February 2018. This was predicated on estimates and assumptions that are not without risk. All pressures, risks and the delivery of the agreed savings programmes continue to be monitored and reported to Executive Board.

#### **6.1.2 Performance Against Budgets**

Appendix 1 details the portfolio controllable budgets as at 30<sup>th</sup> September 2018, as approved by the Executive Board in November 2018, together with details of the adjustments recommended to the Board for approval for the period through to 31<sup>st</sup> December 2018. These include:

- budget virements (transfers) between portfolios
- transfers from Earmarked reserves to support spending on specific schemes for which these reserves were established
- transfers to/(from) Unallocated reserves in respect of additional funding received/reserve utilised
- transfers from Earmarked reserves in respect of grants / contributions and other budgets approved for carry forward from 2017/18
- transfers to Earmarked reserves in respect of grants / contributions received and from other budgets

The principle issues for each portfolio at the end of the third quarter of the year are as follows:

### **Health & Adult Social Care**

#### **Adult Social Care**

Budget monitoring, based on current demand levels and information presently available, indicates a break even position for the portfolio by the 31<sup>st</sup> March 2019. Increased demand pressures persist in the external commissioning budgets, which is a continuation of the significant pressures that the portfolio faced in 2017/18, due to increased activity and the increase in the cost of some care packages.

Detailed review of all budget heads is undertaken throughout the year and the impact of fluctuating demand is monitored closely. Earmarked reserves have been utilised previously to support the increasing pressures on Adult Social Care, the in-year cost of implementing the portfolio's demand management strategy and the reduction in delayed transfers of care from the hospital system. As such, the Council has utilised the ASC Winter Pressures grant allocation of £764,416 in 2018/19 to

assist in easing these pressures, which will therefore reduce the in-year call on earmarked reserves.

### **Public Health**

Public Health is currently projected to breakeven in 2018/19 based on the position at the end of the third quarter of the year. Given the Public Health grant remains as a ring-fenced grant, any underspend arising in year will be requested for carry forward.

### **Children, Young People and Education**

The projected outturn for the portfolio at the year-end is an overspend of £1.248 million based on current levels of demand, the delivery of planned savings and other mitigation. Whilst there are variances across all budget codes, the largest variations are seen in Family Group Conferencing, Assessment and Safeguarding and Special Guardianship Orders. These are currently being offset to a degree by underspends and grant income on other areas including the Foster Care Payment budget.

The most significant pressure is on Commissioned Placements. The projections of final spend do not take into account any further increases in demand, nor do they include the potential for any new placement costs between now and the end of the financial year. The portfolio continues to review all activity and their placements strategy to contain any new placement costs where possible.

### **Dedicated Schools Grant (DSG) / Schools Block**

Services in Schools & Education (DSG) are currently forecast to spend the funding available in 2018/19 through the DSG and Pupil Premium.

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

### **Environment**

The portfolio is predicting an overspend of £1.0 million; in the main this comprises of a shortfall against income budgets of £826,000 and a pressure of £464,000 on waste related budgets arising from increases in waste tonnages and the increase in costs following the re-tender of the Household Waste Recycling contract. This is offset by £290,000 of other savings across other budgets within the portfolio.

### **Leisure and Culture**

Cost pressures of £698,000 across the Leisure Centres and Pools have been identified. Action is being taken to address £135,000 of these pressures in year, leaving an outstanding pressure of £563,000. The portfolio continues to review the budgets and to develop and implement plans to contain costs wherever possible. Arrangements are already in place to address these pressures in full in 2019/20.

### **Neighbourhood & Prevention Services**

The portfolio has identified cost pressures of £83,500 arising from potential shortfalls against income budgets and a potential overspend in relation to Bed and Breakfast costs. The portfolio expects to negate the impact of these pressures by the year end through other income streams and through rebasing and re-profiling budgets across the portfolio.

### **Regeneration**

Maintenance of the highways and pot hole repairs has given rise to a £310,000 cost pressure on the Regeneration budgets. In addition, cost pressures and income budget shortfalls on the Markets have also added a further £280,000 to this overspend. Action has been taken to mitigate most of these



pressures during the year through savings identified and the re-alignment of budgets; as such the portfolio is currently predicting to break even by the year end.

## Resources

The portfolio has sought to contain cost pressures from both the Legal Services budget arising from the increase in the number of childcare legal cases and other prosecutions, and the slippage in delivery of the final portfolio contributions to the workforce review savings programme. As such it expects to deliver a break even position at year-end.

### 6.2 General Fund Unallocated Reserves

	£'000
Unallocated Reserves as per the November 2018 Executive Board Report	5,686
<b>Transfers from Unallocated reserves</b>	
Reduction in income target re Temporary Accommodation – Benefits ringfenced budget	(46)
Increase in interest and debt repayment costs	(91)
Costs associated with the end of the Strategic Partnership and the transition of services back to the Council – balance after fully utilising the earmarked reserve (see section 6.3 below)	(161)
2018/19 contribution made towards to the 'Pennine Lancashire Together a Healthier Future programme'	(40)
<b>Transfers to Unallocated reserves</b>	
Additional grant allocation – Business Rates Retention Levy Account surplus*	673
Property Search New Burdens Grant	15
Increase in allowance received for Cost of Business Rates Collection	2
<b>Balance on Unallocated General Fund reserves at 31 December 2018</b>	<b>6,038</b>

The movements in unallocated reserves detailed above do not take account of any requirement to fund portfolio overspends as report in section 6.1 above.

\*Within the Local Government Finance Settlement, the government notified authorities of its intention to distribute £180 million of levy account surplus, generated by the Business Rates Retention scheme, on the basis of each authority's 2013-14 settlement funding assessment. This one-off refund, which is due to be received during February 2019, is £672,762 for Blackburn with Darwen Council.

### 6.3 Earmarked Reserves

Taking account of the adjustments highlighted at Appendix 2, the level of Earmarked reserves held for discretionary use by the Council at 31<sup>st</sup> December 2018 will increase to £11.052 million compared with £10.919 million as at 30<sup>th</sup> September 2018

<b>Summary of movement</b>	<b>£'000</b>
<b>Earmarked reserves available for discretionary use as per Executive Board Report November 2018</b>	<b>10,919</b>
Release of One Public Estate grant carried forward from 2017/18 into 2018/19	(256)
Release of Schools Improvement (SSIF) carried forward from 2017/18 into 2018/19	(124)
Release of Linking Network funding carried forward from 2017/18 into 2018/19	(7)
To fund ER/VR and pension strain costs across all portfolios	(306)
Release of Welfare and Council Tax Reforms reserve to fund support for Universal	(90)

Credit through co-location of Council and Shelter staff in the DWP offices	
Release of Digital Programme Reserve	(95)
Release of Office Accommodation and Property Improvements Reserve to fund corporate accommodation work	(75)
Release of Strategic Partnership reserve to fund costs associated with the end of the Strategic Partnership	(57)
Release of S106 contributions reserves to fund revenue costs at Knott Street, Darwen	(3)
Release of S106 contributions reserves to fund capital scheme costs	(134)
Carry forward S106 contributions re Spring Vale Gardens	2
Return to Office Accommodation and Property Improvements Reserve re carry forward of financing for Griffin Lodge capital scheme	300
Adult Social Care Winter Pressures Grant	765
Brexit Preparation Funding received and establishment of reserve	105
Carry forward Homelessness Reduction Act New Burdens Grant to 2019/20	57
Flexible Homelessness Support Grant retained in Welfare and Council Tax Reforms reserve	51
<b>Balance of reserves at 31<sup>st</sup> December 2018</b>	<b>11,052</b>

Other Earmarked reserves, held largely in respect of schools, are £12.593 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

Not applicable.

## 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.

<b>VERSION:</b>	<b>V0.2</b>
<b>CONTACT OFFICER:</b>	<b>Simon Ross (Ext 5569) Julie Jewson (Ext 5893)</b>
<b>DATE:</b>	1 February 2019
<b>BACKGROUND PAPER:</b>	N/A

	Health & Adult Social Care £	Children, Young People & Education £	Environment £	Leisure & Culture £	Neighbourhood & Prevention Services £	Regeneration £	Resources £	Schools & Education (DSG) £	TOTAL £
<b>Controllable Budget Approved at Executive Board November 2018</b>	<b>48,801,900</b>	<b>29,778,800</b>	<b>7,827,500</b>	<b>2,188,100</b>	<b>1,195,600</b>	<b>7,966,200</b>	<b>15,823,600</b>	<b>(641,000)</b>	<b>112,940,700</b>
<b>Transfers between portfolios:</b>									
Centralisation of Land Charges Budgets	(1,000)		(1,700)			(1,800)	4,500		0
Disaggregation of Contacts and Procurements (CAPS) team	100,238						(100,238)		0
Adjustments in respect of senior management changes		71,400		(71,400)	(27,500)		27,500		0
									0
<b>Transfers (to)/from earmarked reserves</b>									
Utilise s106 contributions for grounds maintenance			3,000						3,000
To fund ER/VR and pension strains costs	2,800.00	55,500.00	6,000.00	60,800.00	119,800	25,900	35,000		305,800
Carry forward s106 contribution re Spring Vale Garden					(2,000)				(2,000)
Release of Welfare and Council Tax Reforms reserve to fund support for Universal Credit through co-location of Council and Shelter staff in the DWP offices							89,900		89,900
Release of Strategic Partnership reserve to fund costs associated with the end of the Strategic Partnership							56,700		56,700
Release of Office Accommodation and Property Improvements Reserve to fund corporate accommodation work							75,000		75,000
Release of Digital Programme Reserve							95,000		95,000
									0
<b>Transfers (to)/from unallocated reserves</b>									
Reduction in income target re temporary accommodation					46,000				46,000
Increase Cost of NNDR Collection budget							(1,800)		(1,800)
Costs associated with the end of the Strategic Partnership and the transition of services back to the Council						95,000	66,000		161,000
To fund the 2018/19 contribution made by BwD to the 'Pennine Lancashire Together a healthier Future programme'							40,000		40,000
									0
<b>Transfers (to)/from contingency</b>									
Funding for apprentices							375,600		375,600
									0
<b>Release of Grants and Contributions brought forward from 2017/18</b>									
Utilise One Public Estate grant							255,700		255,700
Schools Improvement (SSIF) funding		123,800							123,800
Linking Network grant		7,000							7,000
									0
<b>Carry forward of Grants and Contributions to 2019/20</b>									
Homelessness Reduction Act New Burdens Grant					(56,300)				(56,300)
									0
<b>Revised Controllable Budget as at 31st December 2018</b>	<b>48,903,938</b>	<b>30,036,500</b>	<b>7,834,800</b>	<b>2,177,500</b>	<b>1,275,600</b>	<b>8,085,300</b>	<b>16,842,462</b>	<b>(641,000)</b>	<b>114,515,100</b>

## DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

	Balance at 30 Sept 2018 As reported to Exec Board Nov 2018 £000	Requested Transfers to/(from) earmarked reserves in Qtr 3			Balance at 31 Dec 2018 Q3 £000
		Release of grants & contributions b/wd from 17/18 £000	Utilisation of reserves £000	Carry over of grants & contributions / increase in reserves £000	
Welfare, council tax and business rates reforms Welfare and council tax reforms	268		(90)	51	229
Brexit Preparation Brexit Preparation Funding	0			105	105
Investment in assets and infrastructure Office Accommodation and property improvements	567		(75)	300	792
Highways winter maintenance	24				24
Support for the Local Plan	200				200
Flood Defence	77				77
Support for Other Resources and Transformation projects Legal Advice Reserve	105				105
Partnerships & Transformation	78				78
Insurance risk investment fund	43				43
Support for People Services Troubled Families	262				262
YOT partnership	154				154
Music Services	117				117
Disabled Facilities Grants	289				289
Future Demand Pressures	1,583			765	2,348
Better Care Fund	372				372
Schools Improvement (SSIF)	124	(124)			0
Support for Place Services Investment to support business rates growth	370				370
Place Shaping Investment Reserve	250				250
Contingent sums to support future downsizing and transformation programmes Review of services provided by strategic partnership	57			(57)	0
Support for future redundancy costs	1,396		(306)		1,090
Support for part year effect of future savings plans	1,242				1,242
Digital Programme	1,059			(95)	964
Amounts b/wd from previous year(s) in respect of unspent grants and contributions Transformation Challenge Award	64				64
SEN / SEND Reform Grant /SEND Prep for Empl	336				336
Transforming Lives	37				37
One Public Estate grant	556	(256)			300
Electoral Grant	57				57
Linking Network funding	7	(7)			0
DCLG Transparency Code New Burdens	13				13
Migration Fund monies	32				32
Burdens Fund	0			57	57
Amounts committed in future year budgets/MTFS Budget carry over for implementation of Concerto (Property system)	20				20
Budget carry over for Intack Depot driveway	10				10
CCTV Hub carry forward	52				52
Reserves held for specified non discretionary purposes Developers Contributions (\$106 Income) *	(304)		(137)	2	(439)
Future Maintenance of Wainwright Bridge	506				506
Highways claims anticipated for years up to current year but not yet received	611				611
Art Acquisitions Fund	15				15
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20				20
Allowance for contingent liabilities (e.g. MMI)	250				250
<b>TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE</b>	<b>10,919</b>	<b>(387)</b>	<b>(608)</b>	<b>1,128</b>	<b>11,052</b>
<b>Other Earmarked' Reserves</b>					
Reserves held in respect of joint arrangements and charitable bodies Darwen Market Traders Association	2				2
Joint Building Control Account	209				209
Turton Tower Charity	52				52
LSCB Safeguarding Partners Fund	148				148
Reserves held in relation to schools Dedicated Schools Grant - Surplus	6,530				6,530
LMS Schools Balances	5,652				5,652
<b>TOTAL 'OTHER EARMARKED' RESERVES</b>	<b>12,593</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>12,593</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>23,512</b>	<b>(387)</b>	<b>(608)</b>	<b>1,128</b>	<b>23,645</b>
<b>UNALLOCATED RESERVES</b>	<b>5,686</b>	<b>0</b>		<b>352</b>	<b>6,038</b>

\* Developers Contributions (\$106 Income) - this reserve appears above in a negative position. This is due to the fact that income received during 2018/19 will only be reflected in the reserve once the year end outturn entries have been completed, as is the normal practice.

## EXECUTIVE BOARD DECISION



**REPORT OF:** Executive Member for Resources

**LEAD OFFICERS:** Director of Finance and Customer Services

**DATE:** 14<sup>th</sup> February 2019

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**KEY DECISION:** YES ☒ NO ☐

### SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2018/19 – Quarter 3 (9 months to 31<sup>st</sup> December 2018)

#### 1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 31<sup>st</sup> December 2018, highlighting key issues and explaining variations in the first 9 months of the financial year.

#### 2. RECOMMENDATIONS

The Executive Board is asked;

- to approve the revised capital programme as per Appendix 1,
- to approve the variations to the programme 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 programme for 2018/19 has now decreased from £33.578 million, as approved by Executive Board on 8<sup>th</sup> November 2018, to £28.656 million. The net variation of £4.922 million (detailed in Appendix 2) reflects;

- variations made to reflect the approval of programmes during the third quarter of the year of £65,000.
- slippage and re-profiling of budgets during the third quarter of the year (£4.987 million).

b) As at 31<sup>st</sup> December 2018, the capital expenditure across the portfolios was £12.398 million (43.3% of the current, revised projected spend).

c) The estimate of capital receipts expected in 2018/19 is £2.3 million; to date £1.291 million 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 2018-21, as approved at Finance Council on 26<sup>th</sup> February 2018.

## 6. FINANCIAL IMPLICATIONS

### 6.1 CAPITAL PROGRAMME

The variations in projected spend and resource availability for 2018/19 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The capital programme for 2018/19 has decreased by £4.922 million in the third quarter of the year, with the major capital variations to note as follows:

#### 6.1.1 New Approved Capital Schemes

The following capital schemes have been approved and are now added to the capital programme:

Portfolio	Scheme	Amount	Approved by	Date Approved
Leisure & Culture	Witton Park Arena – Car Park lighting	£40,000	Executive Member Resources	September 2018
Regeneration	Pottery Farm Flood Alleviation Scheme	£10,000	Grant Application - Director Of Environment & Operations	11.1.19
Children, Young People and Education	Feniscowles Disabled Changing Facilities – funded from within the Schools existing capital programme	£25,000	Senior Policy Team	27.11.18
Children, Young People and Education	Belmont Ramp - funded from within the Schools existing capital programme	£10,000	Senior Policy Team	27.11.18

#### 6.1.2 Health & Adult Social Care

##### Adults Disabled Facilities Grant (DFG)

Changes to the Adults Disabled Facilities grant are reported as per the table below:

	£'000
Approved Disabled Facilities Grant Scheme as per the November Executive Board Report	2,535
Changes to the scheme:	
Additional Grant Funding from MHCLG	207
Removal of main programme borrowing budget as this will not be utilised	(796)
New Scheme total as at 31.12.18	1,946

##### Riverside Heights Extra Care Scheme

A request is made to draw back £80,000 from future years to cover the predicted spend in 2018/19.

#### 6.1.3 Children, Young People & Education

##### Disabled Facilities Grant

As for the Adult's Disabled Facilities Grant scheme, a reduction of £37,000 is also reported in respect of the Children's scheme in respect of Main Programme Borrowing that will no longer be required.

Slippage of £200,000 from 2018/19 into 2019/20 is also reported; this reflects £98,000 of approved work that will only start in 2019/20 due to capacity issues in delivery, planning and legal issues, along with outstanding information required from the families concerned. There are 17 further applications that are awaiting approval at the next Disabled Facilities Grant Operational Group.

#### Two Year Old Grant

Approval to slip £186,000 of the programme from 2018/19 into 2019/20 is requested. This is grant funding for two year old nursery placements and is not time bound; a review is being undertaken to identify the work that could be commissioned to utilise this grant.

#### Schools

Slippage is requested from 2018/19 into 2019/20 on the following education schemes, as works will only commence in the summer of 2019, to minimise the disruption to the schools:

<b>Scheme</b>	<b>Amount Of Slippage into 2019/20</b>
Shadsworth Junior External Works	£14,000
Avondale Kitchen	£100,000
Feniscowles	£100,000

### **6.1.4 Leisure & Culture**

#### Blakeys Air Conditioning

As reported to Executive Board in November 2018, additional works were required including asbestos removal, a new hot water system and alterations to the central battery emergency lighting. The final cost of the scheme is projected to be £130,000 and an increase to the scheme of £58,000 is now requested from main programme borrowing.

### **6.1.5 Regeneration**

#### Cathedral Quarter Office Block Fit Out Costs

The remaining budget of £51,000 was to be used in 2018/19 to fund the fit out costs for a new tenant. As the unit is now back out to market, a request is made to slip the budget into 2019/20 so this can be used, if required, when a tenant is found.

#### Blakey Moor

Further to the Executive Member Decision, approved on 28<sup>th</sup> December 2018, for additional work to be carried out at 35 Northgate (which forms part of the current Town Centre Heritage scheme on Blakey Moor), the costs of the work (estimated to be £110,000) will be added to the programme and will be funded from the earmarked scheme for Corporate Property Investment.

It is estimated that the outturn position for 2018/19 on this scheme will be £463,000 and therefore slippage is reported of £1,094,000 into 2019/20.

#### Local Transport Plan/National Productivity Investment Fund/Growth Deal 3 - Pennine Gateways/ Darwen East Corridor

The variations reported in Appendix 2 for the above schemes, reflect those reported within the Executive Member Decision paper on the LTP 2018/19 Programme Update on 11<sup>th</sup> January 2019.

#### Neighbourhood Intervention Fund

Capital receipts of £41,000 have been recycled back into the scheme from the sale of three properties following Compulsory Purchase orders. A request to approve the increase to the scheme is made.

#### Equity Loans

The increase to the programme during the period 2018/19 relates to a capital receipt of £31,000 recycled



back into the fund from the repayment of an equity loan.

#### Affordable Warmth Grants

An Executive Member Decision was approved on 19<sup>th</sup> October 2018 to add this scheme to the capital programme. Funding will be vired from the current existing schemes for: Insulation For Hard To Treat Places and for DECC, as reported in Appendix 2.

#### Housing Schemes

Approval is sought to slip the following schemes into 2019/20 as spend will not be incurred in the current financial year:

<b>Scheme</b>	<b>Amount of Slippage from 2018/19 into 2019/20</b>
Bank Top and Griffin Clearance	£200,000
Neighbourhood Intervention Fund	£500,000
Equity Loans	£150,000
Empty Homes Cluster	£420,000
Land Release Fund	£700,000

### **6.1.6 Resources**

#### Corporate ICT Schemes

A request is made to approve the re-profiling of the Corporate ICT schemes as listed below, as these projects will not fully complete in 2018/19:

<b>Scheme</b>	<b>Slippage Requested</b>
Legal Services Case Management System	£68,000
Core Infrastructure Programme	£540,000
Corporate Website	£50,000
Ticketing System KGH/DLT	£27,000

#### Corporate DDA Work

Approval of slippage from 2018/19 into 2019/20 of £169,000 is requested as works have been on hold this year due to the review of Council premises under the Accommodation Strategy Phase 2 review. The programme of work will recommence in 2019/20.

#### Griffin Lodge

A request is made to slip the budget of £300,000 into 2019/20 is made as the scheme is currently under review subject to the freehold sale of the building.

#### Davyfield Road Bungalow

This scheme is currently in an overspend position and confirmation of the final billing is awaited. Once the final costs are known, this will be reported with the increase transferred from the Earmarked Corporate Accommodation Strategy Phase 2 Scheme.

#### Corporate Accommodation Strategy Phase 2

As reported to Executive Board on 13<sup>th</sup> December 2018, due to the Council's budget constraints the scheme has been scaled back and the cost of the revised, internal modifications to Blackburn Town Hall is now estimated to be £2.5 million. A reduction to the scheme of £4 million is therefore reported.

#### Land Remediation Scheme

Whilst work commenced at the Stockclough Lane site, this was subsequently put on hold due to poor

ground conditions. Work will recommence in the new financial year when the conditions have improved; a request is therefore made to approve slippage of £195,000 into 2019/20.

#### Blakewater Lodge Demolition

Due to higher than expected levels of asbestos on site, costs have increased on the scheme in respect of its removal. A request is made to transfer funding of £32,000 from the earmarked scheme for Corporate Property Investment to cover the additional costs.

## **6.2 CAPITAL RECEIPTS**

Actual capital receipts at the end of December 2018 were £1.291 million; 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, her staff and the Council's independent Treasury consultants, Arlingclose, and options for optimising borrowing requirements are actively reviewed.

The Council has for a number of years chosen to take only new short term borrowing, whilst interest rates have remained low, generating significant savings for the revenue budget. In order to limit the risks of over-reliance on low short term interest rates, it was always anticipated that, at some point, it would be necessary to move back into taking more long term borrowing, through the PWLB (Public Works Loan Board). Although short term rates increased over the course of the first three quarters of the financial year, in mid-December the PWLB rates fell and it was judged an opportune time to take £35M of new PWLB loans. This increases borrowing costs in the short term, particularly into 2019/20, but puts the Council on a more stable financial footing over the medium to long term. For this financial year, projected borrowing costs have increased by £149,000, but this has been largely offset by an increase in forecast interest and dividend income of £130,000.

### **Interest and debt repayment revenue budgets**

	<b>Original Budget</b>	<b>Budget at Quarter 2</b>	<b>Movement Quarter 3</b>	<b>Budget at Quarter 3</b>
Interest and investment income	(192,700)	(202,700)	(130,000)	(332,700)
Debt interest payable	12,305,900	12,392,900	149,000	12,541,900

MRP	6,171,000	6,166,000	0	6,166,000
<b>Total</b>	<b>18,284,200</b>	<b>18,356,900</b>	<b>19,000</b>	<b>18,375,200</b>

Until existing short term debt matures over the last quarter of the year, the gross borrowing and investment positions are significantly increased. The current borrowing and investment position is as follows:

	Amounts at 31/03/18 £000	Amounts at 30/09/18 £000	Amounts at 30/12/18 £000
Short term borrowing	85,000	72,000	78,000
Long term borrowing	125,341	122,061	156,279
Transferred debt re Local Government Re-organisation	15,352	15,045	15,045
Recognition of debt re PFI arrangements	66,849	65,990	65,600
Investments made by the Council	33,720	24,623	62,500

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 the various categories of debt and the total outstanding debt in the respective areas at a single point in time, i.e. 31<sup>st</sup> December 2018. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position at 31/12/18	Position at 30/12/17
<b>Council tax</b>		
Current year arrears (£000)	12,748	12,042
Previous year arrears (£000)	10,688	8,611
<b>Total Council tax arrears</b>	<b>23,436</b>	<b>21,013</b>
Collection rates	78.8%	77.8%
<b>Business rates</b>		
Current year arrears (£000)	9,059	8,511
Previous year arrears (£000)	2,540	2,286
<b>Total Business rates arrears</b>	<b>11,599</b>	<b>10,797</b>
Collection rates	80.49%	81.8%
<b>Housing Benefit</b>		

Overpayments balances (£000)	3,165	2,636
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## 7. LEGAL IMPLICATIONS

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

## 8. RESOURCE IMPLICATIONS

None.

## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

## 10. CONSULTATIONS

None

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>V4</b>
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<b>CONTACT OFFICER:</b>	<b>Gaynor Simons (Ext 5635) Julie Jewson (Ext 5893)</b>
<b>DATE:</b>	31 January 2019
<b>BACKGROUND</b>	N/A

<b>PAPER:</b>	
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## Overall Capital Monitoring 2018/19

	2018/19				2019/20 and Future Years			
	Approved Programme 2018/19	Programme Approved At Executive Board November 2018	Requested Variations (See Appendix 2)	Revised 2018/19 Capital Programme As at Outturn 31st December 2018	Approved Programme 2018/19 and future Years	Programme Approved At Executive Board November 2018	Requested Variations (See Appendix 2)	Revised Future Capital Programme As At 31st December 2018
	(Finance Council) £'000	£'000	£'000	£'000	(Budget Book) £'000	£'000	£'000	£'000
<b>Costs</b>								
Health & Adult Social Care	2,018	2,821	(477)	2,344	5,640	5,640	(1,340)	4,300
Children, Young People & Education	2,776	5,819	(637)	5,182	900	1,802	489	2,291
Environment	300	732	0	732	0	0	0	0
Leisure, Culture & Young People	0	123	94	217	0	0	0	0
Neighbourhood and Prevention Services	0	0	0	0	0	0	0	0
Regeneration	17,254	19,999	(2,571)	17,428	25,041	27,143	3,118	30,261
Resources	3,496	4,084	(1,331)	2,753	4,550	7,233	(2,651)	4,582
<b>Total Predicted Expenditure</b>	<b>25,844</b>	<b>33,578</b>	<b>(4,922)</b>	<b>28,656</b>	<b>36,131</b>	<b>41,818</b>	<b>(384)</b>	<b>41,434</b>
<b>Resources</b>								
- Department for Communities & Local Government	0	737	(700)	37	0	0	700	700
- Department for Education	2,426	5,345	(400)	4,945	0	852	400	1,252
- Department for Energy & Climate Change	0	20	0	20	0	0	0	0
- Department for Transport	3,799	3,960	749	4,709	8,098	8,098	0	8,098
- Disabled Facilities Grants	1,661	2,142	7	2,149	4,983	4,983	200	5,183
- Other Grants	855	1,221	(703)	518	813	813	713	1,526
<b>Government Grants</b>	<b>8,741</b>	<b>13,425</b>	<b>(1,047)</b>	<b>12,378</b>	<b>13,894</b>	<b>14,746</b>	<b>2,013</b>	<b>16,759</b>
Unsupported Borrowing	9,889	12,732	(3,114)	9,618	11,266	16,029	(2,908)	13,121
External Contributions	6,714	5,873	(595)	5,278	10,971	11,043	211	11,254
Revenue Contributions	500	1,548	(166)	1,382	0	0	300	300
<b>Total Resources</b>	<b>25,844</b>	<b>33,578</b>	<b>(4,922)</b>	<b>28,656</b>	<b>36,131</b>	<b>41,818</b>	<b>(384)</b>	<b>41,434</b>
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Earmarked Schemes</b>								
Corporate ICT	3,000	0		0	3,500	3,403	(10)	3,393
Corporate Property Investment	1,500	1,432	(138)	1,294	2,000	2,000	0	2,000
Phase 2 Accommodation strategy	0	0	0	0	0	0	0	0
Vehicles (funded from capital or leased)	700	700	0	700	250	250	0	250
	<b>5,200</b>	<b>2,132</b>	<b>(138)</b>	<b>1,994</b>	<b>5,750</b>	<b>5,653</b>	<b>(10)</b>	<b>5,643</b>

Scheme variations to 2018/19 Capital Programme										
	Capital Programme Schemes Approved by Executive Board - Nov 2018 £ 000	Slippage (to)/from future years/Reprofiling of Budget £ 000	Requested Variations £ 000	Total Capital Programme at 31 December 2018 £ 000	Approved Programme 19/20 and Future Years Finance Council £'000	Portfolio Changes £'000	Slippage to/from future years/ Reprofiling of Budget £'000	Requested Variations £'000	Total Programme 19/20 and Future Years £'000	
Health & Adult Social Care										
Disabled Facilities Grant	2,535	0	(589)	1,946	4,974	0		(1,260)	3,714	
Telecare Project	168	0	0	168	480	0		0	480	
Riverside Heights Extra Care Scheme Site (formerly Shorey Bank)	0	80	0	80	186	0	(80)	0	106	
Blakewater Lodge Demolition - trfrd to Resources Portfolio	118	(118)	0	0	0	0	0	0	0	
	2,821	(38)	(589)	2,194	5,640	0	(80)	(1,260)	4,300	
Children's Services										
Disabled Facilities Grant	412	(200)	(37)	175	900	0	200	(111)	989	
Two Year Old Grant	263	(186)	0	77	0	0	186	0	186	
Longshaw Nursery School	189	0	0	189	0	0	0	0	0	
Capital allocations	1,541	0	(12)	1,529	0	0	0	0	0	
Audley Juniors	9	0	0	9	0	0	0	0	0	
Cedars Primary	4	0	14	18	0	0	0	0	0	
St Barnabas and St St Pauls	270	0	0	270	452	0	0	0	452	
St Thomas CE Primary School	110	0	0	110	0	0	0	0	0	
St Thomas Centre Phase 2	453	0	0	453	0	0	0	0	0	
Newfield ASD Demolition	697	0	0	697	0	0	0	0	0	
Turton/Edgworth Primary School	96	0	0	96	0	0	0	0	0	
Audley Infant and Junior - New Heating System	0	0	0	0	450	0	0	0	450	
Audley Junior - Roofing Works	320	0	0	320	0	0	0	0	0	
Belmont	8	0	10	18	0	0	0	0	0	
Longshaw Junior	94	0	0	94	0	0	0	0	0	
Lower Darwen	273	0	0	273	0	0	0	0	0	
Roe Lee Park - Classroom Works	136	0	0	136	0	0	0	0	0	
Shadsworth Juniors	14	(14)	0	0	0	0	14	0	14	
Avondale Kitchen	100	(100)	0	0	0	0	100	0	100	
Feniscowles	100	(100)	0	0	0	0	100	0	100	
Griffin Park - Kitchen	100	0	0	100	0	0	0	0	0	
Intack - Kitchen	150	0	0	150	0	0	0	0	0	
Shadsworth Infants - Heating	100	0	0	100	0	0	0	0	0	
Belmont - Send Provision	20	0	0	20	0	0	0	0	0	
Ashleigh - Windows	15	0	0	15	0	0	0	0	0	
Brookhouse Primary - Remodel Toilets	45	0	0	45	0	0	0	0	0	
Brookhouse Primary - Upgrade Fire Alarm	20	0	0	20	0	0	0	0	0	
Daisyfield - Junior Toilets	40	0	0	40	0	0	0	0	0	
Longshaw Infants - Fire Alarm	20	0	0	20	0	0	0	0	0	
Meadowhead Juniors - Safeguarding Fencing	20	0	0	20	0	0	0	0	0	
Belmont - Roof Repairs	10	0	(10)	0	0	0	0	0	0	
Shadsworth Junior Boys Toilets	40	0	0	40	0	0	0	0	0	
Wensley Fold	8	0	0	8	0	0	0	0	0	
Feniscowles Disabled Facilities Changing Facilities	0	0	25	25	0	0	0	0	0	
Belmont Ramp	0	0	10	10	0	0	0	0	0	
Contingency	92	0	(37)	55	0	0	0	0	0	
Project Management Fee	50	0	0	50	0	0	0	0	0	
	5,819	(600)	(37)	5,182	1,802	0	600	(111)	2,291	
Environment										
Old Bank Lane Car Park	569	0	0	569	0	0	0	0	0	
Pleasington Cemetary	3	0	0	3	0	0	0	0	0	
Borwn street Car Park Extension	160	0	0	160	0	0	0	0	0	
	732	0	0	732	0	0	0	0	0	
Leisure, Culture & Young People										
Darwen Leisure Centre Replacement	9	0	0	9	0	0	0	0	0	
Waves Demolition	6	0	(4)	2	0	0	0	0	0	
Woodridge Playing Fields	37	0	0	37	0	0	0	0	0	
Blakeys Air Conditioning	71	0	58	129	0	0	0	0	0	
Witton Park Arena - Car Park Lighting	0	0	40	40	0	0	0	0	0	
	123	0	94	217	0	0	0	0	0	
Regeneration										
Assistance to Industry	179	0	0	179	450	0		0	450	
Cathedral Quarter Development	100	0	0	100	0	0	0	0	0	
Cathedral Quarter Office Block Fit Out	51	(51)	0	0	0	0	51	0	51	

Scheme variations to 2018/19 Capital Programme										
	Capital Programme Schemes Approved by Executive Board - Nov 2018	Slippage (to)/from future years/Reprofiling of Budget	Requested Variations	Total Capital Programme at 31 December 2018	Approved Programme 19/20 and Future Years Finance Council	Portfolio Changes	Slippage to/from future years/ Reprofiling of Budget	Requested Variations	Total Programme 19/20 and Future Years	
	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	£ 000	
Darwen 3 Day Market	1,454	0	0	1,454	0	0	0	0	0	
Blakey Moor	1,447	(1,094)	110	463	2,025	0	1,094	0	3,119	
Local Transport Plan	3,324	0	884	4,208	5,799	0	0	13	5,812	
National Productivity Investment Fund - Fabric Borders	950	0	(229)	721	1,950	0	0	229	2,179	
Growth Deal 3 (Pennine Gateways)	3,815	0	(558)	3,257	9,435	0	0	486	9,921	
Darwen East Corridor	2,141	0	258	2,399	904	0	0	(728)	176	
Bury Fold Brook	15	0	0	15	0	0	0	0	0	
Granvill Rd/Westland Ave Flood Study	183	0	0	183	0	0	0	0	0	
Birch Hall Ave diversion appraisal	82	0	0	82	0	0	0	0	0	
Livesey Branch Rd Culvert	27	0	0	27	0	0	0	0	0	
Pottery Farm Alleviation	0	0	10	10	0	0	0	0	0	
Bank Top and Griffin Clearance	445	(200)	0	245	0	0	200	0	200	
Group Repair (Inner NW/InnerSE/Darwen)	3	(3)	0	0	0	0	3	0	3	
Insulation for Hard to Treat Properties	23	0	(23)	0	0	0	0	0	0	
Neighbourhood Intervention Fund	495	(500)	41	36	0	0	500	0	500	
Refurbishment of Loans	100	0	0	100	0	0	0	0	0	
Equity Loans	119	(150)	31	0	0	0	150	0	150	
Empty Homes Cluster	460	(420)	0	40	0	0	420	0	420	
Other Acquisition costs	10	0	0	10	0	0	0	0	0	
DECC Central Heating Fund	20	0	(20)	0	0	0	0	0	0	
Development Investment Fund	101	0	0	101	0	0	0	0	0	
Capacity Funding	86	0	0	86	0	0	0	0	0	
Affordable Warmth Grants	0	0	43	43	0	0	0	0	0	
Reel Cinema	3,132	0	0	3,132	6,580	0	0	0	6,580	
Milking Lane	500	0	0	500	0	0	0	0	0	
Land Release Fund	737	(700)	0	37	0	0	700	0	700	
	19,999	(3,118)	547	17,428	27,143	0	3,118	0	30,261	
Resources										
Corporate ICT - Monitor & Mgmt. service systems & ops software	43	0	0	43	0	0	0	0	0	
Corporate ICT - Public Access	49	0	0	49	0	0	0	0	0	
Corporate ICT - WAN Connectivity	0	0	0	0	90	0	0	0	90	
Corporate ICT - Digitisation of Planning Service	41	0	0	41	0	0	0	0	0	
Corporate ICT - Finance System	38	0	0	38	0	0	0	0	0	
Corporate ICT - Microsoft EA	113	0	0	113	106	0	0	0	106	
Corporate ICT - Digitisation of Registrars	19	0	10	29	0	0	0	0	0	
Corporate ICT - Desktop Refresh	1,380	0	0	1,380	495	0	0	0	495	
Corporate ICT - Core Infrastructure Programme	700	(540)	0	160	250	0	540	0	790	
Corporate ICT - Ticketing System KGH/DLT	27	(27)	0	0	0	0	27	0	27	
Corporate ICT - Legal Services Case Management System	168	(68)	0	100	0	0	68	0	68	
Corporate ICT - Corporate Website	100	(50)	0	50	42	0	50	0	92	
Corporate ICT - Replacement Committee Management System	20	0	0	20	0	0	0	0	0	
Carbon Management Plan	160	0	0	160	0	0	0	0	0	
Land Remediation Schemes	204	(195)	0	9	0	0	195	0	195	
Accommodation Strategy	30	0	0	30	0	0	0	0	0	
Corporate DDA Work	169	(169)	0	0	0	0	169	0	169	
Griffin Lodge	300	(300)	0	0	0	0	300	0	300	
Davyfield Road Bungalow Remodel	85	0	0	85	0	0	0	0	0	
Demolition of Higher House Farm	89	0	0	89	0	0	0	0	0	
Digital Advertising Screen Blackburn Town Centre	52	0	0	52	0	0	0	0	0	
Corporate Accommodation Strategy Phase 2	250	0	0	250	6,250	0	0	(4,000)	2,250	
Blakewater Lodge Demolition	0	118	32	150	0	0	0	0	0	
Blackburn Town Centre Security	47	0	8	55	0	0	0	0	0	
	4,084	(1,231)	50	2,903	7,233	0	1,349	(4,000)	4,582	
Portfolios Total										
	33,578	(4,987)	65	28,656	41,818	0	4,987	(5,371)	41,434	
Earmarked schemes:										
Corporate ICT	0	10	(10)	0	3,403	0	(10)	0	3,393	
Corporate Property Investment	1,432	0	(138)	1,294	2,000	0	0	0	2,000	
Phase 2 Accommodation Strategy	0	0	0	0	0	0	0	0	0	
Vehicles (funded from capital or leased)	700	0	0	700	250	0	0	0	250	
Total	2,132	10	(148)	1,994	5,653	0	0	0	5,645	





## EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Regeneration Executive Member for Resources
<b>LEAD OFFICERS:</b>	Director of Growth & Development
<b>DATE:</b>	14th February 2019

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

**SUBJECT: Disposal of Council Land at Tower Road, Blackburn BB2 5LE**

### 1. EXECUTIVE SUMMARY

- 1.1 This report outlines the outcome of the Informal tender for the Council owned land at Tower Road, Blackburn and seeks approval to dispose of the site for housing development to the recommended preferred bidder.
- 1.2 This report outlines the objections of the appropriation of land process and seeks approval to conclude the appropriation of land at Tower Road for disposal.
- 1.3 This report outlines the process for the disposal of 'open space' and requests delegated authority for the consideration of any objections and if appropriate approval for the disposal of 'open space'.

### 2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Approves the appointment of Bidder A as preferred bidder.
- 2.2 Approves the appointment of Bidder B as reserve bidder.
- 2.3 Acknowledges the objections received for the appropriation of land from Environment and Health & Adult Social Care portfolios to Regeneration & Growth at the Tower Road site.
- 2.4 Approves the appropriation of land at the Tower Road site from Environment and Health & Adult Social Care portfolios to Regeneration & Growth.
- 2.5 Delegates authority to the Director of Growth and Development, in consultation with the Executive Member for Regeneration and the Executive Member for Resources, to:
- Consider any objections to the proposed disposal of 'open space' at Tower Road and if appropriate
  - Approve the proposed disposal of 'open space' at Tower Road.

2.6 Grants permission for Council officers to negotiate Heads of Terms to finalise the terms of the disposal.

2.7 Delegates authority to conclude negotiations, including terms of any land sale and contracts to the Growth Programme Director and Deputy Chief Executive in consultation with the Executive Members for Resources and Regeneration to approve the final heads of terms.

2.8 Authorises the Director of HR, Legal and Governance to complete the necessary legal formalities.

### **3. BACKGROUND**

3.1 The plot of land (shown edged red on the attached plan Appendix A) was marketed for sale by informal tender as outlined in the Executive Member Decision - Land at Tower Road - Former Feniscliffe Bank May 2018. The tender period was from 10<sup>th</sup> September 2018 to 22<sup>nd</sup> October 2018.

3.2 A 'Data Room' was set up on the Council's website which contained all tender information along with a host of technical reports and surveys commissioned on the site by the Council.

- The tender was initiated on the 10<sup>th</sup> September 2018 with around 100 developers being e-mailed directly by the Growth Team with full marketing particulars, and follow up calls being made.
- A 'Place Northwest' e-mail flyer was also sent out advertising for the site.

3.3 The informal tender form required interested parties to:

- Make an offer for the housing site using the technical surveys provided whilst still carrying out their own due diligence
- Make an offer conditional on planning but excluding any S106 payments from the offer price
- Show proposed layout, house types and numbers.
- Demonstrate previous housing development experience
- Submit a proposed engagement plan for working with the stakeholders and the community
- Demonstrate financial resources and source of finance
- Outline timeframe for development

3.4 The tenders have been evaluated in accordance with the criteria referred to under paragraph 3.3 above.

### **4. KEY ISSUES & RISKS**

4.1 The Council received significant interest in the Tower Road site. Ten informal tenders were received by the closing date 12.00 pm 22<sup>nd</sup> October 2018. Tenders were opened at 2.00 pm on the 22<sup>nd</sup> October 2018 and all bids were compliant.

4.2 Six of the tenderers have previously never built in the borough and were attracted by the quality of the site on offer and the comprehensive data pack.

4.3 The tenders are summarised as follows:

\* Financial offer excludes an agreed amount for s106 contributions which will be determined by the Planning Authority. The agreed s106 contribution will be deducted from the capital receipt.

Bidder ID Number	Scheme Proposal	Conditions of Offer
<b>A</b>	30 – 3 and 4 bed large family homes for sale	Subject to planning, excludes S106. Good experience of house building. POS retained as per planning approval.
<b>B</b>	No scheme included.	Subject to planning, excludes S106. Some experience of house building.
<b>C</b>	No scheme included.	Subject to planning, excludes S106. Good experience of house building.
<b>D</b>	No scheme included.	Subject to planning, excludes S106. Limited experience of house building.
<b>E</b>	No scheme included.	Subject to planning, excludes S106, 10% deposit requested. Substantial experience of house building.
<b>F</b>	27 –3 and 4 bed family homes	Subject to planning, excludes S106. Some experience of house building. Subject to Foul and Surface water connection clarifications. Subject to Coal Boreholes.
<b>G</b>	30 - Proposing 60% affordable homes. 2-4 bed.	Subject to planning, excludes S106. Good experience of house building. POS retained as per planning approval.
<b>H</b>	30 – 3 and 4 bed family homes	Subject to planning, excludes S106. Good experience of house building. POS retained as per planning approval.
<b>I</b>	30 – 3 and 4 bed family homes	Subject to planning, excludes S106. Good experience of house building. POS retained as per planning approval.
<b>J</b>	30 homes	Subject to planning, excludes S106, satisfactory ground investigation. POS retained as per planning approval.

4.4 A revised offer from Bidder G was received on 8<sup>th</sup> November 2018.

4.5 Following initial assessment Bidder A and Bidder B were shortlisted due to both offers being within a similar range and above the Growth team's informal valuations. Both companies shortlisted have previously never built in the borough.

4.6 Post tender clarification meetings were scheduled in November with Bidder A and Bidder B to clarify their offers. Both bidders confirmed they had significant experience in community engagement and agreed they would undertake a pre-planning engagement meeting with the local residents which is a key requirement for the Council.

4.7 During the assessment process site inspections for both bidders were undertaken by officers from the Growth team to assess the quality of housing product and construction site management. Both inspections satisfied the Council's requirements as the development sites were well managed with high quality housing being constructed.

4.8 Bidder A and Bidder B were formally requested to submit their final offers by on Monday 3rd December 2018 confirming their acceptance to the updated conditions of sale and completing the requested information.

4.9 The Council received final offers from Bidder A and Bidder B by the closing date and both bids were found to be compliant.

4.10 The tenders are summarised as follows:

Bidder ID Number	Scheme Proposal	Conditions of Offer
A	30 No. 3 and 4 bed large family homes for sale	Subject to planning and excludes S106.
B	30 No. 3 and 4 bed large family homes for sale	Subject to planning and excludes S106.

4.11 Bidder A and Bidder B provided a detailed engagement strategy for resident consultation.

4.12 Bidder A financial offer is higher than the informal valuation undertaken by the Growth team.

4.13 Bidder A offer represents the highest price following full evaluation of conditions of offer. Bidder A also provided a good level of detail showing a scheme layout, house types, floor sizes, residents' car parking, a detailed resident consultation strategy, previous experience of high quality housing delivery and 'open space' proposals which are in line with outline planning application. Bidder A is a high quality housing provider and would be new to the borough.

4.14 For these reasons it is recommended that the Council accept the Bidder A offer and appoint them as preferred bidder. Bidder A has provisionally accepted the conditions of sale and draft Heads of Terms in the tender documentation.

The draft heads of terms are as follows:

**Vendor**

Blackburn with Darwen Borough Council

**Purchaser**

Bidder A

**Description**

Council owned land at Tower Road (see attached plan Appendix A)

**Method of Disposal**

Freehold subject to planning approval

**Development Timescale**

Still to be finalised but confirmed full build within the required 3 years

**Costs**

The purchaser will be responsible for the payment of the Council's surveyor's fees and legal costs to a cap.

**Risk**

The sale will be subject to planning approval, the developer plans to submit a planning application summer 2019.

**4.15 Reserve Bidder**

Bidder B offer represents a very competitive price following full evaluation of conditions of offer. Bidder B also provided a good level of detail showing a scheme layout, house types, floor sizes, residents' car parking and 'open space' proposals which are in line with outline planning application.

4.16 For these reasons it is recommended that the Council appoint Bidder B as reserve bidder, allowing the Council to appoint Bidder B if negotiations cannot be concluded with Bidder A.

#### **4.17 Appropriation**

On October 11<sup>th</sup> 2018 notice was given under Section 122 of the Local Government Act 1972 that Blackburn with Darwen Borough Council intends to appropriate the land at Tower Road for planning purposes from Environment and Health & Adult Social Care portfolios to the Regeneration & Growth portfolio to enable the site to be developed for housing and enable the Council to override third party rights and easements pursuant to Section 203 of the Housing and Planning Act 2016.

The proposed appropriation required the Council to advertise the proposal twice over two consecutive weeks in a newspaper circulating in the area in which the land is situated, and consider any objections to the proposed appropriation which may be made to them. Over the two week advertising period the council received twenty two objections in relation to the appropriation by local residents. The main area of concern is the loss of green space for recreational activities. However there is adequate provision of green space in the area as Witton County Park which is 480 acre public park situated directly adjacent to the site which can be easily accessed and utilised by local residents. (See Appendix B for summary of Objections).

4.18 It is recommended that the Council approve the appropriation of land from the Environment and Health & Adult Social Care portfolios to Regeneration & Growth to enable the site to be developed for housing.

#### **4.19 Disposal of Open Space**

As the land at Tower Road (excluding the decommissioned care home) to be disposed of is considered to be 'open space' then section 123(2A) of the Local Government Act 1972 applies. This requires the Council to advertise the proposal twice over two consecutive weeks in a newspaper circulating in the area in which the land is situated, erect site notices, and consider any objections to the proposed disposal which may be made to them. The advertisement is to take place once a developer has been appointed and a scheme proposed.

4.20 It is recommended that the council delegates authority to the Director of Growth and Development, in consultation with the Executive Member for Regeneration and the Executive Member for Resources, to consider any objections or comments to the proposed disposal of 'open space' at Tower Road and if appropriate, approve the proposed disposal of 'open space' at Tower Road for housing development.

### **5. POLICY IMPLICATIONS**

5.1 The disposal is in accordance with the Council's disposal policy and will meet the strategic aims of the Council's Growth Programme.

### **6. FINANCIAL IMPLICATIONS**

6.1 The Council will receive a capital receipt.

6.2 The Council will also receive Council Tax income and New Homes Bonus for 30 homes.

6.3 The Council will also make a property management saving as a result of disposal of the former care home.

### **7. LEGAL IMPLICATIONS**

7.1 The disposal of the site via an informal tender is in line with the Council's disposal policy, it will satisfy procurement requirements and is supported by technical input from legal and procurement.

7.2 The Council will need to ensure appropriate best considerations in disposal of land as part of any contractual agreements with developers.

7.3 The Council will look to safeguard its interests in ensuring that the land is developed in line with its future revenue benefit projections by agreeing a build programme with the developer.

7.4 Final Heads of Terms for the sale of the land and the completion of contractual terms will be presented to the Executive Members for Resources and Regeneration for approval.

7.5 In authorising the appropriation of the Tower Road site, the Council has considered the provisions of the Equalities Act 2010 and the Human Rights Act 1998, so far as they might be applicable in deciding whether or not to authorise the appropriation, and with regard to Article 1 of Protocol 1 Part II of Schedule 1 of the Human Rights Act 1998, it is considered that in balancing the rights of the individuals who may be affected by the appropriation against the benefit to the community of proceeding with the appropriation, the appropriation resulting in the interference of (possible) individual rights is justified in the interests of providing necessary housing to the area.

## 8. RESOURCE IMPLICATIONS

8.1 The disposal will be led by the Growth team; Legal resources will be required to complete the legal formalities relating to the freehold disposal.

8.2 Additional support may be required from Capita to carry out assessments of scheme proposals, deliverability and Heads of Terms.

## 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

Extensive stakeholder consultations have been undertaken during the outline planning application process. Further consultations will be undertaken in line with statutory requirements during the full/reserved matters planning process for the development, in addition a pre-planning consultation event will be undertaken by the appointed developer with local residents at a time and place stipulated by the council which is to be agreed.

## 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.

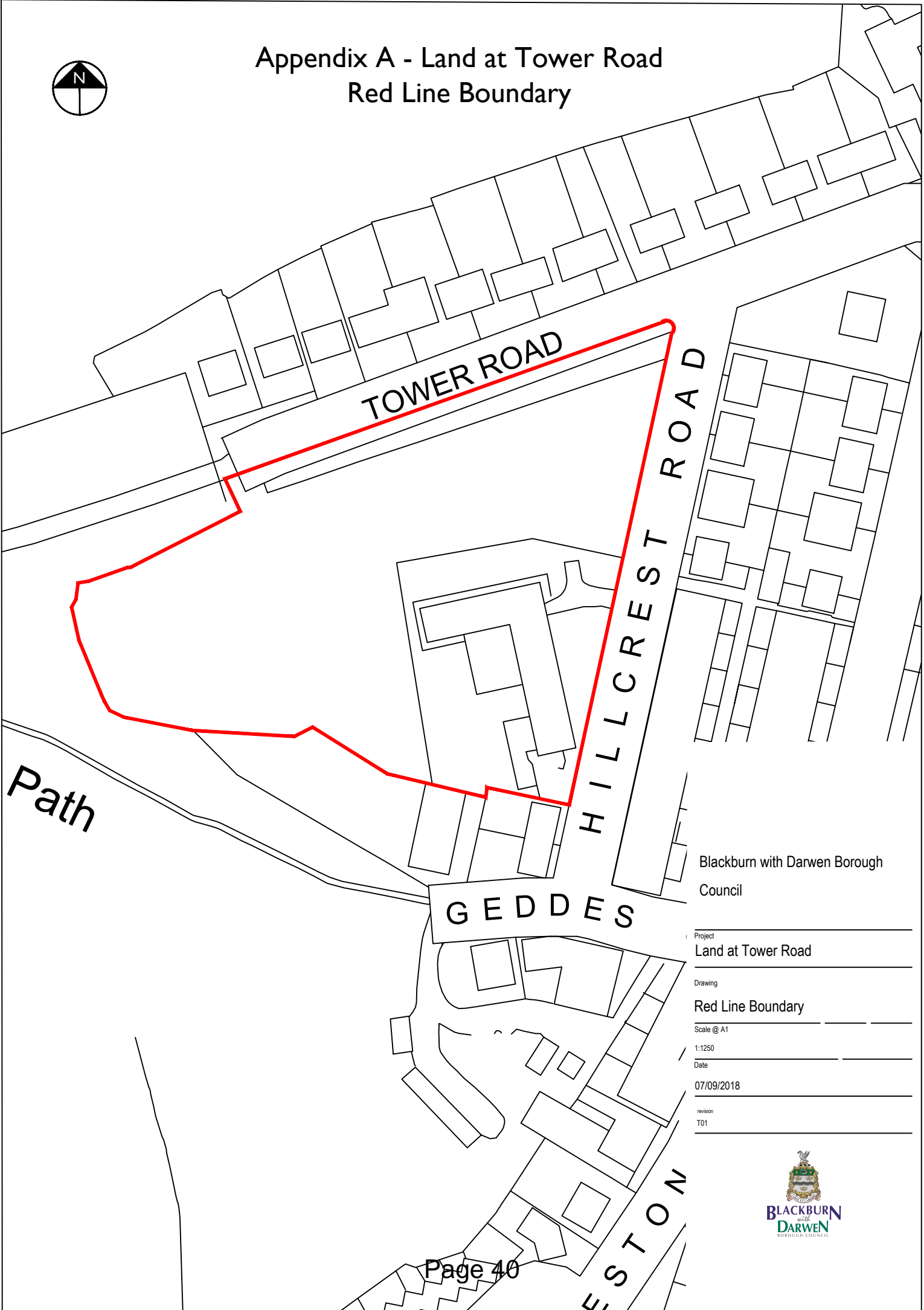
## 12. DECLARATION OF INTEREST

All Declarations of Interest of any Executive Member consulted and note of any dispensation granted by the Chief Executive will be recorded and published if applicable

<b>VERSION:</b>	<b>1.0</b>
<b>CONTACT OFFICER:</b>	<b>Simon Jones, Growth Programme Director</b>
<b>DATE:</b>	16 <sup>th</sup> January 2019
<b>BACKGROUND PAPER:</b>	Land at Tower Road Tender documents, Executive Member Report Land at Tower Road - Former Feniscliffe Bank May 2018



# Appendix A - Land at Tower Road Red Line Boundary



Blackburn with Darwen Borough  
Council

Project  
Land at Tower Road

Drawing  
Red Line Boundary

Scale @ A1

1:1250

Date

07/09/2018

revision  
T01





Numbered Objection	Summary of Objection	Response
1	Open Space assessment ranking for the property	The Open Space Assessment of May 2014 has recognised part of the site being appropriated as a quality “amenity greenspace” with its primary purpose being to provide opportunities for informal activities close to work or home or enhance the appearance of a residential area. The location of similar open space within Pleasington Playing fields and Witton Park with its array of formal/informal and woodlands area within 177 ha and a score of 77% under the Parks & gardens section of the Open space Assessment is nearby and is considered one of the best parks that Blackburn has to offer. It cannot be denied that locals who have had this open space on their door step will now have to walk or travel a little further. The entrance to the Pleasington Playing Fields is located on the north side and slightly west of the open space site but it is accepted that people that live southerly to the open space may potentially have several hundred meters further in order to reach Witton Park/Pleasington Playing Fields. However, given the extent and quality of space that is provided it is considered that this is acceptable. By way of comparison, the Open Space assessment describes the catchment area for any amenity space as being 800m or 10 minutes’ walk.
2	Ideal for General Family useage	The convenience of this open space is acknowledged but again, Pleasington Playing Fields and Witton Park with its wide range of leisure option and extent of grounds is available.
3	Believes Leisure & Culture & Adult Services should be compensated for the loss of their assets	In terms of planning requirements, it is expected that any housing developer will be required to pay a sum in mitigating the loss which is considered to be a satisfactory mitigation as this can be used to improve or create new green infrastructure in the locality. In this case, this would directed at Witton Park. In respect of Adult Services, the property is considered surplus to its requirements and so the continued costs of securing the site pending any redevelopment would now fall to the council’s general resources rather than lie as a cost to Adult Services.
4	Numerous houses being built in the Borough already	The Council cannot currently identify a five year supply of housing sites and accordingly from a planning policy perspective this illustrates there is a lack of supply of land for housing and that in general terms, there are too few housing sites being brought forward in the Borough.
5	Land not allocated in Local Plan as housing and that land requirements should be reduced	That part of the property being appropriated from Adult Services is designated as a brownfield site and hence the principle of redevelopment is accepted from a planning perspective. The Authority cannot currently identify a five year supply of housing sites and accordingly from a planning policy perspective this illustrates there is a lack of supply of land for housing and that in general terms, there are too few housing sites being brought forward in the Borough. Therefore sites that are considered sustainable and meet other criteria in the national and local planning documents must be considered, irrespective of whether or not they are not allocated in the Local Plan. There are policies which consider the

		circumstances in which the loss of green infrastructure is considered to be acceptable and what mitigations or compensations may be acceptable to counter the loss.
6	The appropriation and disposal is for financial considerations for other Council projects	The appropriation is to enable a housing site to be brought forward which is located in a sustainable location and any financial receipts are incidental to this.
7	Other sites are available instead of this site	This site is one of a number of sites considered to be acceptable under current planning policy status to support a residential scheme. At present there is a lack of a five year supply of housing sites and so from a national policy (the NPFF) it is considered that there are still insufficient sites available and hence the Council from a slightly more objective stance has decided it is acceptable to bring this site forward.
8	Short-term financial gain – long-term loss for community	The Council is of the view that provision of this housing site will be in the long term benefit of the Borough and community overall.
9	General objections	These are noted and the reasoning provided in other objections are generally relevant in response. It is noted that the recent planning decision notes the protection of the trees on the site along Tower Road and the open feel that this road offers.
10	Loss will contribute to childhood obesity	There are many factors that can contribute to childhood obesity. The Council can provide information relating to exercise options and diet.
<b>Number</b>	<b>Objections numbers</b>	
1	1	
2	1, 2	
3	1,3,4,5	
4	5,1	
5	1	
6	6,5,1	
7	1	
8	1,2,4,7	
9	2,5,8	
10	8,4,1	

11	9	
12	1,6	
13	9	
14	1,2,9	
15	1,4,3,5	
16	3,6,8,5,1	
17	3,6,8,5,1	
18	9,1	
19	6,8,5	
20	2,5	
21	1,4,6,8,3, 10	

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Leader
<b>LEAD OFFICERS:</b>	Chief Executive
<b>DATE:</b>	14 February 2019

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

### SUBJECT:

### LOCAL GOVERNMENT ASSOCIATION PEER REVIEW

#### 1. EXECUTIVE SUMMARY

The Local Government Association (LGA) undertook a Peer Review at the Council from 3<sup>rd</sup> to 6<sup>th</sup> December 2018 providing an external perspective on how well the Council is performing and on its future plans. The LGA undertake these challenges at all Councils every five or six years.

As part of the challenge process the Peer Team had a series of meetings and focus groups with a range of people from across the council and its partners including elected members, senior officers, managers, supervisors, apprentices and frontline staff.

Informal feedback from the Peer Team was shared with Policy Council in December and the formal written report has now been received and is appended. The Peer Team have outlined 11 recommendations in their report for the Council to consider.

The comments and observations from the Peer Team are positive with particular reference to our deep understanding of place and the challenges and opportunities presented, the widely respected political and managerial leadership at the council, our partners having a real confidence in the council as well as passionate staff who are committed to the area.

The report also highlights that the Council has helped to bring significant improvements in infrastructure attracting inward investment and indicates that the Council should consider further steps to ensure that more local people can benefit from the economic activity generated.

A formal response to the recommendations and an action plan is being developed and will be brought to Council Forum in March 2019.

#### 2. RECOMMENDATIONS

That the Executive Board note the report from the LGA Peer Team and that a formal response and action plan in relation to the recommendations is being developed for consideration at Council Forum in March 2019.

### **3. BACKGROUND**

The LGA undertook a Peer Review at Blackburn with Darwen Council from 3-6 December 2018 providing an external perspective on how well the council is performing and on its future plans. The LGA undertake these challenges at all councils every five or six years.

Peers are at the heart of the challenge process providing a 'practitioner perspective' and 'critical friend' challenge. They are experienced councillors and officers from other authorities, providing a fresh perspective that is informed by experience of what it is like to manage and deliver public services and work in partnership for the benefit of the community. The Peer Team was led by Diana Terris, Chief Executive of Barnsley Council and Councillor Iain Malcom, Leader of South Tyneside Council.

Each corporate peer challenge focused on five core components, which in the LGA's experience are features of effective councils. The peer team considered these in the light of the local context and priorities of Blackburn with Darwen. The core components of the challenge were:

1. Understanding of the local place and priority setting
2. Leadership of Place
3. Financial planning and viability
4. Organisational leadership and governance
5. Capacity to deliver

In addition to the above, the Council had asked the team to consider the following:

- Community engagement
- Digital transformation

As part of the challenge process, the Peer Team had a series of meetings and focus groups with a range of people from across the council and its partners – including elected members, senior officers, managers, supervisors, apprentices and front line staff.

### **4. KEY ISSUES & RISKS**

The Council will consider the recommendations and develop a formal response and action plan which will set out any key issues and risks to delivery where appropriate.

### **5. POLICY IMPLICATIONS**

As agreed at Policy Council in December 2018 the Council's Corporate Plan is being refreshed and will be considered at Council Forum in March 2019. The new Corporate Plan will consider and reflect some of the recommendations outlined in the Peer Review report, in particular developing an agreed set of outcomes for people, place and council to be reflected in the Corporate Plan and a review of the Key Performance Indicators.

### **6. FINANCIAL IMPLICATIONS**

Any financial implications will be covered within existing budgets.

## 7. LEGAL IMPLICATIONS

In line with best practice the Council invited the LGA to undertake a Peer Review in December. There is no legal requirement to do so.

## 8. RESOURCE IMPLICATIONS

Any resource implications will be covered within existing budgets.

## 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

There were no consultations necessary for the Peer Review. A number of elected members, partners, residents and council officers were interviewed by the Peer Team as part of the process.

## 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.

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Alison Schmid, Service Lead Policy and Research</b>
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<b>DATE:</b>	5 <sup>th</sup> February 2019
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**BACKGROUND  
PAPER:**

LGA Peer Review formal report

# Corporate Peer Challenge **Blackburn with Darwen Council**

3<sup>rd</sup> to 6<sup>th</sup> December 2018

Feedback Report



## 1. Executive Summary

Blackburn with Darwen Council benefits from widely respected political and managerial leadership. Partners have a real confidence in the Council, which enables them to undertake new initiatives and new ways of working in the Borough. This confidence is in part inspired by Blackburn with Darwen's track record in stepping up to its responsibilities in partnerships across Lancashire and by its ability to deliver. Political and managerial leaders are experienced and, along with the wider membership of the Council and staff, are passionate and committed to the area. This gives the Council a clear understanding of the place and its communities. Blackburn with Darwen is grappling with some significant challenges. Internally, to transform the organisation to enable new ways of working, service improvement, delivering sustainable savings and to strengthen its financial reserves. Externally it is working with partners and the community to tackle what remain some very poor health indicators, low incomes and other social challenges. The Council has helped to bring about some significant improvements in infrastructure and the public realm and in attracting inward investments. It now needs to shift emphasis further towards the people agenda, to complement what it has achieved for the place, to ensure that more local people can benefit from the economic activity generated and enjoy better health and social outcomes.

2018 has been an important year for Blackburn with Darwen. It has been celebrating 20 years since its creation as a unitary authority and its achievements for the community over that period, being marked by the award of Municipal Journal Local Authority of the Year 2018. The 'Your Call' programme continues to generate significant numbers of volunteers to undertake activities on behalf of the wider community. It has completed implementation of a major review of Councillor numbers, ward boundaries and associated governance changes. All-out elections in May 2018 introduced a new, smaller and more diverse Council with 51 members. The current Chief Executive announced his retirement in late 2018, and will be replaced by the current Deputy Chief Executive in May 2019 as ratified at Policy Council in December. The Council recognises the need to clarify its vision, strategic direction and priorities and it has begun a refresh of its Corporate Plan for 2019 onwards.

Taken together, these developments represent a significant opportunity to build on its achievements to date and ensure that the Council is fit for the future. To take advantage of these opportunities, the Council needs to clearly set out the strategic direction for the authority and the Borough and pursue these with vigour. Enabling a council-wide approach to improvement, change and transformation will be important to this – including embedding the digital agenda in that transformation. Blackburn with Darwen needs to develop a compelling and well communicated vision of the future council, with a transformation plan to deliver for residents and the authority. It needs to ensure that resources clearly follow priorities, taking a strategic view of the resources available across the organisation so that key priorities are addressed. It should continue to closely monitor spend against budget and introduce more focused and robust performance management arrangements to ensure key outcomes are achieved. The Council needs to strengthen its capacity to deliver change and the culture to embrace this through effective organisational development and workforce planning, to build on the progress it has already made in developing its talent. It should also ensure that it has sufficient strategic capacity to think for the long term.

Blackburn with Darwen needs to continue and strengthen its focus on delivering better outcomes for people across the Borough, working with partners and the community to tackle the deep rooted health and social challenges they experience. It should consider how to build on successful partnership working arrangements already in place, such as the Heath & Social Care Networks. This could include deepening place based working with a wider range of partners, for example in respect of community safety, including consideration of pooling of resources with partners in local areas. Such collective action could achieve greater impact on the underlying issues and would afford the Council influence over a wider range of resources. Consideration be given to how to empower ward members to act on behalf of local residents through funding for local initiatives and arrangements to strengthen democratic oversight of local public service delivery.

## **2. Key recommendations**

- a) Engage members, staff, partners and residents in developing a compelling vision for the Borough's future
- b) Develop an agreed set of outcomes for people, place and the Council and reflect these in the refreshed Corporate Plan and with partners in the LSP 2030 vision
- c) Establish a dashboard of a limited number of key performance indicators (KPIs) to demonstrate progress towards outcomes and more effectively communicate performance to members, partners and residents.
- d) Strengthen the marketing and promotion of Blackburn with Darwen to potential visitors and investors, emphasising the opportunities presented by the Borough's young and diverse communities
- e) Take a whole council approach to the budget process across different service and portfolio areas to ensure resources align to key priorities and desired outcomes
- f) Consider how to create more strategic capacity at an appropriate level and place in the organisation through the proposed senior management review
- g) Ensure a whole council approach to transformation and public service reform, integrated with the digital agenda, with a clear road map for delivery and pursue this at pace
- h) Develop an organisational development (OD) and workforce development strategy to ensure that the Council can meet the challenges of the future
- i) Consider area based budgeting with partners to deepen community engagement and influence wider spending
- j) Consider ways of empowering ward members, including through allocation of funding for local initiatives
- k) Identify gaps in community volunteer arrangements and develop a plan to address these and continue to support community volunteers

### 3. Summary of the Peer Challenge approach

#### The peer team

Peer challenges are delivered by experienced elected member and officer peers. The make-up of the peer team reflected your requirements and the focus of the peer challenge. Peers were selected on the basis of their relevant experience and expertise and agreed with you. The peers who delivered the peer challenge at Blackburn with Darwen were:

- Diana Terris - Chief Executive, Barnsley Metropolitan Borough Council
- Iain Malcolm - Leader, South Tyneside Metropolitan Borough Council
- Gordon Elliott - Head of Partnerships and Community Engagement, Durham County Council
- Penelope Mell - Head of Business Improvement, Dorset Councils Partnership
- Chris Lewis - Head of Transformation Programme Management Office, Oldham Metropolitan Borough Council
- Rebecca Smith - Civil Service secondee to LGA Workforce Team
- David Armin - LGA peer challenge manager

#### Scope and focus

The peer team considered the following five questions which form the core components looked at by all Corporate Peer Challenges. These are the areas we believe are critical to councils' performance and improvement:

1. **Understanding of the local place and priority setting:** Does the council understand its local context and place and use that to inform a clear vision and set of priorities?
2. **Leadership of Place:** Does the council provide effective leadership of place through its elected members, officers and constructive relationships and partnerships with external stakeholders?
3. **Organisational leadership and governance:** Is there effective political and managerial leadership supported by good governance and decision-making arrangements that respond to key challenges and enable change and transformation to be implemented?
4. **Financial planning and viability:** Does the council have a financial plan in place to ensure long term viability and is there evidence that it is being implemented successfully?
5. **Capacity to deliver:** Is organisational capacity aligned with priorities and does the council influence, enable and leverage external capacity to focus on agreed outcomes?

In addition you asked the peer team to provide observations and feedback on:

**Community engagement** – how effectively the council engages with the community and benefits from the capacity of local communities; and

**Digital direction** – to give an external perspective on the digital direction the council is taking and its strategy for doing so.

## **The peer challenge process**

It is important to stress that this was not an inspection. Peer challenges are improvement-focused and tailored to meet individual councils' needs. They are designed to complement and add value to a council's own performance and improvement focus. The peer team used their experience and knowledge of local government to reflect on the information presented to them by people they met, things they saw and material that they read.

The peer team prepared for the peer challenge by reviewing a range of documents and information in order to ensure they were familiar with the Council and the challenges it is facing. The team then spent four days onsite at Blackburn with Darwen, during which they:

- Spoke to nearly 100 people including a range of council staff together with councillors and external partners and stakeholders.
- Gathered information and views from some 30 meetings, visits to key sites in the area and additional research and reading.
- Collectively spent some 280 hours to determine their findings – the equivalent of one person spending eight weeks in Blackburn with Darwen.

This report provides a summary of the peer team's findings. It builds on the feedback presentation provided by the peer team at the end of their on-site visit (3<sup>rd</sup> to 6<sup>th</sup> December 2018). In presenting feedback to you, they have done so as fellow local government officers and members, not professional consultants or inspectors. By its nature, the peer challenge is a snapshot in time. We appreciate that some of the feedback may be about things you are already addressing and progressing.

## **4. Feedback**

### **4.1 Understanding of the local place and priority setting**

The Council demonstrates a deep understanding of its local place and the challenges and opportunities these present for communities across Blackburn with Darwen. This comes in part from the experience and stability of both the political and managerial leadership, who enjoy great respect across the Council and partner agencies. This understanding of place is also shared by staff across the authority, who are clearly committed to the communities they serve and work in a customer-focused way. Staff have a good awareness of the Council's current priorities for Blackburn with Darwen (in particular the emphasis on securing more jobs, houses and supporting vulnerable adults and children). This understanding of local communities is supplemented by further evidence to inform decisions around priorities, drawn from sources such as the independent State of the Borough assessment; Joint Strategic Needs Assessment and residents surveys.

The Council has begun a refresh of its Corporate Plan and priorities to 2023 which is due to be finalised by end of March 2019. This provides the opportunity to revisit and reshape priorities for the future. The Council should take advantage of this process to redefine its priorities more clearly and clarify the desired outcomes that are to be achieved. In parallel, the Council should focus its resources on those priorities which will make the greatest difference to the lives of residents across the Borough. The Council is aware that Blackburn with Darwen continues to suffer poor health, employment and income measures compared to many other areas. It should question whether this is being translated into effective whole council action to improve outcomes for people and across the place. The new Corporate Plan presents an ideal opportunity to increase focus on these challenges and develop actions across portfolios and services to address these. The improvements in the public realm and infrastructure already achieved are impressive, along with promoting Blackburn with Darwen as a place to invest, but the Council should now give more attention to how it can help local people to access more and better jobs through the development of a more inclusive approach to growth.

Blackburn with Darwen has an unusually high proportion of young people in its population (23% of the population are aged 15 or younger). Retaining their talent will be integral to the future of the Borough. Currently many leave the area to pursue higher education and do not then return. The Council has established good working relationships with Blackburn College to develop educational opportunities within the Borough, and has a strategic alliance with the college and Lancaster University. Its efforts to support the creation of high technology jobs should make the area more attractive to young people.

## 4.2 Leadership of Place

The peer team found that partners have real confidence in Blackburn with Darwen Council, both locally and across the region. This means that they are prepared to develop new initiatives and take risks they would not be prepared to attempt elsewhere. The Council is seen as an effective partner across the region, able to step up when partners have had to address other issues. It has played a key role across Lancashire in sustaining the Lancashire Public Services Board and Lancashire Property Board and in Pennine Lancashire through its chairmanship of the Leaders Board and active engagement with the Pennine Health Partnership.

The Council has worked well with partners across the economic growth agenda and in developing physical infrastructure. The Lancashire Local Economic Partnership (LEP) regards Blackburn with Darwen as a good source of 'oven ready' projects which has enabled it to secure a significant share of the investment funding made available via the LEP. It has maintained its Local Strategic Partnership (LSP) to bring together the public, private and voluntary sectors across the Borough, with the recent LSP visioning day being viewed as a particular success.

The Council is now moving on from a paternalistic approach (where it did things for and to the community) to one more based on co-production and getting communities to be more self-sufficient. One aspect of this has been the council's facilitation of the 'Your Call' initiative which has seen hundreds of people volunteer to undertake a range of activities across environmental and community services. In so doing, people are recognising that the Council no longer has the resources to do all that it once did (this is discussed further under Community Engagement later in this report). Notwithstanding the success of such volunteering programmes, the Council should ensure that it engages effectively with the wider voluntary and community sectors and that best use is made of resources available through the Blackburn with Darwen CVS and the Health and Wellbeing Consortium. There is scope to facilitate better joint working across the community and voluntary sectors.

These strong foundations of partnership working have contributed much to what the Council has achieved to date. There is scope to take this further. Partners expressed an appetite to build on the success of the local primary care networks to further empower local communities. They are willing to explore further neighbourhood place based working and the scope for alignment / pooling of budgets. This should enable all partners to more effectively tackle the underlying issues; develop bespoke solutions for different areas and offer the Council further potential to influence the use of a wider range of resources which are not under its direct control.

To make the Council's and partners contributions more effective, Blackburn with Darwen would benefit from developing a compelling vision and narrative that is clear about the transformation needed across both the people and place agendas – and of the future council to enable delivery of that vision. Whilst many people had a sense of the Council's vision, this was not widely and consistently understood. The vision should provide a framework to focus attention on the



‘wicked issues’ such as poor health outcomes; substance abuse and fear of crime which require multi-agency responses and a well engaged community to tackle. Having made significant progress on that place agenda (public realm and infrastructure etc.), greater focus is now needed on the people agenda. One of the Council’s strategic themes is that of the image and marketing of the Borough. This too now needs to focus more on people, both to attract and retain talent and to promote the opportunities provided by the Borough’s diverse and youthful population. The Council should consider how it can build on these opportunities in its marketing and promotion of the Borough as a place to visit, invest and live.

The Council should work with partners across the LSP so that the partnership is best placed to drive the next stage of transformation of the Borough, including wider public service reform, and to be accountable for delivery. Partners expressed the view that sometimes the LSP feels like a ‘talking shop’ which does not always translate discussion into delivery. The Council should harness the energy produced by the recent LSP visioning session and put in place a planned programme to further develop and deliver that vision, including engagement with partners and communities. The Council should ensure that its own vision and strategy aligns with the long-term aspirations of the developing LSP 2030 plan. The Council’s current Corporate and financial plans (such as the MTFs) cover a three year period. Notwithstanding the difficulties presented by uncertainty over national policy direction, the Council should extend its own planning horizons to give a clearer statement of the longer term direction.

### **4.3 Organisational leadership and governance**

The Council’s successful implementation of a Boundary Review in 2017 is noteworthy. This saw a reduction in the number of members on the Council from 64 to 51 (and from 23 to 17 wards), and associated changes in its governance arrangements. This led to a reduction in costs and a greater diversity in the membership of the Council following a one-off all-out election in May 2018. Blackburn with Darwen sees this as an important opportunity to launch a ‘new council’ to take forward the successes it has achieved over its first 20 years as a unitary authority.

This increase in the diversity of the membership of the Council from May 2018 is positive. With appropriate development, support and experience these new members should be able to undertake a leading role in the life of the Council. A range of mandatory and optional training and development courses have been provided to members of the new council. This member training offer is valued and take-up is good. The Council may wish to consider how it can further strengthen its development support for both new and experienced councillors. The published research about the changing role of members ‘The 21<sup>st</sup> Century Councillor’ (produced by the University of Birmingham with support from the North West Employers Organisation) identifies the skills required to be effective. The Council may wish to draw on the experience of organisations such as the LGA (which can offer a range of development tools and training which can be tailored to the needs of individual councils and their members) in reviewing its member development programme.

Officers and partners have confidence in the Council's stable political leadership and its ability to drive through change and new policies once these have been agreed. There are professional and mature relationships across the different political groups, demonstrated by the well established practice of the Leader of the Opposition having a seat on Executive Board and of officer briefings being extended to include shadow portfolio holders. In general, the political leadership and senior officers are seen as approachable by staff. Good relationships have been maintained with Trades Union partners through difficult times, when the Council has had to make significant reductions in staff numbers as a result of financial constraints.

At the time of the peer challenge, the Council's well respected Chief Executive had just announced his retirement. A report considered and approved by Policy Council on 6<sup>th</sup> December recommended that the current Deputy Chief Executive be appointed as the substantive Chief Executive from 1<sup>st</sup> May 2019. The Council believe that such continuity of leadership is important at this time.

As part of the governance review, the number of scrutiny committees was reduced to three – considering People, Place and Policy & Corporate Resources. Executive members and Directors engage with scrutiny to develop work programmes to help align these with Council priorities. Members from all parties feel able to challenge the executive through scrutiny, without a detrimental impact on relationships. Use of call-in appears appropriate. However, like many places, the resources to support scrutiny activity have been reduced (there is one full time officer to support the scrutiny committees) and the peer team found few examples of where scrutiny had a clear impact. The Council should ensure that best use is made of these limited resources, in particular through more effective pre-decision and policy development work clearly linked to Council priorities. Task and finish groups may well be an effective approach for aspects of such scrutiny.

The Chief Executive and Deputy Chief Executive form the Executive Management Team, meeting weekly (with other Directors as relevant). This is one of the main mechanisms for corporate management co-ordination. There is a perception that the Council is a hierarchical organisation. This appears to stem in part from the practice of developing and managing budgets, and determining how to deliver agreed priorities and manage performance, through portfolios and service departments. Also, there is an impression that communications and development of business plans go up and down departmental silos, rather than across service areas or through a whole Council approach. This may have the benefit of strengthening relationships between portfolio holders and the eight service Directors (who with the Chief Executive and Deputy Chief Executive comprise the Corporate Management Board which meets fortnightly) and making portfolio holders clearly accountable for delivering priorities. However, this may be at the expense of a more corporate approach.

The Council should now consider how to strengthen its ability to tackle cross-cutting issues. This could be achieved through a range of actions. For example, renewed organisational structures to deliver enhanced strategic capacity,



introduction of dedicated change management capability and new ways of working. The report to Policy Council on 6<sup>th</sup> December regarding the appointment of a new Chief Executive also recommended the deletion of the Deputy Chief Executive post and asks the Chief Executive designate to undertake a review of the senior management structure. This provides an opportunity to strengthen corporate working and strategic capacity.

Many people understand the need for further change in how the Council works, in order for it to be sustainable in the face of further financial constraints and to continue to deliver better outcomes for the Borough. However, there is uncertainty as to what the future council may look like. There is a need for a clearer vision, narrative and plan around the next stages of whole council transformation. This will give a stronger sense of direction, helping people to better understand their role in bringing about that transformation.

In support of that transformation, there needs to be more investment in staff and leadership development and opportunities for more cross service working and development, to engage a wider range of staff and managers in the future direction of the Council. For example, regular meetings of a cohort of middle managers with a clear remit and purpose to deliver defined outputs. There have been major reductions in training budgets, which has reduced the ability to undertake in particular external training and development. Development opportunities through working to shape the new Council and inform priorities would clearly be beneficial, as would a bespoke leadership programme.

#### **4.4 Financial planning and viability**

There is a good understanding of the financial challenges that the Council is facing. Along with reductions in central government funding, Blackburn with Darwen is facing growing demands for adult and children's social care and reductions in anticipated income from waste and recycling. In previous years reserves have been used to balance the budget, but the Council recognises that this is not sustainable. Currently reserves represent about 4.5% of the Council's net spend of £131m. This is relatively low and the authority needs to strengthen its reserves position. A detailed savings programme has therefore been developed with the close involvement of portfolio holders through Portfolio Development Sessions with chief officers. These include workforce reviews (the number of staff having been reduced by a third since 2010), alternative service delivery models and income generation. The digital strategy is also intended to deliver savings. The Council should continue to closely monitor the delivery of the savings to ensure that they are realised.

The Council has successfully implemented a new real time financial information system – Civica Financials – which was well supported by appropriate training in its use. This has given a wide range of managers access to up to date financial information, which should assist budget management. Financial Business Partners are integrated into services which gives the central finance function appropriate assurance and encourages an honest dialogue around budget management.

Blackburn with Darwen has continued to make capital investment in regeneration and housing schemes, which should contribute to its and the Borough's financial resilience in the longer term. This has been aided by the Council's strong record in securing external funding.

The Council acknowledges that its approach to savings in the past has largely been achieved through 'salami slicing', identifying a percentage reduction to be achieved across portfolios and the constituent service areas based on member agreed priorities and recognises that a more transformational approach is now needed. This should be strategic and corporate, cutting across departmental silos to ensure that savings are sustainable in the medium to longer term.

Notwithstanding the real need to make savings now, the Council should guard against a short term approach which could put at risk preventative activities which may yield greater savings in the long term. It should look carefully to ensure that resources are clearly aligned to its priorities, undertaking a base budget review where necessary.

The search for sustainable savings needs to be underpinned by long term and clear plans for whole council transformation, including the digital strategy, to deliver service improvement alongside savings. The current Medium Term Financial Strategy (MTFS) covers just three years to 2020/21 due to uncertainty around central government decisions regarding the framework for local government funding. However, the Council should not allow this to inhibit its longer term planning regarding the things it can control. It should endeavour to produce a financial strategy aligned to its transformation plans with quantified savings, underpinned by reasonable assumptions about the national position.

Financial reports monitoring spend against budget are presented quarterly to the Executive. In addition to these published reports, it is evident that there are regular briefings to portfolio holders and the wider ruling Labour Group which update members on the financial position. However, the Council should consider if more regular financial reporting to all members would increase their engagement with the budget challenges the authority is facing. Members need to maintain their focus on those challenges, in the context of Council priorities to ensure that resources are being best used to deliver their key priorities. Similarly, the Council should ensure that a wide range of managers and staff are also able to contribute to the identification and delivery of savings and the development of budget proposals.

## **4.5 Capacity to deliver**

Blackburn with Darwen benefits from many committed, motivated and passionate staff. Their efforts are leading to innovation within service areas. The Council's workforce is ageing (over 50% are aged 45 or older) and it recognises the need to grow its own talent. The Council is making good use of the apprenticeship levy. It has 51 apprentices and is also using the levy to help with the development of more experienced staff (other training budgets having shrunk). Staff are supported to gain social work degrees to enable them to join this key service which is

experiencing recruitment challenges nationally. On-line tools have been introduced to support wider training and development at lower cost.

The Council increases its capacity through effective partnership working with other agencies and the wider community, including the facilitation of volunteering. Commercial approaches are being used in some services to generate additional revenue, for example in selling HR support services to other agencies and in leisure services.

There is a regular, biannual staff survey with generally favourable results. In response to the 2017 survey, the Council made three pledges to its staff – to boost employee morale; improve communications and involvement and improve access to relevant technology. A short, focused survey has just been completed to help assess progress in delivering these pledges.

Resources have been reduced and it appears that the workforce is feeling the strain. There is a widespread feeling that the Council has too many priorities and key performance indicators (KPIs) – of which there are over 120. These need to be rationalised to create the capacity to deliver change, sustain improvement and ensure that the Council's real priorities are delivered. The Council has recognised the need to do this and the current refresh of the Corporate Plan presents an ideal opportunity for this.

Currently the principal corporate performance management activity is a six monthly report to Executive Board of KPIs across the different portfolios, with exception reports explaining action being taken for KPIs which are below target. This is supplemented by performance challenge sessions involving the Deputy Chief Executive and relevant Directors. This performance management needs to be more frequent and focused around a corporate dashboard of a limited number of KPIs. This will direct attention to key priorities, be sustainable and give greater scope to address underperformance in a timely fashion.

Greater co-ordination and visibility of a whole council transformation plan would give staff confidence that it is joined-up and can be delivered, and reduce the impression that people are simply fire-fighting to meet immediate pressures for savings. This will enable best use of the Council's capacity for change. A more comprehensive approach to organisational development including culture change and workforce engagement should be aligned to that transformation plan. Further consideration could be given to staff engagement. This could include a rewards and recognition scheme for staff - perhaps on a quarterly basis - which can then feed into an annual awards night.

The Council has correctly identified the need to develop a workforce fit for the future and is taking action to bring this about. But this needs to be shaped by a clearer understanding of what the future council will look like. The workforce strategy should then identify the knowledge, skills and experience needed to manage and deliver that change and introduce new ways of working, including preparing staff for the digital environment of the future.

## 4.6 Community engagement

The Council has taken an evolutionary approach to neighbourhood working, rooted in strong partnerships with other agencies and local communities. Co-location has been an important feature of this – for example of police and Council Neighbourhood Teams. The Council works closely with health partners through the recently established framework of Local Health & Social Care Networks. The Transforming Lives Programme (Blackburn with Darwen's way of delivering the national 'Troubled Families' programme) is integrated with Neighbourhood Services and aims to both improve outcomes and reduce demand through more effective prevention. The Council is working to strengthen relations between different communities across the Borough and is one of five pilot areas for the Government's Integration Area programme.

The Borough's Youth MP was voted in by several thousand young people and participates in discussion at the Council's Executive. Blackburn with Darwen has an unusually high proportion of young people in its population. The Council should do more to emphasise this as a strength and opportunity for the area. This could be linked to other initiatives, for example a 'Festival of Youth' to mirror the successful 'Festival of Making' or a young volunteers taskforce – and to the wider promotion and marketing of the Borough.

The Council launched the Your Call campaign in 2011. This was in recognition that the Council would no longer have the resources to do all it had previously done and it was seeking to galvanise communities into taking more action and responsibility for themselves. Your Call has been remarkably successful in encouraging people to volunteer on behalf of their local communities and in developing an ethos of self-help. In 2017-18, there were 783 events attended by 6332 residents – and the indications are that these numbers will be greater in 2018-19. Residents have participated in a wide range of activities – litter picking and other environmental projects; befriending vulnerable people; community and road safety initiatives. Both members and staff at the Council are supportive of these volunteering initiatives.

Securing such high levels volunteering has been aided by Blackburn with Darwen participating in the Lancashire Volunteering Partnership which provides a county-wide resource to recruit, promote and manage volunteers, including through the Partnership's website. But volunteering in the community has also gained a momentum of its own – not least through community-led Facebook pages which have encouraged wider participation in litter picking activities. Not all this activity may currently feature in recorded volunteer hours.

The Council has also undertaken asset transfers – for example seven community centres are now run by volunteers and similarly all but the two main libraries (in Blackburn and Darwen town centres) are staffed by volunteers. There have also been transfers of some leisure facilities and bowling greens. The Council has provided on-going support to these asset transfers to ensure sustainability. But it may now wish to reflect on the extent of that support and consider putting in place

a programme to give local groups the confidence to take on greater responsibility for repairs and maintenance and insurance etc. This would enable such transfers to make a further contribution towards the Council's own financial sustainability.

The success of Your Call to date gives the Council some great strengths on which to build. The success in recruiting volunteers has not been consistent, either by geographical area or by theme. For example, many more are involved in litter picking than in some of the more challenging areas (such as befriending vulnerable people, tackling social isolation or working with children and young people). More can still be done to encourage further volunteers (in particular in areas where there are currently fewer volunteers) and to sustain the number of people already participating in such activities, the risk of volunteer 'burn-out' being recognised. This could include providing a mechanism to regularly meet with a selection of volunteers from across the full spectrum of the volunteering areas. This would demonstrate that the Council is willing to listen and act on the suggestions of volunteers and provide further guidance and support where necessary.

The Council should itself be prepared to make more use of social media and to further support community use of the same. It could also consider a formal staff volunteering scheme – not least because 70% of staff reside in the Borough. For example, Barnsley MBC allows three working days per year for volunteering in the Borough. This often allows teams to work together on a project outside their normal work environment which can be a valuable team building / development opportunity.

The Council has noted an increase in people not following guidance around which items to recycle. This is leading to contaminated waste streams which is contributing towards a drop in income from waste management. As a result of budget reductions, the posts of recycling education officers were cut. Members of the team have agreed to share their experience of encouraging such re-cycling rates with Blackburn with Darwen, in particular the approach being adopted by Durham County Council.

The Council currently has no arrangements for devolving financial resources to a neighbourhood level, or in providing funding for use at the discretion of local members. The main mechanism for engagement at ward level are the Ward Solutions meetings. However, following the withdrawal of officer support as a result of funding constraints, these are inconsistently applied across the Borough and are difficult to distinguish from ward surgeries. There is a feeling that this approach has run its course. As partnerships mature and drawing on the confidence in the Council felt by many agencies, there is an opportunity to devolve more resources and decision-making responsibility to ward level and build on the Health & Social Care Partnerships. The peer team believe this would be supported by both elected members and partners and offer greater responsiveness to local communities.

## 4.7 Digital direction

The Council has recently appointed a new Director of Digital and Business Change. This should provide valuable additional capacity at a senior level to drive forward the digital agenda. A new departmental structure is being put in place to support the Director, with associated governance arrangements which should offer all services the potential to be involved. Importantly, Blackburn with Darwen has recognised the importance of being a 'digital borough' if the Council's own digitisation agenda is to be successful. This should help it understand the support that communities will need for the wider use of digital and social media to be embedded, and for this to become the normal way for citizens to interact with the Council.

There is an appetite across the organisation to digitalise both internally and externally at the customer interface. This is backed up by several examples of where technology-related change has been introduced successfully. These include in the new customer services centre; HR and Finance systems and in the refurbishment of the Duke Street offices and associated new ways of working. To help demonstrate how new ways of working can be introduced to the Town Hall, an office (Room Q4) has been equipped to demonstrate what the future office will look like - to help people visualise this and how they can work in this environment. The Council is confident that its new website is progressing well and on-track to be delivered to schedule.

It is important to recognise that digital is one aspect of the transformation agenda and needs to be seen as part of a single, council-wide transformation strategy. The accommodation strategy should also be included as part of that wider strategy, as could workforce development, service transformation etc. Bringing these together in one place will help the leadership team develop a narrative and clearly communicate this to all. This should be reflected in the refreshed Corporate Plan and show how the vision of the future council will be delivered.

To give clarity and confidence in delivery, an IT strategy and roadmap for delivery is required to give visibility to the key priorities. A 'Plan on a Page' would be helpful in communicating these. More work is required to identify realistic and cashable savings, so there is greater understanding of the contribution that the digital agenda can make to the savings required to balance the budget over the coming years (and the capital investment and revenue funding required to realise these). There will be a need to manage expectations around timescales and achievable savings.

For technology enabled change to be successful, it needs to be supported by workforce development and a recognition that IT and digitalisation is everybody's business. The digital direction of the authority needs to be integrated into the organisational development strategy and workforce planning. In rolling-out the digital agenda, the Council should consider if there are further opportunities to work with partners – including sharing and analysing data to drive out greater insight into how to tackle the challenges facing the Borough and its communities.



## **5. Next steps**

### **Immediate next steps**

We appreciate you will want to reflect on these findings and suggestions with your senior managerial and political leadership in order to determine how the Council wishes to take things forward.

As part of the peer challenge process, there is an offer of further activity to support this. The LGA is well placed to provide additional support, advice and guidance on a number of the areas for development and improvement and we would be happy to discuss this with you. Claire Hogan, Principal Adviser is the main contact between your authority and the Local Government Association (LGA). Her contact details are: Tel 07766 250347 or Email [claire.hogan@local.gov.uk](mailto:claire.hogan@local.gov.uk) .

In the meantime, we are keen to continue the relationship we have formed with you and colleagues through the peer challenge. We will endeavour to provide additional information and signposting about the issues we have raised in this report to help inform your ongoing consideration.

### **Follow up visit**

The LGA peer challenge process includes a follow up visit. The purpose of the visit is to help the Council assess the impact of the peer challenge and the progress it has made against the areas of improvement and development identified by the peer team. It is a lighter-touch version of the original visit and does not necessarily involve all members of the original peer team. The timing of the visit is determined by the Council. Our expectation is that it will occur within the next 12-24 months.

By virtue of paragraph(s) 3 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

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