Public Document Pack

Executive Board

Thursday, 14 March 2019
Time: 6.00 pm
Venue: Meeting Room A
Address: Blackburn Town Hall

AGENDA

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

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

Health and Adult Social Care

11. Matters referred to the Executive Board

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

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

EXECUTIVE BOARD
Thursday, 14th February, 2019

PRESENT

COUNCILLOR:	PORTFOLIO:
Councillor Maureen Bateson MBE	Children Young People and Education
Councillor Shaukat Hussain	Neighbourhood and Prevention Services
Councillor Andy Kay	Resources
Councillor Mohammed Khan	Leader
Councillor Phil Riley	Regeneration
Councillor Jim Smith	Environment
Councillor Damian Talbot	Leisure and Culture
Councillor Brian Taylor	Health and Adult Social Care
EXECUTIVE MEMBER:	**NON-PORTFOLIO:**
Councillor John Slater	Leader of the Conservative Group

ALSO IN ATTENDANCE

Uday Akram	Youth MP
A'Aishah Patel	Deputy Youth MP
Corey McPartland	Deputy Youth MP
Ailyah Shah	Outgoing Deputy Youth MP
Sameer Ali	Outgoing Deputy Youth MP

	Item	Action
1	**Welcome and Apologies** The Leader of the Council, Councillor Mohammed Khan, welcomed everyone to the meeting, in particular, the newly elected Youth MPs. Apologies were received from Elle Walsh, Outgoing Youth MP.	
2	**Minutes of the Previous Meeting** The Minutes of the meeting held on 10th January 2019 were approved as a correct record and signed by the Chair.	**Approved**
3	**Declarations of Interest** Councillor Damian Talbot declared an interest in Agenda Items 9.1 and 11 (Disposal of Council Land at Tower Road).	
4	**Equality Implications** The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.	**Confirmed**
5	**Public Forum** In accordance with Part 4 of the Executive Board Procedure Rules for questions/statements by members of the public, the following questions/statements have been received, details of which are set out below:-	

	Item	Action

Name of Person asking the Question	Subject Area	Response by
Shelagh and Jack Ellison	Land at Tower Road, Blackburn	Councillor Phil Riley – Executive Member for Regeneration
Leigh Keen, Chair of Feniscliffe Bank Residents Association	Land at Tower Road, Blackburn	Councillor Phil Riley – Executive Member for Regeneration

Councillor Phil Riley provided responses to the questions and supplementary questions arising.

6 **<u>Questions by Non-Executive Members</u>**

No questions were received from Non-Executive Members.

7 **<u>Youth MPs Update</u>**

The Deputy Youth MPs verbally updated the Executive Board, with the key points being as follows: **Noted**

- In November, attendance at the annual UK Youth Parliament House of Commons sitting. The top 5 national issues of the Make Your Mark Campaign where debated throughout the day these were:

  1. Mental Health
  2. Equal Pay for Equal Work
  3. Votes at 16
  4. End Knife Crime
  5. Tackling Homelessness

- Hosting of the BwD Youth Forum's 5th annual Takeover Challenge in November at King Georges Hall. Councillor Bateson officially opened the event. Two workshops on Food Poverty & Period Poverty with support from Food Power and Femcura were delivered.

- 11 new Youth MP candidates participated in a 3 day residential to Kentmere in early January. They participated in team building activities along with their manifesto campaigns and video campaigns.

- On Monday the new Youth MP's were announced who were in attendance today: Uday Akram Youth MP, A'Aishah Patel Deputy Youth MP & Corey McPartland Deputy Youth MP. A record number of young people voted in BwD Youth

	Item	Action

Elections (9,368).The BwD Youth forum would be attending a residential at the end of March where they will be supported by YPS and the Integration team in some training regarding upcoming commissioning bids.

- A meeting would be held with Public Health next week to consult on a website called ‘Kooth’, an on-line counselling and emotional well-being platform for children and young people. This was a suggestion by young people at the Takeover Challenge on Mental Health hosted in 2017.

- Thanks were passed to all who had supported the Youth MPs and best wishes were passed to the new Youth MPs.

Members of the Executive Board thanked the Youth MPs for their contribution, and the Chief Executive, Harry Catherall presented Aliyah with an award in recognition of her contribution as a Deputy Youth MP.

8 **Executive Member Reports**

LEADER

8.1 **Social Integration Programme**

It was reported that working in partnership with the Ministry of Housing, Communities & Local Government (MHCLG), Blackburn with Darwen Council had 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 had left a significant time pressure to deliver the agreed programme for Year 1 (2018/19).

Confirmation of Year 2 funding was expected by the end of the financial year, March 2019, with an expectation that the Council would demonstrate funds committed by March 2019.
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 was 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)

	Item	Action
	• Youth Ambassadors (£120,000) • Workforce Integration Ambassadors (£15,000) • Work Placements and Apprenticeships (£150,000) The total value of the above commissions was £520k, utilising the 2018/19 allocation and a proportion of the 2019/20 allocation subject to MHCLG being able to allocate against committed expenditure. **RESOLVED –** 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.	**Approved**
	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.	**Noted**
	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.	**Noted**

HEALTH AND ADULT SOCIAL CARE

Children, Young People and Education

The Executive Member, Councillor Maureen Bateson, verbally reported that the 'Make a Noise' event, involving young people in our care would be held on 26th February and she invited the Youth MPs to attend.

ENVIRONMENT

LEISURE AND CULTURE

NEIGHBOURHOOD AND PREVENTION SERVICES

REGENERATION

RESOURCES

8.2	**Revenue Budget Monitoring: Quarter 3** Members received a report on the overall revenue financial position of the Council, highlighting any significant issues and	

	Item	Action
	explaining variations in the third quarter of the financial year.	
	RESOLVED –	
	That the Executive Board approve:	
	• the portfolio budget adjustments outlined in Appendix 1.	**Approved**
	• the Earmarked reserves position at 31st December 2018, as shown in Appendix 2; and	**Approved**
	• 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 31st December 2018.	**Approved**
8.3	**Capital Budget Monitoring: Quarter 3**	
	A report was submitted the overall financial position of the Council in respect of the capital programme as at 31st December 2018, highlighting key issues and explaining variations in the first 9 months of the financial year.	
	RESOLVED –	
	That the Executive Board is asked:	
	• to approve the revised capital programme as per Appendix 1	**Approved**
	• to approve the variations to the programme shown in Appendix 2	**Approved**
9	**Corporate Issues**	
9.1	**Disposal of Council Land at Tower Road, Blackburn BB2 5LE**	
	The Executive Board received a report which outlined the outcome of the Informal tender for the Council owned land at Tower Road, Blackburn and sought approval to dispose of the site for housing development to the recommended preferred bidder.	
	The report outlined the objections of the appropriation of land process and sought approval to conclude the appropriation of land at Tower Road for disposal.	
	Additionally, the report outlined the process for the disposal of 'open space' and requested delegated authority for the consideration of any objections and if appropriate approval for the disposal of 'open space'.	
	RESOLVED –	
	That the Executive Board:	

	Item	Action
	2.1 Approves the appointment of Bidder A as preferred bidder.	**Approved**
	2.2 Approves the appointment of Bidder B as reserve bidder.	**Approved**
	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.	**Approved**
	2.4 Approves the appropriation of land at the Tower Road site from Environment and Health & Adult Social Care portfolios to Regeneration & Growth.	**Approved**
	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	**Approved**
	2.6 Grants permission for Council officers to negotiate Heads of Terms to finalise the terms of the disposal.	**Approved**
	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; and	**Approved**
	2.8 Authorises the Director of HR, Legal and Governance to complete the necessary legal formalities.	**Approved**
9.2	**<u>Peer Review</u>** The Local Government Association (LGA) undertook a Peer Review at the Council from 3rd to 6th December 2018 providing an external perspective on how well the Council was performing and on its future plans. 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 had now been received and is appended. The Peer Team had outlined 11 recommendations in their report for the Council to consider. The comments and observations from the Peer Team were	

	Item	Action
	positive with particular reference to the deep understanding of place and the challenges and opportunities presented, the widely respected political and managerial leadership at the Council, partners having a real confidence in the Council as well as passionate staff who were committed to the area. The report also highlighted that the Council had helped to bring significant improvements in infrastructure attracting inward investment and indicated that the Council should consider further steps to ensure that more local people could benefit from the economic activity generated. A formal response to the recommendations and an action plan was being developed and will be brought to Council Forum in March 2019. **RESOLVED –**	
	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 was being developed for consideration at Council Forum in March 2019.	**Noted**
10	**<u>Matters referred to the Executive Board</u>** None	
11	**<u>Disposal of Council Land at Tower Road, Blackburn BB2 5LE</u>** Further to the report submitted at Agenda Item 9.1, a report was submitted containing commercially sensitive information. **RESOLVED -** That the Executive Board:	
	2.1 Approves the appointment of Bidder A as preferred bidder.	**Approved**
	2.2 Approves the appointment of Bidder B as reserve bidder.	**Approved**
	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.	**Approved**
	2.4 Approves the appropriation of land at the Tower Road site from Environment and Health & Adult Social Care portfolios to Regeneration & Growth.	**Approved**
	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	**Approved**

	Item	Action
	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.	**Approved**
	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.	**Approved**
	2.8 Authorises the Director of HR, Legal and Governance to complete the necessary legal formalities.	**Approved**
	Signed at a meeting of the Board on Thursday, 14 March 2019 (being the ensuing meeting on the Board) Chair of the meeting at which the Minutes were confirmed	

DECLARATIONS OF INTEREST IN

ITEMS ON THIS AGENDA

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

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

MEETING: **EXECUTIVE BOARD**

DATE: **14TH MARCH 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

REPORT OF:	Executive Member for Children's Services, Young People & Education
LEAD OFFICERS:	Director of Children's Services
DATE:	14th March 2019

PORTFOLIO/S AFFECTED:	Children's Services, Young People & Education
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☐ **NO** ☒

SUBJECT: Fostering Service Quarter 3 Report 1st October to 31st December 2018

1. EXECUTIVE SUMMARY

This report provides information on the management and performance of the Local Authority's Fostering Service.

2. RECOMMENDATIONS

That the Executive Board:

Notes the Quarterly Report which is available on the Council's website.

3. BACKGROUND

The Fostering Service Regulations 2011 and the National Minimum Standards for Fostering Services requires that the Council Executive:

a) Receive written reports on the management, outcomes and financial state of the Fostering Service every 3 months;

b) Monitor the management and outcomes of the services in order to satisfy themselves that the service is effective and is achieving good outcomes for children;

c) Satisfy themselves that the provider is complying with the conditions of registration.

The report has been written to address the issues identified above. It will be taken into account by OFSTED in inspecting the service.

The report is for the third quarter of 2018 – 19, covering the period from 1st October to 31st December 2018 and provides an overview of the service.

4. KEY ISSUES & RISKS

1. There was a significant increase in the number of children in care (CioC) in Quarter 3. It rose by 28 children and 21 of these were referred to the fostering service. The capacity of the fostering service to provide placements for these children was already under great pressure at the end of Quarter 2 and the availability of placements in Quarter 3 is currently very low. Independent fostering agencies are also under pressure as the number of CioC has increased both regionally and nationally so keeping children in a fostering rather than residential environment has been a challenge. Despite the challenge the proportion of looked after children in foster placements increased by 5 % in Quarter 3 and the proportion in in-house placements increased by 2.4%. The service continues to take care to match children with placements appropriately to avoid early disruption. In Quarter 3 the pressure to identify suitable placements for sibling groups and older children has continued and there has also been a significant demand for baby placements, parent and child placements and for short breaks.

2. Placement pressures have resulted in an increase in the use of commissioned foster placements. The number of independent fostering agency placements increased from 33 in Quarter 2 to 52 in Quarter 3 However, the use of agency residential placements fell slightly.

3. The demand for Regulation 24, Viability and Combined assessments of family friends was high in Quarter 3 with 69 referrals in total. This has created a pressure for the service as the Permanence Team has limited capacity to manage this number of assessments. The number of approved family and friends carers has however remained constant as the majority of assessments have led to Special Guardianship Orders (SGOs).

4. The overall number of foster carers managed by the fostering service fell by 2 in Quarter 3. This is because there were 9 resignations, six of these by family and friends foster carers who progressed to SGOs for the children in their care. Recruitment activities generated good interest and at the end of the Quarter, there were 7 prospective households in assessment. Unfortunately, 4 households withdrew from assessment in Quarter 3 due to changes in personal circumstances which means that the target of 15 new households for the year will not be met.

5. The feedback from children and young people when contributing to foster carer reviews is generally positive. However, since the Participation Officer left Blackburn with Darwen in August, the VOICE Group has not met which has limited the level of feedback from children and young people in care. There has not been sufficient staffing capacity to maintain the VOICE in recent months but the group will be re-launched in February with two care leavers helping to keep it going. It will be launched at the ‘Make a Noise’ event planned for February half-term.

6. Placement stability dipped by 0.9% compared to the same Quarter last year, which means that slightly more children in care have has 3 or more placements since they entered care. The Revive Service, Children in our Care Service and Fostering Service work well together to minimise the number of placement disruptions going forward.

7. Participation work has been limited in Quarter 3 following the departure of the Participation Officer. The VOICE group has not met for some time and a number of Investing in Children awards, including that of the Fostering Service are due to be reviewed. There has been no spare capacity to drive this work forward but the VOICE group is to be re-established in Quarter 4 co-led by two care leavers. A consultation event for children in our care ‘Make a Noise’ will took place in February to re-launch the participation work and recruit new members to the VOICE.

5. POLICY IMPLICATIONS

No policy implications identified

6. FINANCIAL IMPLICATIONS

The fostering budgets are closely monitored as part of the regular portfolio budget review. The financial implications of the increased pressures outlined above lie within the commissioned placements budget.

7. LEGAL IMPLICATIONS

This report is required to meet statutory requirements as set out in the 'National Minimum Standards for Fostering.'

8. RESOURCE IMPLICATIONS

No resource implications have been identified.

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

None.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	**1.0**

CONTACT OFFICER:	Alyson Hanson - Service Leader, Placement Services

DATE:	30th January 2019
BACKGROUND PAPER:	Fostering Service Quarterly Report 1st October to 31st December 2018 - Quarter 3

Fostering Service Quarter 3 Report

1st October to 31st December 2018

Executive Report

Quarterly reports to the Executive Board are a requirement of the Fostering Service to meet Standard 25.7 of the National Minimum Standards for Fostering Services. They are a key part of the documentation considered by OFSTED when conducting a Service inspection.

Introduction

Blackburn with Darwen Borough Council's Fostering Service aims to ensure that:

- The best foster carers are recruited for our children;
- All placements receive high quality support, effectively targeted according to need;
- Children are found permanent families without delay; and
- Children and young people in foster care achieve the best possible outcomes.

Children in our Care in Foster Care

The number of children in our care has fluctuated during this year peaking in Quarter 3 at 388.

	31st March 2018	30th June 2018	30th Sept 2018	31st Dec 2018
Number of Children in our Care	377	343	360	388
Number of CioC in Foster Care	215 (57%)	209 (61%)	225 (62.5%)	262(67.5%)
Number of children in in-house foster care placements	118 (31%)	120 (35%)	139 (38.6%)	158(41%)
Number of children in family and friends foster care	48 (13%)	45 (13%)	45 (12.5%)	45 (11%)
Number of children in independent fostering agency placements	49 (13%)	44 (13%)	41 (11.4%)	59(15%)

The availability of foster placements both in-house and through independent agencies remains challenging, particularly for older children and sibling groups. However, the Service managed to increase the proportion of children placed in foster care in Quarter 3 by a further 5% from Quarter 2 and increase the percentage of children placed in house by 2.4%. There has been a significant increase in the percentage of children placed with independent fostering agencies as the demand for placements in December exceeded in-house availability. Currently, the demand for baby placements and siblings, including siblings in the younger age groups, has become challenging.

In-House and Agency Placements

Gender breakdown

	All children in foster care	In-house	Family and Friends	Independent Fostering Agency
Male	149	94	18	37
Female	113	64	27	22

	No of Children	Sibling Groups	Age 0 - 5	Age 6 - 11	Age 12+	Children placed in-house	Fostering Agency	Residential placements	Children didn't come in	Waiting to be placed
Oct	31	4	15	9	7	19	6	0	5	1
Nov	13	3	6	4	3	11	0	0	2	0
Dec	26	7	18	3	5	7	13	0	5	1
Q3 total	69	14	38	16	15	37	19	0	12	2

Age break down

Age	All children in foster care	In-house	Family and Friends	Independent Fostering Agency
0 to 2	54	33	10	11
3 to 6 years	33	16	8	9
7 to 10 years	54	30	11	13
11 to 15 years	94	62	12	20
16 and 17 years	27	17	4	6
Total	262	158	45	59

New Referrals in Quarter 3

There was a significant rise in the number of referrals to the Fostering Service from 47 in Quarter 2 to 69 in Quarter 3. Whilst the referrals were spread across the age range, there was a notable increase in the number of children aged 0 to 5 years referred, from 18 in Quarter 2 to 38 in Quarter 3. Younger children are somewhat easier to place but given that the Service placed 28 children (100% of those referred) in-house in the previous Quarter, the Service has almost reached total saturation point. However, the Service managed to place 37 children in-house in Quarter 3, 54% of the number referred in to the Service and 65% of the number that came into care.

In December, it became very difficult to place in-house meaning that 13 children needed to be placed with independent fostering agencies. During the same period 12 months ago, the number of referrals to the Service was lower (47) and the largest group of children referred were in the 12 years+ age group (22).

Matching and Ethnicity

During Quarter 3, a sibling group of three children were placed with non-culturally matched carers with the agreement of the social worker who wanted to keep the children local and with in-house foster carers. We placed one other child non-culturally because of an absence of Thai foster carers.

Feedback from children in Foster Care

The feedback received from children in foster care is generally positive. Their views are obtained from:

- Participation in the VOICE and Junior VOICE groups;
- The work of the Participation Champions in the Service;
- The Investing in Children assessment process;
- Participation in staff recruitment (interviews) and foster carer training;
- Contributing to the Annual Review report of the foster carers looking after them;
- A support group for birth children and grandchildren; and
- Social worker feedback for foster carer reviews.

Children, young people and their social workers made the following comments about placements when contributing to foster carer reviews in Quarter 3:

Some comments from children and young people include:

‘Amazing, they take good care of me’.

‘Yeah I feel supported; they do everything my mum should have done’.

‘Not seeing enough of my mum makes me sad’.

‘I don’t like not being allowed to be on my TV all day’.

‘Y supports me always and R helps me with my homework’.

‘It’s nice living with B because I get to have sweets, watch movies, eat popcorn and buy toys’.

Some children and young people prefer not to comment but are happy to tick the boxes indicating that they are happy with their foster carers.

Social Workers said:

One social worker passed on comments from a birth parent:
‘I feel lucky that the children have been placed with Mr and Mrs D who have done a good job. I wouldn’t have been able to bring them up as they have. They have good manners, are polite and happy children.’

‘B has demonstrated a great commitment to D by agreeing to train in DDP to help encourage his social development and ability to trust that adults can take care of him, thus allowing him to relinquish his need for control’.

‘C speaks highly of the care afforded to her by J and continues to visit her twice a week even though she is now settled in her own accommodation.’

Birth Children said:
‘I think the last year has gone alright because we now have foster babies’.

‘The last year has been decent’.

Promoting Children’s Health, Emotional Development, Education & Leisure
Foster families are provided with pre and post-approval preparation and training on the importance and availability of health, education and leisure services to enable them to help children achieve their potential and enhance their emotional wellbeing.

Looked After Children and young people are encouraged to participate in a variety of activities in which they can succeed and are supported in achieving better outcomes. All local Looked After Children and care leavers are provided with a Be Active card, which enables them to access free sport and leisure activities within the Borough. Foster carers are also provided with a MAX Card, which offers heavily discounted access to a range of leisure parks and facilities around the North West. This is funded by the Fostering Service in partnership with the Foster Carer Association.

Children in foster care have regular medicals at the statutory frequency appropriate for their age. There is a Designated Nurse for Looked After Children, who takes an active role in following up health issues and assisting with health promotion work. Foster carers have a Health Passport for each child in their care, which is a record of all of the child’s health details. Public Health funding for 18 months has enabled the appointment of a Specialist Nurse to work with ‘hard to reach’ Looked After Children and care leavers.

There are currently 13 Looked After Children in foster care, who are registered as having a disability. Foster carers are provided with the relevant training and support to meet the specific needs of the child they have in placement.

In relation to emotional wellbeing, Looked After Children have access to Clinical Psychology and related services through REVIVE and the East Lancashire Child and Adolescent Service (ELCAS) also known as Children and Adolescent Mental Health Service (CAMHS). The REVIVE Service is a partnership between Blackburn with Darwen Borough Council’s Children’s Services and East Lancashire Hospital Trust to provide emotional health support for children known to the Local Authority and is based at Duke Street. REVIVE delivers consultation to foster carers, training and direct intervention on emotional health and well-being. Feedback from foster carers following consultation is positive. The REVIVE Service has delivered training to foster carers on self-harm and on attachments.

23 new referrals were made to the REVIVE Service in Quarter 3. 4 were made by the Children in our Care Team and 1 from the Fostering Team. 8 of the referrals were for children subject to either a full or interim care order with the remainder being made by the Assessment and Safeguarding Teams. Each referral is provided with a full consultation meeting. A Psychologist in clinical training joined the team in October and will be jointly facilitating a 12 session Nurturing Attachments course for foster carers starting in January.

As well as mandatory First Aid training, foster carers also receive training on a variety of health-related issues including 'Infectious Diseases in Childhood' and 'Managing Medicine.' Phase 1 of a 'Healthy Homes' training package for carers has been developed.

In line with Standard 8 of the National Minimum Standards for Fostering Services, the Department implements a written education policy prepared in partnership with the Virtual Head Teacher and the Education Manager for Children in Our Care. The Virtual Head's role is to ensure that the educational needs of all Children in our Care are being met and that levels of achievement and aspiration among our children and young people are raised. Termly briefings are held with a group of social workers, managers and Designated Teachers and Head Teachers to consider ways to improve achievement and attainment.

The Pupil Premium allowance, previously paid to schools to support Children in our Care to achieve in school, is managed by the Virtual Head who has a system in place to administer and ensure the money is spent appropriately to further their educational achievements. The Virtual Head quality assures all Personal Education Plans (PEPs).

The Education Manager sits within the Children in our Care Social Work Service and, where necessary, actively intervenes with schools to promote the needs of children in foster care. As part of the preparation and assessment process and through the Foster Carer Agreement, foster carers are set a clear expectation that they will promote and support children's educational attainment. The ways in which foster carers meet children's educational needs are monitored through the foster carer review process and supervisory visits. Foster carers regularly receive training 'Promoting Educational Achievement for Children in Our Care'. The Education Manager attended the recent Foster Carer Forum to update carers on any new developments and to answer their questions about PEPs.

Blackburn Rovers kindly donated 100 tickets for their match on 3rd November 2018, and many children in foster care and their carers benefitted from this kind gesture. On 7th November, the Celebration of Achievement for CIOC was held at Ewood Park where over 60 children in our care and care leavers received their awards from special guest Jake Quickenden.

Tuition sessions held at the Kip McGrath Centre started in October 2018 for Year 11 children in our care; however, there has been very poor take up of the sessions with only 2 attending on a regular basis.

Engagement with Children & Young People and the VOICE Group

Unfortunately the VOICE Group has not met since October 2018 due to the departure of the Participation Officer from Children's Services. There has been very little capacity across the relevant services to lead on this area of work but efforts are now being made to reinstate the group and hold regular meetings once again. The recruitment process to replace the Participation Officer (part time post) is under away and it is anticipated that the successful applicant will oversee the Voice going forward.

VOICE members and care leavers continue to attend the Children & Young People Scrutiny Committee and Corporate Parenting Specialist Advisory Group, when appropriate.

The Sons and Daughters Group were taken to the pantomime in December and fed back that they thoroughly enjoyed it. A large number, 90 children and 15 babies also attended the FCA Christmas Party and enjoyed an excellent children's entertainer who kept them engaged all afternoon. Examples of children's voices being heard included birth children being consulted about matching considerations for their family. They demonstrated great maturity and insight when they indicated that children under 5 years would fit best with their family.

Transitions

Children and young people in foster care are supported to make a positive transition to adult life and foster carers attend training on 'Transitions' which focuses on their role in developing young people's skills to live independently as they progress towards adulthood. The Children in Our Care Team and the Fostering Team encourage carers and young people to consider 'staying put' and the Leaving Care Service also delivers courses for foster carers to develop their understanding of this. The training has been positively evaluated by carers and most indicate a willingness to work with 'staying put'. Although finance causes carers the most concern, some are willing to receive Housing benefit as part of their financial package and will consider changing their status to landlord. The Leaving Care Service attends Reviews to discuss Staying Put with foster carers for young people aged 17 years, who will turn 18 years in 2018. The Service has also started some work to develop a 'staying close' option, which may be more suitable for a number of care leavers.

The Leaving Care Service has recently been reassessed for the Investing in Children award, and has got confirmation that the service is 'Good'. The Service is also working hard to encourage and support care leavers into apprenticeships. There are currently several young people on apprenticeships across the workforce.

The Leaving Care Service has achieved an increase in the number of supported lodgings providers this year, which increases choice for young people leaving foster care and residential placements in favour of semi-independence. Participation levels continue to be good with young people delivering the Total Respect training and training for foster carers.

The Service continues to run the Leaving Care Football Team and has an older young person supporting this along with a PA. A couple of young people who are taking part are in foster care and this is now becoming a younger team which is looking positive for the future.

The Leaving Care Service has 8 advisors, who have now moved to Duke Street. 3 advisors are working with the 16 to 18 years age group resolving issues with accommodation, education, training and employment and staying put. 5 advisors are providing advice and guidance to the 21 to 25 years age group, and in addition all advisors have a caseload of at least twenty 18 to 21 year olds for whom they provide general support.

Care Planning

The Care Planning and Fostering (Miscellaneous Amendments) (England) Regulations 2015 provide a revised definition of 'permanence' for Children Looked After, including for the first time the definition of a long term foster placement. The responsibilities of the Local Authority in assessing the ability of the foster carer to meet the needs of the child now and in the future, and identifying any support services needed to achieve this are also set out. Local Authorities are required to achieve long term matching within reasonable timescales. The Regulations introduce new duties for ceasing to look after a child.

The Fostering Service

The Fostering Service is now structured into 3 teams including a relatively new Permanence Team, which was launched on 1st July 2018. The Permanence Team now completes all Special Guardianship assessments, all viability and combined assessments and Regulation 24 assessments. The number of referrals for this work has continued to be greater than anticipated due to the continued increase in the number of children in care proceedings. This demand has caused some pressure in the Service as family and friends work has to be prioritised to meet court timescales. In Quarter 3, mainstream workers have been allocated family and friends work in addition to their usual workload and allocating new work is now very challenging as everyone is working at full capacity and beyond. Whilst the Service is working hard to limit delays to mainstream assessments, this is becoming more and more difficult to achieve. Given the pressures on the commissioning budget, the need for prospective carers to be assessed and approved within statutory timescales is critical so that more children can be placed with in-house carers.

Foster Carer Resource

	Total number of foster carers	**Mainstream**	**Short breaks carers**	**Family and Friends carers**
Quarter 1	123	82	14	27
Quarter 2	123	81	14	28
Quarter 3	121	81	12	28

Foster Carer Recruitment

2018/19	Enquires	ROI	Approval	Conversion
Q1	35	10	5	29%
Q2	47	10	2	21%
Q3	36	10	2	28%
Total	118	30	9	26%

Oct-18	14	4	1	29%
Nov-18	10	2	1	20%
Dec-18	12	4	0	33%

ROI = Registration of Interest

There were 36 enquiries and 10 ROIs during Quarter 3 including 4 ROIs over the Christmas period which is unusual. The number of enquiries coming through with no real spare rooms is a concern and messages to reflect this will be reinforced over social media over the next couple of weeks. 19 enquiries came through the Let's Foster website, 3 from events, and 7 from You Can Foster.

2 households approved in Quarter 3, both of which had placements lined up ahead of approval, are now making good progress.

The foster carers portal of the website is now finished and due to go live. The portal will improve communication between the Service and foster carers and will also provide a message board so that they can communicate with each other. Staff and managers will create profiles ahead of inviting foster carers to join. A FCA meeting and the next Fostering Forum will be used to launch the portal and answer questions.

Fostering Information events are held monthly and although November was very quiet, a good number attended in October and December.

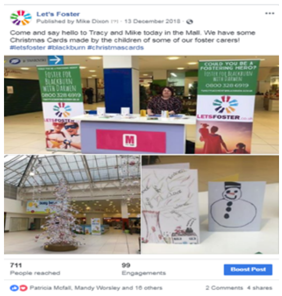
The Service had a stand in the Mall in December following the children's Christmas card competition. Cards were sold on the stand, via Facebook and to foster carers and it was positive to recognise the winners by sending them thank you cards with their designs from the team.

Social media saw 386 unique users and 11 messages received over the Quarter. Most of these were in response to baby posts and spare rooms after one of the better performing posts reached 5642 people, had 420 engagements and 46 shares.

Google ads sent 576 people to the website and saw 13.1K impressions. This is slightly better performance on the previous Quarter of 564 clicks to the website.

The Let's Foster website is performing well; 1793 page views in the Quarter and 689 new users. Mobile is still the main device category; 73% of our users access the site via mobile phones.

December saw a lot of Facebook and Instagram activity from Elf on the Shelf; these were popular and went out daily until Christmas Eve. Team photos were posted for Children in Need and Christmas Jumper day and generated some interest.



Unfortunately, 4 households in assessment withdrew over the Christmas period; 1 due to family commitments, 2 due to lack of bedroom space and a further household due to family circumstances. There are 7 households currently in assessment.

Regional Campaign

The regional 'You Can Foster' recruitment campaign has been live since September 2016 and has helped generate enquiries via the You Can Foster website.

Fostering Service Managers and the Recruitment and Marketing Officer have been involved in the development of this campaign to ensure that Blackburn with Darwen Borough Council derives full benefit from it. The campaign is prioritising recruitment at a local level through the targeting of P.R, digital marketing and additional local activity.

Foster Carer Retention

Month	Resignations	De-registrations
October	0	0
November	2 (family and friends) 1 mainstream	0

December	4 (family and friends) 2 (short breaks)	0

Reasons for resignations include children returning home, carers retirement, illness, and making of Special Guardianship Orders.

Assessment

Statutory guidance for fostering assessments is that they should be completed within 8 months, a timescale that is generally achieved. The quality of assessments remains good and is monitored by the Fostering Panel.

Foster Carer Training

4 courses additional to the online training catalogue were offered to all approved foster carers.

Name of course:	Course date:	Total number of attendees:
Essential of Fostering conference	11.10.2018	25
REVIVE conference	22.112018	23
Foster carer support group-Finance and pocket money guidance	12.12.2018	3
Paediatric first aid 3 day training course	23.10.2018	27

The Essential of Fostering conference is the new revised one day mandatory training conference, which enables foster carers to complete all of the mandatory training requirements to comply with Fostering Regulations. This training day remains valid for 3 years and covers; Equality & Diversity, Delegation of Authority , Preventing and Supporting Allegations, Staying Put , Moving to Independence and Voice and Rights of the child. The REVIVE conference focussed on providing a brief summary of Attachment Theory, Developmental Trauma, Fundamental of therapeutic parenting and practical strategies to meet the child's needs within a foster care placement.

Fostering Panel

October's Fostering Panel approved one mainstream assessment for two foster carers transferring from Lancashire and one Family and Friends assessment. A review of foster carers following an allegation was presented where the recommendation was to continue their approval, though Panel requested this return to the following month as further information had come to light just prior to the Fostering Panel and further enquires were therefore required.

Four exemptions were presented to the Panel to allow carers' households to be exempt from regulations for more than three children to be placed with foster carers. No more than four children were placed in any of the exempted households, one being a sibling group of four.

November's Fostering Panel approved a mainstream assessment for a couple providing two placements. A further re-assessment of a mainstream carer was approved for a single carer providing a long term placement. A Family and Friends assessment was also approved. A child was matched long term with their foster carer. The young person attended Panel and this was a really positive experience for all concerned.

In December, 3 carers were presented to the Panel for their 1st annual review. A connected person's assessment for a family and friends carer was not recommended for approval following the concerns outlined in the assessment and verbal presentation at the Panel. The Agency Decision Maker (ADM) agreed with the recommendation of Panel. A Regulation 24 assessment was approved at the Fostering Panel for a Family and Friends placement. Two siblings were also matched with their foster carer long term, affording the children permanence. The children attended Panel with the foster carer and gave really good verbal responses to the Panel.

Additional Panel business also included a review of concerns and notifications of a number of Regulation 24 assessments.

The Fostering Panel is now reviewing questionnaires completed by all who attend Fostering Panel so there is more overall scrutiny of views and experiences of attending the Panel. These have all been very positive.

During Quarter 3, two care leavers joined the Panel and will be attending bi monthly, which will provide two further independent members who have had fostering experiences. An additional legal representative is also due to join the Panel. The Independent Panel Vice Chair resigned in November and a new Vice Chair has been recruited and is due to start her induction and training.

Annual Review Panel

During Quarter 3, 19 foster carer reviews were presented to the Annual Review Panel and a total of 12 fostering households attended. 2 evaluation forms were received which were positive.

Complaints

There were no complaints in Quarter 3.

Compliments

During Quarter 3, a compliment was received from a short break foster carer about their Supervising Social Worker regarding the support they have received whilst she had been their allocated worker. The carers made the decision to retire so provided the worker with a small gift and thankyou card.

Allegations

Two allegations were received in Quarter 3. The first was made by a young person who alleged that the carer had smacked her. The allegation was fully investigated and overseen by the LADO (Local Authority Designated Officer) but the young person did not make the same disclosure to her social worker. Further visits were carried out by the child's Social Worker and the Supervising Social Worker for the carers. It was agreed that no further action was to be taken.

An allegation was made when a young person reported that their foster carer had forcibly pushed him during an altercation, which caused him to fall and sustain bruises to his back due to falling against a door. A LADO meeting was convened and the allegation was substantiated. However, a decision was made, based on the circumstances of the incident, to allow the children in placement to remain with the carers. The case is to be presented at the main Panel. Support from REVIVE is in place and relevant training will be provided to the carers.

Specific Incidents and Restraints (including Bullying, Serious Illnesses and Accidents)

Specific incidents and restraints:

During Quarter 3, 4 specific incident reports were received by the Service. The first followed police attendance at a carer's address to highlight concerns about a young person's behaviour and to provide additional support to the foster carers. This resulted in the Police referring the young person to a diversion panel in relation to his anti-social behaviour.

A further incident related to a young person not attending school and then being reluctant to return to her placement. With additional support, she later returned.

The third incident involved a sibling group caught shoplifting in a local supermarket. Sanctions were put in place to manage these behaviours and a professionals meeting was arranged to assist with placement stability.

The final incident reported was following a police letter sent to the foster carers notifying them of a recent assault involving the young person in placement. The Log of the incident was provided with no further follow up.

Serious illnesses and accidents:
During Quarter 3, two accidents were reported as serious incidents. The first accident involved a young person being involved in a fight at school and there was concern that the young person had suffered a broken nose. The foster carers attended A&E to seek further treatment where it was established that the young person had not broken their nose.

A further minor incident was reported when a young person displayed an angry outburst; in his fit of temper, he hit his hand. The foster carers sought medical advice from their G.P. but no treatment was required.

No bullying incidents were reported in Quarter 3.

Missing From Home
4 young people (5 incidences of missing from home) were reported during Quarter 3 of which 3 incidences involve the same young person; the remaining episodes involved a further 2 young people.

In all cases, the correct missing from home procedures were followed and all young people returned to their placements safe and well. Procedures for young people who go missing include 'return home' interviews, which are conducted by the Engage Service. This allows young people to talk to someone independent about why they have been missing and for the Service to identify issues of concern.

Exemptions
During Quarter 3, there were 6 exemptions in place of which 3 have continued into Quarter 4. They are closely monitored with extra visits by the Supervising Social Worker or Child Support Officer.

Engagement with Foster Carers
Blackburn with Darwen has a Foster Carer Association (FCA), which meets regularly and has an Elected Committee. Members of the Committee meet the DCS, senior managers and the Executive Member on a quarterly basis. The Chair of the FCA sits on the Corporate Parenting Specialist Advisory Group. The FCA has its own website, which has been increasingly used to communicate messages and news.

At the request of foster carers, membership of the Fostering Network moved to Foster Talk that provides similar services to support foster carers. Foster carers also have access to independent support commissioned from the Fostering Network to provide support and advocacy services in the event of complaints or allegations.

A small group of foster carers are recruitment champions, who help drive recruitment forward and are involved with planning events, Skills to Foster preparation training, and manning recruitment stands and events.

The Fostering Service holds a foster carer forum every six months and there was an event in October that was very well attended.

Family and Friends Foster Care

There are currently 28 family and friends foster carers. There have been three approvals this Quarter and three resignations, two of which were due to Special Guardianship Orders (SGOs) being made. The number of family and friends fostering households remains stable due to the number of combined assessments ending with a recommendation for a SGO rather than fostering.

There have been 69 new referrals for viabilities, Combined and Regulation 24 assessments in this Quarter. Whilst this is a small reduction on the previous Quarter, the amount of work being referred to the Permanence Team is a source of pressure for the Service and the team.

Combined / SGO assessments carried over from Q2	31
Viability assessments carried over from Q2	23
New referrals Q3 Combined / SGO assessments	17
New referrals viability assessments	63
Total number of assessments	134

During Quarter 3, one full time member of the team began a period of long term sickness and another full time member of the team handed in her notice to leave employment and cannot be allocated new work that she will be unable to complete. The remaining two full time team members and the part time team member have quickly reached capacity.

Short Break Foster Care

There are currently 12 approved short break carers, some of whom provide short term / long-term placements alongside providing short break support.

Short break placements help to provide stability for children and sustain placements for young people, who have a variety of additional needs. They also provide emergency short breaks, support for mainstream placements, emergency short term placements for unaccompanied asylum seekers and regular planned short breaks.

There is a demand for more short breaks carers. Recruitment is ongoing and during information events, the need for short break carers continues to be highlighted. Starting with short breaks is a good way of beginning the journey into fostering for some applicants.

Specialist training continues to be provided to short break carers. It has been a very busy period, during this Quarter and this influx of short breaks has been a growing concern since July 2018.

During this Quarter period, a total of 10 new short break placements were made in addition to the long standing short break placements already in situ.

Training / Staff

All staff members have individual training and a development plan, which is linked to their annual appraisal and monitored during monthly supervision. In Quarter 3, all staff in fostering attended two days of assessment training delivered by Coram BAAF. Staff feedback was very positive. Staff particularly valued the manuals provided which serve as good reference material and reminders of what they learned.

Placement Stability Table

The Department uses a definition of placement stability based on 3 or more placements in a 12 month period that is calculated on a cumulative basis over the year. The average for England is measured against the figures for 2013/14 when it was 10.7%; the comparable authority percentage for the same year was 10.1%. In Quarter 3, performance dipped in comparison with performance in 2017/18 by 0.9%

	April	May	June	July	Aug	Sept	Oct	Nov	Dec
LAC with 3 or more placements	0	1	2	4	8	13	22	26	28
Total number of LAC	361	357	343	352	355	360	370	378	388
% Stability of LAC placements 2018/19	0%	0.3%	0.6%	1.1%	2.3%	3.6%	5.9%	6.9%	7.2%
% Stability of LAC placements 2017/18	0%	0%	2.2%	2.4%	4.3%	4.2%	5.6%	6.6%	6.3%

Disruption meetings are held in order to identify learning and inform future planning for any child whose placement has been disrupted. A number of managers across Children's Services have been trained to chair these meetings.

Commissioned Placements

In Quarter 3, the number of independent fostering agency placements increased significantly due to the lack of availability of in-house foster carers. Identifying foster placements for sibling groups has been a particular problem that has led to this increase as the 52 children in IFA placements at the end of December included a concurrent baby placement, a parent and child placement, a sibling group of 4 placement, 4 sibling groups of 3 and 5 sibling groups of 2.

The number of agency residential placements reduced and included one secure unit placement and one family unit placement. It also includes two placements for two 16/17 year olds placed on the North West post-16 framework.

End of Quarter 1 2018/19	End of Quarter 2 2018/19	End of Quarter 3 2018/19
Independent Agency Residential Placements 28	Independent Agency Residential Placements 28	Independent Agency Residential Placements 25
Independent Agency Fostering Placements 42	Independent Agency Fostering Placements 33	Independent Agency Fostering Placements 52

Budget

Current placement pressures in-house and across the independent fostering agency landscape continue to place the commissioning budget under pressure. The Case Tracking and Commissioning Panel monitors placements and ensures that there are robust plans for those that can be brought back to in-house provision.

Service Priorities for 2018/19

1. The Service has set a target of recruiting 15 new sets of foster carers in 2018/19. The Service will also undertake some targeted recruitment for individual children in need of long term placements. The Service will in addition undertake some innovative recruitment including some specialist carers to work alongside residential units and some short breaks carers to work alongside ASU in offering emergency placements.

Quarter 3 Update – Unfortunately 4 sets of prospective carers withdrew from assessment in Quarter 3 for various personal reasons. Although there is a good number in assessment currently, it will only be possible to get one more household through Fostering Panel in this financial year bringing the total to 10 households, missing the target by a significant margin.

2. A team development day will be held in July 2018 once the 2 new social workers for viability assessments are in post.
Quarter 3 Update – A team development day is planned for Quarter 4.

3. The Fostering Service will restructure to take account of increased demand from family and friends, SGO and viability assessments.
Quarter 3 Update – The Service has restructured and the two additional social workers are in place. The acting manager has yet to be confirmed in post. The number of referrals for family and friends assessments has exceeded expectations and is placing this team under great pressure. The mainstream teams are helping out as much as capacity will allow.

4. The Fostering Support Worker will work more closely with the REVIVE Service in the coming year in order to develop a more cohesive approach to supporting children, young people and foster carers, and to achieve improvements in placement stability rates. Fostering Support will continue to work closely with the Adolescent Support Unit so that young people can access short breaks and a wide range of activities. Fostering Support will continue to develop the Saturday Club for younger children in foster care.
Quarter 3 Update – The REVIVE Service continues to provide therapeutic and other support and consultations to carers and children in foster care as one of its main priorities.

5. The Service will develop a communication and engagement strategy using the FCA website as a focal point for communication. A focus group will be developed including foster carers to consider the potential for innovation as outlined above.
Quarter 3 Update – Work to develop the Let's Foster website with a foster carers' portal is complete and ready for testing. It will be launched in Quarter 4.

6. Foster carer training will continue to develop but with less input from the Workforce Development Team. The Service will focus on the development of online training.
Quarter 3 Update – Work to develop online training is ongoing. The Team Manager responsible for foster carer training is exploring numerous ways of improving access and the quality of foster carer training.

7. The management team will continue to monitor compliance with Fostering Regulations and National Minimum Standards and will increase the number of case file audits completed each month to support this.
Quarter 3 Update – The monitoring of compliance is ongoing and is central to the Team Manager role. Protocol has been updated to reflect the needs of the Service and all aspects of fostering can now be recorded on the database which will help the completion of the dataset in coming months.

8. The Fostering Service will review the foster carer payment package by June 2018 and submit a report for consideration by the Senior Leadership Team. The review will consider whether the current level of payments is able to compete with that offered by neighbouring authorities and independent agencies based in the locality. The foster carer lease car scheme will form part of this review.
Quarter 3 Update – A decision was made in Quarter 3 to end the lease car scheme as it is no longer affordable given organisational pressures. Foster carers have been informed and arrangements have been made to meet with them individually to consider their needs going forward. Foster carer payments are reviewed at the end of each financial year for the year ahead and will be considered in March 2019.

9. Panel development – The independent Panel Chair contract will go out to tender. This will take account of the need for the Panel to sit more frequently (every 3 weeks instead of monthly). The membership list will be developed to address difficulties in sustaining the pool of independent and social work members. A Panel Member training day will be held with a focus on family and friends fostering.
Quarter 3 Update – The Panel Chair contract has been awarded. It takes account of the need for additional Panels and provides Chairs for the main and annual review Panels. The Vice Chair recently resigned and her replacement has been identified. Maintaining a healthy central list which can meet the demand for additional Panels is a challenge but the list is operating effectively at present.

10. An additional priority has been agreed in this quarter to re-establish the participation work undertaken by the Fostering Team and other services . This will involve starting up the VOICE group once again. The work will start with a launch event in February (make a Noise) to consult with children in our care and will be used to publicise the VOICE and attract young people to join the group. A new participation Officer is to be recruited in Quarter 4.

Alyson Hanson
Service Leader, Placement Services
25th January 2019

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Children, Young People & Education
LEAD OFFICERS:	Director of Children's Services
DATE:	7 February 2019

PORTFOLIO/S AFFECTED:	Children, Young People & Education
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☒ **NO** ☐

SUBJECT: Schools Capital Programme 2019-2020

1. EXECUTIVE SUMMARY

To present for consideration and approval the capital programme for Schools and Education for 2019-2020 as detailed within this report.

2. RECOMMENDATIONS

That the Executive Board:

1: Approves the attached list of projects as detailed in Appendix 1 & 2 for inclusion in the 2019 -2020 Schools and Education capital programme funded from Basic Need, School Condition Allocation, Devolved Formula Capital, Healthy Pupil Capital Fund and SEN Capital Fund.

2: Authorises officers to procure works in accordance with the Contracts Procedure Rules as written in the Council's Constitution.

3: Approves expenditure to be incurred on individual projects, in line with the Council's Standing Financial Instructions.

4: Notes that regular reports will be provided for the Executive Member detailing any variations/amendments to programmes of work and seeking necessary approvals where these are required to ensure compliance with financial instructions and the Constitution.

3. BACKGROUND

Since 2002 - 2003 the Council has received a base line of capital funding from Government to meet the responsibilities placed upon it by the Education Acts and the School Standards and Framework Act.

Capital investment is typically targeted in the first instance at concerns relating to the condition of school buildings, as highlighted through individual schools asset management plans. Funding can however also be used to make environmental improvements that will enhance teaching and learning spaces, and can also be used to address schools capacity issues. This base line investment has enabled the Council to meet its responsibilities and national and local priorities on a continuing basis and ensure schools remain fit for purpose.

4. KEY ISSUES & RISKS

Details of proposed capital programmes and associated costs for 2019 - 2020 are contained in Appendix 2.

In respect of maintained local authority schools, the School Condition Allocation (SCA), Devolved Formula Capital (DFC) and Special Education Needs grant indicative figures are £964,900, £241,384 and £515,504 respectively. In addition, an estimated carry forward of £3,422,278 from the 2018 - 2019 financial period brings the total available budget to £5,144,066. The available budget will be directly managed through the Schools and Education portfolio.

For voluntary aided schools, the SCA and DFC funding amounts to £834,194 and £218,026 a total of £1,052,220, which is allocated directly to School Governing Bodies.

The Schools and Education capital programme is driven by capital priorities raised from the Condition, Suitability and Sufficiency sections of individual school's asset management plans (AMP's).

The budgets which will be available in 2019 - 2020 (Appendix 1), for capital improvement works in the authority's schools, can be categorised into 2 areas:-

1. Directly Managed
   Projects, irrespective of whether internally or externally funded, are managed by officers from Blackburn with Darwen's Building Consultancy Team.

2. Indirectly Managed
   Projects associated to Voluntary Controlled (VC) Schools, where funding has been devolved directly to schools, and also projects associated to Voluntary Aided (VA) Schools where the funding has been given to the Council and then devolved to the appropriate VA diocese.
   In all cases, officers keep an overview on the individual projects whilst at the same time, monitor and where necessary manage, the overall budget in partnership with other parties i.e. Diocesan Authorities.

The proposed capital programme relates to the Council's responsibilities in community controlled and voluntary controlled schools as part of the Fair Funding of Schools Regulations. Within the context of these regulations, as set out in the authority's scheme of financial delegation for schools, the Council retains the responsibility for "capital" improvements valued over £10,000 in all schools. The programme to address this work is collectively known as the annual Planned Improvement Programme, (PIP).

From inception to completion the capital programme is closely monitored by officers from the Council's Building Consultancy Team, Finance Team and Schools and Education team against agreed key performance indicators (KPI's) representing measures of quality, cost and timescale.

The capital programme compiled for 2019 - 2020 (Appendix 2) reflects needs in schools, which have been identified through each school's AMP (Asset Management Plan). By drawing the programme of works from the school's AMP's, we endeavour to adopt an equitable, transparent and fair approach to all. Officers from the Building Consultancy Team have visited schools to discuss priorities with schools and ensure AMP's accurately reflect the needs of the school.

The main priorities within the programme relate to:-

1. Compliance with legislation
2. Ensuring buildings are wind and water tight, and able to provide a safe, warm environment for pupils and staff.
3. Correction of suitability issues to provide a building which is fit for purpose.
4. Enhanced teaching and learning spaces
5. Provision of sufficient pupil places
6. Improving accessibility and choice

Where possible, schemes have been developed to manage a number of the above issues at the same time, so as to generate economies of scale and limit as far as possible disturbance for schools.

In line with previous years, schools benefiting from the programme will be expected to contribute to any capital works from either Devolved Formula Capital (DFC), or school reserves. A contribution is required to ensure that the School Condition Allocation funding is spread as far as possible and used in schools that have a commitment to working in partnership with the Council to improve their school buildings. Typically, schools are asked to contribute 10% of the total cost of the scheme. However, for those schemes that are of a high value (where a 10% contribution would be greater than the amount a school is able to retain in their DFC allocations), schools will be asked to contribute up to 3 years' worth of their allocated Devolved Formula Capital (DFC).

An allocation of £100k from the 2019/20 Schools Condition Allocation will be retained as a contingency fund to address any unforeseen emergency works, including those that compromise health & safety and/or safeguarding regulations.

In the 2018-2019 financial period, the Council received one off grant funding from the DfE in the form of The Healthy Pupil Capital Fund (HPCF). This funding is in addition to the SCA and DFC allocations. The Council has been allocated £89,000 of HPCF. This funding must be used to improve children's and young people's physical and mental health by improving and increasing availability to facilities for physical activity, healthy eating, mental health and wellbeing and medical conditions. For example; teaching and catering kitchens, dining spaces, to include seating and tables, playgrounds and active play spaces, such as resurfacing, climbing walls or multi-use sports panels.

As detailed in Appendix 2, the Council has schemes planned for 2019- 2020 to refurbish two school kitchens. It is intended to use the HPCF for these planned schemes which will release funding from the school condition allocation to benefit other schools.

A further source of capital funding allocated to the Council is the Special Provision Capital Fund which is a 3 year funding allocation totalling £848,558. This funding must be used to improve provision for children and young people with education, health and care plans (EHC plans). Funding is only secured once it can be demonstrated that the proposals have been developed in full consultation with families, alongside broader stakeholder engagement.

The capital funding guidance specifies that the allocation can only be used on physical infrastructure developments and that any expansion to existing provision must be at a setting that is rated good or outstanding by Ofsted.

An independent review of high needs education provision, commissioned by the Council, involved a programme of consultation with all key stakeholders including schools and families. A key focus of this consultation was how the Special Provision Capital Fund should be used. The consultation highlighted a significant need to increase provision for children with Social, Emotional and Mental Health needs (SEMH). It is proposed that the Council expands existing school provision to provide specialist support at St Cuthbert's Primary School, Darwen and Blackburn Central High School with Crosshill Special School (see appendix 2).

5. POLICY IMPLICATIONS

National Policy Context
The Council has responsibility to ensure that all allocated funding for maintained sector schools is used in accordance with the associated grant terms and conditions.

Performance Implications
The capital programme, made up of individual projects, will be closely monitored against agreed performance indicators representing measures of quality, cost and timescale.

6. FINANCIAL IMPLICATIONS

In respect of the local authority maintained schools sector, indicative 2019- 2020 capital funding is detailed in appendix 1.

The proposed capital programme for the Schools and Education portfolio is attached at Appendix 2.

7. LEGAL IMPLICATIONS

The report has been compiled with regard to the Council's Constitution, in particular the Financial Procedural Rules and the Contract Procedure Rules. All procurement and contract activity in connection with this programme must be carried out in accordance with the relevant parts of the constitution and legislation.

All contracts prepared in relation to the programme must be in conjunction with Legal Services/CAPS team.

8. RESOURCE IMPLICATIONS

Resource requirements for managing and coordinating the capital programme will be met from within the current Building Consultancy structure and Schools and Education leadership.

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

Officers from the Building Consultancy Team have visited schools to discuss priorities and ensure AMP's accurately reflect the needs of the school.

The Special Provision Capital Fund programme has been prepared in consultation with families, schools and broader education stakeholders.

The proposed programme will be shared with schools forum, governing bodies and diocesan bodies following Executive Board approval.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	**1.0**

CONTACT OFFICER:	**Carol Grimshaw – Service Lead, Access to Learning**
DATE:	7 February 2019
BACKGROUND PAPER:	Appendix 1 – Schools and Education capital programme 2019 - 2020 , indicative budget allocations Appendix 2 – School and Education 2019 - 2020, existing live projects and new proposed projects Appendix 3 – Details of schemes to be carried out in the 2019/20 period

Schools and Education Capital Programme 2019 - 2020

LIVE PROJECTS

Project	Description	Funding Source	Spend Profile 2019-20 Basic Need £	Schools Condition £	DFC/School Cont £	Healthy Pupil Premium £	SEN Grant £	Total £
St Barnabas & St Pauls	Significant remodel and extension	Basic Need	632,000		50,000			682,000
								-
Audley Infant and Junior Heating	Windows etc.	Basic Need	450,000	-				450,000
								-
Audley Junior Roof		SCA	-	266,200	-			266,200
								-
Avondale Ktichen		SCA		90,500	15,000	44,500		150,000
								-
Feniscowles - Heating		SCA		90,400	9,600			100,000
								-
Griffin Park - Kitchen		SCA		45,500	10,000	44,500		100,000
								-
Shadsworth Infants - Heating		SCA		90,000	10,000			100,000
								-
Shadsworth Junior Renering External Wall		SCA		36,000	4,000			40,000
								-
Brookhouse Primary - Upgrade Fire Alarm		SCA		18,000	2,000			20,000
								-
Longshaw Infants - Fire Alarm		SCA		18,000	2,000			20,000
								-
Contingency		SCA		55,000	-			55,000
Total			**1,082,000**	**709,600**	**102,600**	**89,000**	**-**	**1,983,200**

NEW PROJECTS

Project	Funding Source	Spend Profile 2019-20 Basic Need £	Schools Condition £	DFC/School Cont £	Healthy Pupil Premium £	SEN Grant £	Total £
Project Management Fee	SCA	25,000	25,000	-			50,000
Belmont Drainage and External Painting	SCA	-	18,000	2,000			20,000
Audley Infants redmodel reception class/main hall refurb and outdoor area works	SCA	-	198,000	22,000			220,000
St Michael and St John's Kitchen Canopy	SCA	-	18,000	2,000			20,000
Meadowhead Infants External works and lighting refurb	SCA	-	90,000	10,000			100,000
Griffin Park - Windows	SCA		22,500	2,500			25,000
Feniscowles Drainage	SCA		13,500	1,500			15,000
Turton & Edgeworth Window replacment	SCA		36,000	4,000			40,000
Meadowhead Juniors - Boiler	SCA		9,000	1,000			10,000
Contingency	SCA		100,000				100,000
St Cuithberts SEN	SEN					180,000	180,000
BSH/Crosshill SEN	SEN					436,000	436,000
Total		**25,000**	**530,000**	**45,000**	**0**	**616,000**	**1,216,000**
UNALLOCATED GRANTS REMAINING		**211,785**	**444,939**	**1,221,971**	**0**	**66,171**	**1,944,866**
	TOTAL 2018/2019 BUDGET	**1,318,785**	**1,684,539**	**1,369,571**	**89,000**	**682,171**	**5,144,066**

Schools and Education Capital Programme 2019 - 2020

LIVE PROJECTS

Project	Description	Funding Source	Spend Profile 2019-20 Basic Need £	Schools Condition £	DFC/School Cont £	Healthy Pupil Premium £	SEN Grant £	Total £
St Barnabas & St Pauls	Significant remodel and extension	Basic Need	632,000		50,000			682,000
Audley Infant and Junior Heating	Windows etc.	Basic Need	450,000	-				450,000
Audley Junior Roof		SCA	-	266,200	-			266,200
Avondale Ktichen		SCA		90,500	15,000	44,500		150,000
Feniscowles - Heating		SCA		90,400	9,600			100,000
Griffin Park - Kitchen		SCA		45,500	10,000	44,500		100,000
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Longshaw Infants - Fire Alarm		SCA		18,000	2,000			20,000
Contingency		SCA		55,000	-			55,000
Total			**1,082,000**	**709,600**	**102,600**	**89,000**	**-**	**1,983,200**

NEW PROJECTS

Project	Funding Source	Spend Profile 2019-20 Basic Need £	Schools Condition £	DFC/School Cont £	Healthy Pupil Premium £	SEN Grant £	Total £
Project Management Fee	SCA	25,000	25,000	-			50,000
Belmont Drainage and External Painting	SCA	-	18,000	2,000			20,000
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Meadowhead Juniors - Boiler	SCA		9,000	1,000			10,000
Contingency	SCA		100,000				100,000
St Cuithberts SEN	SEN					180,000	180,000
BSH/Crosshill SEN	SEN					436,000	436,000
Total		**25,000**	**530,000**	**45,000**	**0**	**616,000**	**1,216,000**
UNALLOCATED GRANTS REMAINING		**211,785**	**444,939**	**1,221,971**	**0**	**66,171**	**1,944,866**
	TOTAL 2018/2019 BUDGET	**1,318,785**	**1,684,539**	**1,369,571**	**89,000**	**682,171**	**5,144,066**

Appendix 3

Proposals – Capital Programme 2019/20

Assumptions

We anticipate budget allocations for 2019/20 to be on a similar level to the 2018/19 allocations, those being:

- Schools Condition £ 964,900
- DFC £241,385
- Basic need £0
- SEN Grant £515,504

Indicative budget allocations that will be carried forward from 2018/19 into 2019/20 include:

- Schools Condition £719,639
- DFC £1,078,186
- Basic Need £1,319,022
- SEN Grant £166,667
- Healthy Pupil Premium £89,058
- School Contribution £50,000

Priority has been given to emerging Health and Safety concerns and completion of multiphase projects.

Voluntary Aided sector schools are dealt with via a separate process of approval.

1: Committed Projects – Projects that are on site, contractually committed or commissioned under previous years programmes.

Project	Description	Rationale
St Barnabas and St Pauls CE Primary School	Extension of KS2 classrooms and enlargement of school site.	The school currently has several small classrooms that are below the recommended BB99 guidelines. This was identified as an issue when we enlarged the school with additional classrooms and PAN from 45 to 60. There is also the transfer of the adjacent play area onto the school site to provide additional play space for the school and safeguarding management.
Audley Infant & Junior Schools	New heating system.	The heating system serves both schools on a single pipe system, with antiquated equipment and a lack of temperature control, resulting in extreme temperature variations between areas. The pipework distribution system is poor, has leaks and corrosion is evident. This project needs full investigation as to how to complete logistically with phasing of the works.
Audley Junior School	Repairs to main pitch roof, parapets & chimney. Repairs to hall pitched roof.	Roof covering failing in numerous locations; evidence of water ingress, loose slates/tiles, saturated brickwork to parapet walls. Water ingress and dampness causing damage to internal surfaces and structure.

Avondale Primary School	Kitchen remodel	The current space, layout, arrangement and equipment are not fit for the requirement of meal provision in the school
Griffin Park Primary School	Kitchen remodel	The current space, layout, arrangement and equipment are not fit for the requirement of meal provision in the school
Feniscowles Primary School	Heating system	The current heating system is antiquated and suffers from varying degrees of performance throughout the school, This project needs full investigation as to how to complete logistically with phasing of the works
Shadsworth Infant School	Heating system	The current heating system is antiquated and suffers from varying degrees of performance throughout the school, This project needs full investigation as to how to complete the logistically with phasing of the works
Shadsworth Junior School	Render to external wall	An external wall is currently in a poor state of repair, the proposal is to expose and insulate the wall in line with current building regulations and creating a thermal gain before re-rendering the wall.
Brookhouse Primary School	Fire alarm upgrades	The current system is dated and reach the end of its current life span
Longshaw Infant School	Fire alarm upgrades	The current system is dated and reach the end of its current life span

2: Proposed New Major Works Projects – Projects with a value in excess of £200k

Project	Description	Rationale	Notes
Audley Infant School	Reception remodel, main hall refurbishment & outdoor provision	The current arrangement in the reception area does not lend its self to current curriculum and causes safeguarding issues (generally through toilet provision), the main hall is very dated and light fittings are not efficient, outdoor paths and provision are in a poor state of repair	In-house delivery

3: Proposed New Minor Works Projects – Projects with a value up to £200k

Project	Description	Rationale	Notes
Belmont Primary School	Drainage and external painting	The current drainage system requires remedial work after investigation and the external elevations paintwork is in a poor state.	In house delivery
St Michael & St Johns Primary School	Kitchen canopy	The current kitchen canopy does not comply with current regulations and will be upgraded	In-house delivery
Meadowhead Infant School	External works & internal refurbishments	The current car park and drainage system are in a state of disrepair and hold water in heavy rain. The internal of the building is in parts showing signs of disrepair and will be addressed	In-house delivery
Griffin Park	Window	One elevation of the building has aging	In-house

Primary School	replacement	timber windows that are showing signs of disrepair.	delivery
Feniscowles Primary School	Drainage – Rain water	A rain water issue from the roof is currently leaking onto a main access route in heavy rain causing damage to the path, both will be addressed.	In-house delivery
Turton & Edgeworth Primary School	Windows replacement	The school currently has many aging timber windows that are showing signs of disrepair	In-house delivery
Meadowhead Junior School	Boiler system	The current building management system that controls the boilers is obsolete and needs upgrading	In-house delivery

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Children's Services
LEAD OFFICERS:	Director of Children's Services
DATE:	14 March 2019

PORTFOLIO/S AFFECTED:	Children's Services
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☒ **NO** ☐

SUBJECT: Strategic Youth Alliance

1. EXECUTIVE SUMMARY

The 2018/19 agreed reduction of £313,000 in the Young People's Services budget has resulted in the need to reduce the universal neighbourhood and holiday provision available to children and young people in Blackburn with Darwen. As a result, there is a need to work collaboratively with partners to ensure a universal provision continues to remain available for local young people.

To take the work forward the proposal is to establish a Strategic Youth Alliance, bringing together youth sector organisations, to develop and coordinate a Borough-wide offer of universal provision. The Council will support the universal provision with an investment of £150,000, furthermore, the Council will continue to invest £500,000 to deliver Targeted Youth Support services.

2. RECOMMENDATIONS

That the Executive Board is asked to approve the proposal to establish a Strategic Youth Alliance Board and Network to develop and coordinate universal provision across Blackburn with Darwen neighbourhoods in term-time and during holiday periods.

3. BACKGROUND

Young People's Services budget of £1,150,000 has been reduced by £313,000 to meet the departmental savings target. The remaining budget is invested in a Targeted Youth Support service (£517,000), and a commission to Blackburn Youth Zone of £170,000, which leaves a £150,000 available to develop future neighbourhood youth work.

The current universal neighbourhood youth work provision costs c.£400,000, therefore it is proposed that a Strategic Youth Alliance is established to maximise the resources invested in neighbourhood provision by partnership working.

The current Council offer via the Young People's Services includes 39 Youth Club session,14 sessions for 8-12 year olds and 25 sessions for 13-19 years olds across the four neighbourhood areas, equating to a minimum of 105 hours of face-to-face work with children and young people. In addition, the Young People's Service delivers a holiday programme of 2 weeks in Easter and 4 weeks in Summer equating to 990 hours of face-to-face delivery.

The proposal is to establish a three-way partnership between the Council, Blackburn Youth Zone (BYZ) and Blackburn Rovers Community Trust (BRCT). To maximise resources each partner organisation will contribute to a universal neighbourhood and holiday provision which will include the Council investing £150,000 with 100% match funding from BRCT and additional resources will be provided by BYZ to contribute to delivering the neighbourhood offer.

The three organisations will form the initial Strategic Youth Alliance Board and will be responsible for coordinating activities and provision across Blackburn with Darwen communities during term-time and key holiday periods. Initial work will involve conducting a mapping exercise to better understand existing provision and activities delivered by local partners.

The Board will be supported by a Youth Alliance Network consisting of key youth sector partners already delivering in neighbourhoods to increase the provision available to children and young people. The Council will initially lead the Board and establish key governance and monitoring arrangements.

The Youth Alliance Network will aim to develop a Hub and Spoke approach based on the existing neighbourhood model, and will work collectively to ensure young people's needs are met. Current provision will be reviewed with key locations identified as the main 'hubs' and smaller satellite provision spread across the neighbourhoods as 'spokes'. The partnership will aim to maintain existing provision which is deemed as successful in terms of young people's attendances and key prevention activities and projects. The Network will also collaborate to deliver some detached projects which will utilise local intelligence via the police, community safety, Elected Members and partner organisations to target areas of concerns linked to Anti-Social Behaviour (ASB) and youth nuisance.

The Network will be made up of representatives from each local youth sector organisation, working together to maximise the offer available to local young people. The partnership will look to share resources and expertise, plan joint workforce development to establish consistent and effective approaches to working with young people, improve standards of practice and secure collaborative funding bids. The partnership approach will also assist in ensuring duplication of provision is avoided and identified gaps in provision can be met.

The proposal will allow the Council to influence the offer of key partners. In addition, the Alliance will work collectively to secure external funding to enhance universal neighbourhood provision and support to smaller youth sector organisations in order to meet the needs of young people in local communities.

4. KEY ISSUES & RISKS

There is potential of an initial reduction in provision to young people following the withdrawal of direct universal delivery from the Council's Young People's Service. However, there is scope to increase local provision once external funding is secured, the Strategic Youth Alliance will be better placed to work collaboratively to attract funding which traditionally is not available to the Local Authority.

5. POLICY IMPLICATIONS

Capture the refreshed targeted service and the partnership arrangement via the Strategic Youth Alliance in a new Adolescent Strategy.

6. FINANCIAL IMPLICATIONS

Requirement to meet savings target of £313,000 as agreed in 2018/19.

Investment of £150,000 towards developing a universal neighbourhood and holiday provision.

Investment of £500,000 to deliver a Targeted Youth Support service.

Potential cost to service users to access provision they previously accessed at no cost.

7. LEGAL IMPLICATIONS

Potential of service level agreements to be established with individual organisations.
The potential EIA impact has been assessed appropriately and it is recognised this is an ongoing process.
The potential for redundancies makes this a key decision for the Council.

8. RESOURCE IMPLICATIONS

Implication on staffing with potential redundancies in Young People's Services.

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)*

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10. CONSULTATIONS

In developing an adolescent strategy, consultation was carried out via an online survey and focused groups. Approximately 400 young people participated in direct face to face consultation via focus groups and an additional 200 young people via an online survey. Feedback was acquired for a range of services including youth work / youth club provision and support services available to young people in their local areas.

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.

CONTACT OFFICER:	**Imran Akuji**
DATE:	8th February 2019
BACKGROUND PAPER:	

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Leisure Culture and Young People
LEAD OFFICERS:	Director of Public Health & Wellbeing
DATE:	14 March 2019

PORTFOLIO/S AFFECTED:	Leisure Culture and Young People	
WARD/S AFFECTED:	Mill Hill and Moorgate	Billinge and Beardwood
KEY DECISION:	**YES** ☐ **NO** ☒	

SUBJECT: External investment for new 3G pitches at Witton Park

1. EXECUTIVE SUMMARY

Witton Sports turf pitches were constructed in 1984. The playing surface was of a sand filled design which was the latest specification at the time. These pitches have a life expectancy of 10 years; they were replaced again in 2004 (20 years later) and have not been replaced since.

The infrastructure of the site including floodlights, fencing, drainage and the shock pad under the surface is now 34 years old. The current carpet with a life expectancy of 10 years is now 14 years old. Consultants, procured through the Football Foundation provided a report identifying that the facilities are past their useful life span, present a health and safety concern.

The options considered were:-

1. Do nothing - continue to let the facility decline and close it when the surface completely fails. This would have a negative impact on participation and income levels
2. Invest in remedial work – may extend the lifespan slightly but loss of bookings to newer facilities would increase budget pressures
3. Work with the Football Association & Football Foundation to explore external funding for new state of the art 3G pitches. – this maintains and grows participation and brings develops new facilities without requiring Council investment

The Football Foundation were very keen to work with Blackburn with Darwen Council to create an excellent football hub which meets FA league standards, promotes grassroots participation and provides the borough with external investment into facilities with a robust business plan that secures funding for future replacement in 10 years' time. Therefore Option 3 has been progressed over the last 18 months.

A funding bid to the FA (for Football Foundation funding) was submitted in December 2018 to secure a grant of £778,045 (matched by £400,000 of Section 106) to develop 2 new full sized 3G pitches (including floodlights and fencing) and refurbished changing rooms. On 28th February we were informed that the FA Board had approved the full amount of grant requested.

2. RECOMMENDATIONS

That the Executive Board: NOTES the following:

2.1 That the Football Foundation have confirmed external grant funding of £778,045 to Blackburn with Darwen Council for the development of 2 new 3G pitches and refurbishment of the changing rooms at Witton Park.

2.2 The externally funded scheme will be managed by the council and be completed in September 2019

2.3 The changing room refurbishment works were advertised using the councils “Chest” procurement system with companies required to price for a design provided by the by the councils building consultancy team. A successful contractor has been chosen and the Council is in a position to award the contract.

2.4 The floodlight, fencing and pitch renewal program was advertised under the Football Foundation procurement framework by the FF consultants Robinson Low Francis ltd. A successful contractor has been chosen and the Council is in a position to award the contract.

That Executive Board APPROVES the following

2.5 Award of the works contracts to the successful contractors and delegates authority to the Director of Public Health in consultation with Executive Member for Leisure, Culture and Young People to enter into works contracts with both companies to deliver the proposed development within the April – September time frame.

2.6 Delegates to the Director of Public Health in consultation with Executive Member for Leisure, Culture and Young People to approve and enter into the Football Foundation funding agreement that will allow the scheme to be delivered and the agree outcomes following the completion of the development.

2.7 **Authorise** the Director of Finance and Customer Services to arrange finances to cover the delay in the receipts of Section 106 contributions coming in from the housing developer.

3 BACKGROUND:

Witton Sports turf pitches were constructed in 1984. The playing surface was of a sand filled design which was the latest specification at the time. These pitches have a life expectancy of 10 years and were replaced again in 2004. (20 years later). The infrastructure of the site meaning floodlights, fencing, drainage and the shock pad under the surface of the grass is now 34 years old. The current carpet with a life expectancy of 10 years is now 14 years old.

Consultants, procured through the Football Foundation provided a report identifying that the facilities are past their useful life span, present a health and safety concern. In the next year or so given the reductions in council finances a decision was needed to either invest some £1.2m in the site, invest c. £320,000 in replacement of the sand filled surface (plus extra needed for fencing and lighting) or consider closing the facility. Increasing participation is a priority for the Council and its partners and with Witton Park increasingly seen as a major hub for physical activity it made sense to explore options for investment not closure.

The Football Association and Football Foundation made it clear they had funding available to support new football facilities or replace old and dilapidated facilities. This funding extended to the whole refurbishment of the facilities including new Fencing, Floodlights, Shock Pads, Goals and the latest

3rd Generation pitch surface that will allow affiliated league football to be played. There was also funding available for a total refurbishment of the modular changing rooms, bringing them up to the latest Football Association standards and including classroom to improve the educational courses on offer whilst using the pitches.

As part of their Grassroots Investment Strategy over the last 18 months the Lancashire FA has worked and undertaken consultation with teams and new partners to develop a varied and exciting programme of use for 2 full sized 3G pitches. Partners including Blackburn Rovers Community Trust, Blackburn College as well as 3rd sector providers are keen to secure pitch bookings to deliver their respective programmes including education based courses, all age provision and activities to promote mental wellbeing and social participation.

A robust and thorough business plan has been developed using the Football Foundation's detailed template and as part of the bid pre-submission was scrutinised by the peer reviewers in the Football Foundation and FA . The business plan includes a long term sustainability element, a mandatary £50,000 sink fund from income (£25,000 per pitch) that is ring-fenced year on year and will guarantee that there is a funding pot to replace both pitch playing surfaces every ten years.

Securing investment for new 3G pitches the intention is to explore assessment of and appropriate investment in the grass cricket and football pitches at Pleasington and look at renewing the dilapidated changing rooms built in the 1960's. This is seen as the next phase of a multi-phased approach to improving pitch quality and provision to meet the needs going forward.

Through a feasibility study (funded by the FA) the following works were identified as required at Witton:

- New Floodlights
- New Pitch Fencing
- New Shock-pad and sub base
- Improvements to the drainage
- A new 3G (third generation) pitch surface to allow approved league football.
- A refurbishment of the current changing rooms to allow for league football standards.
- An increase in the size of both pitches to meet the minimum size specifications for adult football.

The total cost of the above was estimated at c. £1.2M

The FA / Football Foundation required match funding of c. 30% or £400,000. Due to the Council's ongoing financial challenges discussions were had with Growth Board colleagues and £400,000 of section 106 has been secured from the planned developments at Sappi Paper site approved at Planning Committee on 20th December 2018.

Approved procurement processes for the required work have followed. The changing room works tender has been advertised on The Chest led by the council's building consultancy section. The pitch works have been advertised through the FA's own procurement framework led by FA Consultants Robinson Low Francis Limited to bespoke contractors able to carry out the specialist works. From these successful procurement processes we know the actual costs required to complete phase one.

The costs are as follows.

Pitch works	£814,164
Pavilion refurbishment	£213,668
External works elevation treatment	£11,000
Contingency	£51,393
Fees	£85,802
Statutory costs	0
Legal costs	£2,000

Total project costs	**£1,178,045**
Funding for this project has been sourced	
Via a grant to the football foundation	**£778,045**
A section 106 contribution from the	
Sappi Paper Mill Housing development	**£400,000**

4 KEY ISSUES & RISKS:

The infrastructure of the site including floodlights, fencing, drainage and the shock pad under the surface of the grass is now 34 years old and also need replacing. The changing rooms need updating to meet current FA standards.

The cost of this level of investment is c £1.2M. Given the Council's continuing financial challenges this level of investment was not available from internal budgets.

There is a risk that unless external funding can be secured the pitches may need to be closed on health and safety due to the deteriorated pitch surface.

The FA has a strategy to invest in grassroots football and facility improvement to strengthen and generate increased participation. Working in partnership with The FA and the Football Foundation has enabled identification and securement of c. £778,000 of external funding that has been matched by section 106 funding approved at Planning Committee 20th December 2018 from the Sappi Paper mill development site.
Procurement for the pitch replacement and changing room refurbishment has been undertaken through the Council's Chest system and the FA's contractor framework both managed and coordinated by experienced officers.

The development of the business plan, led by Lancashire FA has secured a number of key partners for use of the new pitches. These include Blackburn Rovers Community Trust and Blackburn College.

Securing external funding and investment in 2 new 3G pitches at Witton Park will enabled future phases exploring opportunities for the whole of Pleasington pitches. This would include assessment of and appropriate investment in the grass cricket and football pitches at Pleasington and looking at renewing the dilapidated changing rooms built in the 1960's. This is seen as the next phase of a multi-phased approach to improving pitch quality and provision to meet the needs going forward.

5. POLICY IMPLICATIONS

Improvements in facilities that promote physical activity and participation support the Council's commitment to increase health and wellbeing and underpin the additional investment from Sport England's Local Delivery Pilot which focusses on those who are currently inactive.

6. FINANCIAL IMPLICATIONS

Capital

The whole scheme is externally funding through a secured grant from the Football Foundation of £778, 045 and £400,000 from section 106 through the Sappi Paper mill development approved by

Planning Committee on 20th December 2018. The project's funding breakdown can be seen below

Pitch works	£814,164
Pavilion refurbishment	£213,668
External works elevation treatment	£11,000
Contingency	£51,393
Fees	£85,802
Statutory costs	0
Legal costs	£2,000
Total project costs	**£1,178,045**

Funding for this project has been sourced Via a grant to the football foundation	**£778,045**
A section 106 contribution from the Sappi Paper Mill Housing development	**£400,000**

The section 106 contributions will be received by the council in various instalments dependant on the progress of the housing development on the Sappi site.

1) These monies are detailed to come in as follows. Planning app 10/15/0496

upon commencement of building	£100,000	Commence Summer 2019
at the 12 months point	£222,500	
at the 24 months point.	£37,500	

From app 10/14/0828: £40,000 contribution received from Tauheedul Education trust in 16/17.

The council will make arrangements to borrow this money to fund the time gap from the money being spent on the scheme to the money coming in from the developer.

The project delivery and timescale sits in 2019/20; commencement in April 2019 and completion in September 2019, with retention held beyond this date.

Revenue

The business plan includes a long term sustainability element, a mandatary £50,000 sink fund from income (£25,000 per pitch) that is ring-fenced year on year and will guarantee that there is a funding pot to replace both pitch playing surfaces every ten years. This sink fund will be generated from the increased income forecast as a result of the pitch improvements as highlighted in the business case.

7. LEGAL IMPLICATIONS

Procurement of the changing room works has been procured via open tender on the Chest in accordance with Council contract procurement procedure rules and procurement law. Procurement of the pitch works has been undertaken by consultants via the football foundation framework. Details of this procurement shall be reviewed by officers in Contracts and Procurement team to ensure compliance with procurement law.

Contracts for both works contracts shall be in a form approved by legal officers in the Contracts and Procurement team.

The grant funding agreement from the Football Foundation shall be in a form agreed with legal officers in the Contracts and Procurement team.

The conditions of the grant funding agreement require the Council to enter into the documents restricting the lands future use and for this to be registered at the land registry.
All agreements shall be entered into in accordance with the requirements of the constitution, including being executed under seal.

8. RESOURCE IMPLICATIONS
There are no resource implication. All costings for staff time have been factored into the project costs and are covered through the secured external funding.

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)*

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10. CONSULTATIONS;
Extensive consultations, led by the Lancashire FA have taken place with a range of current and proposed users of the new site to ensure that there are sufficient customers and partners to successfully use the site and deliver the sustainable football association business plan.
Any required relocation of current users (including hockey, men's football teams and netball league) has been secured to the community use facility at the adjacent Witton Park High School. This minimises disruption for them and secures them improved facilities compared to the current pitches at Witton Park.

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

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

VERSION:	**6**

CONTACT OFFICER:	**Claire Ramwell**
DATE:	04/03/2019
BACKGROUND PAPER:	

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Regeneration
LEAD OFFICERS:	Director of Growth and Development
DATE:	14 March 2019

PORTFOLIO/S AFFECTED:	Regeneration	
WARD/S AFFECTED:	Darwen East	Darwen West
KEY DECISION:	**YES** ☒ **NO** ☐	

SUBJECT: Future High Street Fund – Darwen Town Centre

1. EXECUTIVE SUMMARY

The £675m Future High Street Fund was launched by Government on 26 December 2018. The purpose of the Fund is to help local authorities and their partners improve the performance of their town centres with a focus on those places struggling with rapid changes in the retail sector and consumer behaviour, but with the potential to create viable places which are attractive to residents, visitors, established traders and new business occupiers, as part of a wider place-focused growth strategy. This is a nationally competitive fund with over 400 submissions anticipated.

In the first instance, Government is only seeking an Expressions of Interest (EOI) by 22 March 2019. Government will then assess EOI submissions with a view to inviting selected town centres to develop their plans and business case in detail. However, there is no guarantee of funding, even if selected to develop more detailed plans. The Government's funding decisions will ultimately be subject to HM Treasury Green Book business-case evaluation.

Given the Government's bidding guidance, it is considered that Darwen Town Centre has the strongest strategic fit with this national funding opportunity. This report sets out the opportunity and rationale to bid for funding in support of Darwen.

This report seeks approval to submit an EOI by 22 March 2019. Further updates will be submitted to the Board to update Members of progress.

2. RECOMMENDATIONS

The Executive Board is asked to:

- Note and approve the decision to submit an Expression of Interest to the Government's Future High Street Fund for Darwen Town Centre by March 22nd 2019;
- Authorise the Deputy Chief Executive, in consultation with the Director of Growth and Development, to finalise the Council's Expression of Interest;
- Request the Director of Growth and Development to provide progress updates to the Executive Board.

3. BACKGROUND

In light of the numerous changes and challenges town centres face, Government has allocated £675M of funding through the Future High Street Fund to support local authorities and their partners to make strategic capital investments and interventions to reinvigorate their high streets.

The key objective of the Fund is to **renew and reshape town centres and high streets in a way that improves experience, drives growth and ensures future sustainability**. Town centres should become thriving places where the community feels engaged with becoming centres where people live, shop, use public services, and spend their leisure time.

Local authorities submitting EOIs to the Government's Fund have been asked to define the specific challenges faced by their high streets, set out their overarching strategic ambition for their town centre and the constraints that need to be addressed to make this possible.

Any identified need for investment is expected to fall under the following themes:

• Investment in physical infrastructure
• Acquisition and assembly of land including to support new housing, workspaces and public realm
• Improvements to transport access, traffic flow and circulation in the area
• Supporting change of use including (where appropriate) housing delivery and densification
• Supporting adaptation of the high street in response to changing technology

The Fund is part of the Government's 'Plan for the High Street' which includes:

• Cutting Business Rates by a third for up to 90% of retail properties for two years, to provide upfront support for high streets;

• Consulting on planning reform to make it simpler to create more homes, jobs and choice in town centres, and trialling a register of empty shops;

• Setting up a High Streets Task Force which will support local leadership with expert advice on helping local high streets to adapt and thrive; and

• Strengthening community assets, including the restoration of the historic buildings that make our high streets special, supporting community groups to use empty properties and providing business rates relief for public toilets and local newspapers.

The Future High Streets Fund forms a central part of the Government's Plan. It will support places by co-funding transformative, structural changes to overcome challenges in their area.

The Fund will operate as a two-round fund with two stages to the application process. This first stage of the application process, Phase 1, calls for places to come forward with Expressions of Interest by 22 March 2019 setting out their challenges and strategic approach to regenerating town centres. These will be assessed against criteria set out within the guidance. An announcement, on which places will move forward to Phase 2 with development of full business cases, is expected in Summer/Autumn.

If the EOI submission is shortlisted to move to a Phase 2 application, there will be some revenue funding available to support the development of town centre strategies, scheme proposals and investment plans. These business cases will be assessed in accordance with HM Treasury Green Book appraisal methodologies and criteria to be published in due course.

There is an expectation that local funding and private investment will be matched with Government funding support but there are no precise details at this point in the process. This will be subject to business case development.

In addition, £55m of the Fund has been allocated to the Department for Digital, Culture, Media and Sport to support the regeneration of heritage high streets. More information is likely to come forward on this in late Spring.

4. KEY ISSUES & RISKS

Darwen, with its distinctive physical and industrial heritage, economic profile and natural environment has been identified as having a town centre with the right scale, challenges and opportunities to underpin a strong application to the Future High Streets Fund. A targeted bid with an emerging funding ask of c. £5-8m focused on securing business incentives to promote local growth, while delivering physical change that leverages our strategic investment in the area. Recent investment plans have improved road and rail connectivity, delivered new and upgraded public services/facilities/spaces, new housing growth, improved private properties, and support for cultural and community assets. A successful Fund submission will aim to continue and target further interventions in Darwen to encourage new business, employment and housing growth, as part of the wider growth strategy for the area.

The improved transport infrastructure through the Darwen Economic Development Corridor, improved rail link to Manchester and Clitheroe, Pennine Reach and current new investment in the Market Square is and will contribute to make Darwen a more accessible and attractive place to live, work and visit. However, the retail (particularly comparison), leisure and cultural offer of the town centre is not serving the needs of the current local population nor the anticipated growth in new residents. With housing growth underway and planned, the growing number of new residents, particularly families and younger people will provide further demand for an improved town centre alongside the major local employers who are competing to attract talent to meet their recruitment needs.

The importance of place-making and improving the customer experience by providing a distinctive and authentic offer for residents has been demonstrated by successful town centres such as Altrincham. Darwen has an entrepreneurial culture demonstrated by the success of a night time economy with a large proportion of independent businesses and targeted investment as described would support the development of a broader, more rounded offer appealing to all residents and helping to drive the development of a stronger economy and employment growth.

Currently, there is no indication from the Government as to what the match funding requirements will be although this is likely to be relative to the size of the bid. This will become apparent after shortlisting, but early advice has suggested it will be on a case by case basis. However, at the second stage in the bid development process, given the large number of business cases under consideration, it is highly likely that Government officials will focus on value for money criteria as a key determinant of success.

5. POLICY IMPLICATIONS

The importance and development of Darwen Town Centre as an important employment, retail, service, leisure and cultural hub for the residents of the borough is identified in the Council's Local Plan, Darwen Town Centre Strategy, Growth Strategy, LSP'S Plan for Prosperity and the Corporate Plan.

6. FINANCIAL IMPLICATIONS

An initial investment of £10,000 in order to access specialist technical support and research has been funded by the Regeneration portfolio to support the initial EOI. If the Council was successful in being shortlisted, some additional funding would be made available from the fund to support the development of a strategic vision, investment plan and business case, in conjunction with local partners and stakeholders.

7. LEGAL IMPLICATIONS

There are currently no legal implications or resources required. This will be reviewed if the EOI is shortlisted.

8. RESOURCE IMPLICATIONS
Staff time from the Growth and Development Department to support the development of the EOI has been allocated.

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)*

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10. CONSULTATIONS
Consultations with the Darwen Town Centre Partnership Board, Darwen Town Council and key businesses in Darwen have been undertaken.

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
None

VERSION:	**1**

CONTACT OFFICER:	Martin Kelly
DATE:	1/3/2019
BACKGROUND PAPER:	Future High Streets Fund Prospectus and Supplementary Guidelines.

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Resources
LEAD OFFICERS:	Director of Finance and Customer Services
DATE:	14th March 2019

PORTFOLIO/S AFFECTED:	Resources
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☐ **NO** ☒

SUBJECT: Refinancing of Building Schools for the Future – Private Finance Initiative Phase 1 - Pleckgate High School

1. EXECUTIVE SUMMARY

Further to the Executive Board report in July 2017 and the Executive Member Decision in November 2018, this report provides an update on the recent refinancing of one of the two Private Finance Initiative (PFI) schemes which the Council entered into as part of the Building Schools for the Future (BSF) programme in 2010.

2. RECOMMENDATIONS

That the Executive:

Notes the outcome of the recent refinancing exercise for the Phase 1 Private Finance Initiative (PFI) Scheme – Pleckgate High School, the funding for which was originally put in place as part of the Building Schools for the Future (BSF) programme in 2010.

3. BACKGROUND

Most PFI contracts contain standard provisions stating that if the debt used to finance the initial construction phase of a project can be refinanced at a lower cost, then the benefit (after transaction costs, advisory fees and disbursements) is split between the Council and the PFI Contractor. In these arrangements, the debt to be refinanced is often referred to as Senior Debt and the providers of it are known as Senior Funders.

The interest rate charged to the PFI Contractor broadly comprises two elements:

- The underlying interest (swap) rate;
- A profit margin charged by the Senior Funder.

Refinancing opportunities generally exist where the market rate for the profit margin element falls below that currently charged by the incumbent Senior Funder. However, any refinancing exercise attracts significant early redemption penalties as well as legal and advisory fees. The reduction in margins must therefore be significant enough to offset these costs.

It is common for this debt to be refinanced sometime after the completion of construction because the risks involved in the project generally reduce at this point which means that the initial loans can be replaced by loans at a lower rate of interest. The approach made by the PFI Contractor to refinance was made because of the historically low level of interest rates that prevail at present.

Based upon their preliminary work, the PFI contractors advised the Council that the terms being offered by prospective funders would result in a net gain which would provide the Council with the following benefits;

- A share of the gain attributable to the Council as granting authority, as defined by sharing provisions in the initial Project Agreement in 2010, with any benefit from the refinancing to be split between the Council and the Project Company on the basis agreed at the time of the original PFI contract
- As the Council is also a shareholder in the Project Company (directly owning 9% of the shares in the Holding Company, and also 5% in the Local Education Partnership (LEP) who in turn own 10% of the shares in the Holding Company), the Council would receive 9.5% of the benefit identified above as accruing to the Project Company.

4. KEY ISSUES & RISKS

Following preparation and thorough review of the supporting legal and financial documentation, the actual refinancing transaction took place on 13th February 2019.

The financial gain to the Council as a consequence of the refinancing exercise is £1,033,000

5. POLICY IMPLICATIONS

There are no specific policy implications associated with this report.

6. FINANCIAL IMPLICATIONS

The refinancing has resulted in a financial benefit for the Council comprising;

Share of gain to the Council as granting authority £913,000

Share of gain to the Council as shareholder in the Project Company £120,000

TOTAL £1,033,000

These gains are stated after deduction of the costs for all financial and legal advisers engaged on the project, including those who were appointed to support the Council.

7. LEGAL IMPLICATIONS

The Council's Financial Procedure Rules have been complied with in the progression of the re-financing arrangement and the Council procured expert, external legal and financial advice to support this project.

1. RESOURCE IMPLICATIONS

Although there was some impact on finance, procurement and contracting staffing resources for the finalisation of the re-financing arrangements, the ongoing input and management of the PFI contract will not materially impact on the current staffing resources.

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)*

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10. CONSULTATIONS

None.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	1.0

CONTACT OFFICER:	Chris Bradley – Service Lead, Contracting and Procurement Team
DATE:	14th March 2019
BACKGROUND PAPER:	Executive Board Decision - Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) contract – July 2017 Executive Member Decision - Refinancing of the Building Schools for the Future (BSF) Private Finance Initiative (PFI) contract Phase 1 – Pleckgate High School – November 2017

EXECUTIVE BOARD DECISION

BLACKBURN with DARWEN BOROUGH COUNCIL

REPORT OF:	Executive Member for Regeneration Executive Member for Resources
LEAD OFFICERS:	Deputy Chief Executive
DATE:	14 March 2019

PORTFOLIO/S AFFECTED:	ALL
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☒ **NO** ☐

SUBJECT: Growth Programme 2019/20: Site Disposal & Development Projects

1. EXECUTIVE SUMMARY

1.1 This report outlines the Growth Programme for 2019/20 and details the schedule of sites for disposal and seeks approval to dispose of these sites for development;

1.2 The report requests delegated authority to vary the Growth Programme for 2019/20 by adding or removing sites as required reflecting emerging priorities;

1.3 Each site will undergo an options appraisal to select the best way of disposing the site for development, delegated authority is sought to finalise the disposal route for each site following the options appraisal

1.4 This report also requests approval to extend the scope of the Development Investment Fund to include all growth sites within the programme.

1.5 The Council will work with local Registered Provider Partners, including; Together Housing, Places for People and Great Places to build new affordable homes across the Borough.

2. RECOMMENDATIONS

That the Executive Board:

2.1 Note the contents of this report and the Growth Programme for 2019/20 as attached in Annex 1;

2.2 Delegates authority to revise the Growth Programme for 2019/20 by adding or removing sites to the Growth Programme Director and the Chief Executive (designate) in consultation with the Executive Members for Resources and Regeneration;

2.3 Delegates authority to agree the disposal route for each site to the Growth Programme Director and the Chief Executive (designate) in consultation with the Executive Members for Resources and Regeneration with subsequent decisions on disposal by the Exec Member or Exec Board route as required.

2.4 Note the funding of the 'Development Investment Fund' as approved at Finance Council on 25th

February 2019 to provide financial support to bring forward and enable Council owned sites for sale and development.

2.5 Approve the extension of the scope of the Development Investment Fund to allow the funding to be used to bring forward and enable all Council owned housing and commercial sites.

2.6 Approve the use of Affordable Homes commuted sum payments received from planning section 106 agreements to be used to support the development of affordable housing schemes by one of the Council's Registered Provider Partners; Together Housing, Places for People and Great Places.

3. BACKGROUND

3.1 The Council remains committed to delivering a more prosperous Borough. The Council has invested in a Growth Team which brings focus to all development activities within the Borough and works with all landowners, private developers and funding agencies to bring forward residential, commercial, town centre and infrastructure projects.

3.2 These projects help to bring increased prosperity to the Borough through additional Jobs, Business Rates, Council Tax and New Homes Bonus.

3.3 The Council as one of the largest landowners in the Borough remains proactive and responsive to the development market to ensure Council owned land is disposed of in a manner to optimise the financial benefits for the Council as well as maximising the wider economic benefits for the Borough.

3.4 A Development Infrastructure Fund (DIF) was set-up in September 2016 to support de-risking Council owned sites for housing development. De-risking sites allows developers to make an informed decision on the development opportunity through the tender process which helps to reduce risk and contingency therefore increasing the financial offer.

3.5 To date the DIF has been used to procure site surveys, site investigations and technical assessments of Council owned sites to prepare them for disposal.

4. KEY ISSUES & RISKS

4.1 The Council has prepared an annual Growth Programme of activity for 2019/20 attached as Annex 1 which provides details of the sites considered for disposal and development in the year.

4.2 Officers will consider on a case by case basis the disposal and development route for each individual site and work closely with local Registered Provider Partners and the Council's Growth Framework Partners when tendering sites for disposal. In addition, and when appropriate to do so, the Council may revert to a wider marketing strategy for disposal through informal tender for higher value housing and commercial sites.

4.3 The Council will work closely with local registered providers; including Together Housing Association, Places for People and Great Places (as special purchasers where appropriate) to develop affordable housing to meet the Borough's need.

4.4 The Council will consider on a case by case basis the allocation of section 106 affordable homes commuted sums to assist in delivering challenging sites for housing. Section 106 funding will be used to support viability challenges on development sites suitable to provide affordable homes (for either rent or shared ownership).

4.5 The Council has expended approximately £170,000 from the original DIF budget of £250,000 and has brought forward sites as identified in the below table.

Site	Current Status
Roe Lee, Blackburn	To prepare sale of site, site successfully tendered and sale planned to complete March 2019
Alaska Street, Blackburn	To prepare sale of site, site successfully negotiated with Registered Provider partner and sale planned to complete April 2019
Tower View, Darwen	To prepare sale of site, site successfully tendered and sale planned to complete April 2019
Salisbury Road, Darwen	To prepare sale of site, site successfully tendered and sale planned to complete May 2019
Tower Road, Feniscliffe Bank	To prepare sale of site, site successfully tendered with a preferred bidder appointed in February 2019.

4.6 Following the success of the fund, it is proposed to extend the use of the fund to include all Council owned sites for housing and commercial development and extend the scope to include service diversions, site clearance and levelling, tree felling and fencing to secure sites.

4.7 Finance Council held on 25th February 2019 approved to increase the DIF budget back to £250,000 for 2019/20

5. POLICY IMPLICATIONS

Disposals will be 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 A full assessment will be undertaken on all tender submissions for each site disposal and the recommended bid details will be presented for Executive Member or Executive Board decision prior to the appointment of a developer.

6.2 The S106 budget for affordable homes commuted sums will be transferred to the Growth Capital Programme so that new projects to provide affordable housing can be supported by the fund.

7. LEGAL IMPLICATIONS

7.1 The disposal of sites will be in accordance with the Council's disposal policy when disposal is by formal or informal tender.

7.2 The disposal of sites with their connected development/redevelopment will be in accordance with the Council's Growth Framework when disposal is by procurement of a developer partner.

7.3 The Council will need to ensure best consideration is achieved in any disposal of land subject to any dispensations or considerations that the Council may be legally entitled to make.
7.4 Reports outlining final Heads of Terms for the sale of land will be presented to the Executive Members for Resources and Regeneration or Executive Board for approval.

8. RESOURCE IMPLICATIONS

8.1 Support for the tender and procurement process will be provided from existing resources within the Growth Team and the Growth & Development Department.

8.2 Additional support will be required from the Procurement and Legal Department to complete land disposal transactions.

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

Contracts for the disposal of sites will be conditional on planning with all consultations undertaken for individual schemes through the formal planning 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.

VERSION:	1.0

CONTACT OFFICER:	**Simon Jones, Growth Programme Director**
DATE:	27th February 2019
BACKGROUND PAPER:	None.

Growth Programme 2019/2020

Site Disposal & Development Projects

Council-Owned Sites at Feasibility & Procurement Stages

- **Housing Sites**
  - Fishmoor Drive / Roman Road
  - Griffin, Blackburn
  - Queens Park, Blackburn
  - Marsh House Lane, Darwen
  - Holden Fold, Darwen
  - Clarendon Road
  - Fmr Sunnyhurst Centre, Darwen

- **Employment Sites**
  - Chapels Park
  - Bridge House
  - Fmr Blackburn Markets Site
  - Blakewater Lodge

- **Strategic Sites**
  - SE Blackburn – Blackamoor Site
  - SE Blackburn – Haslingden Road Sites (2 No. Plots)
  - Furthergate – Employment Sites (7 No. Plots)

Council Sites at Planning & Delivery Stages

- **Housing Sites**
  - Alaska Street, Blackburn
  - Salisbury Road, Darwen
  - Tower View, Darwen
  - Roe Lee, Blackburn
  - Land at Tower Road, Feniscliffe

- **Employment Sites**
  - Dock Street
  - Shadsworth Plot C
  - Whitebirk Tip
  - Wainwright Way
  - Two Cathedral Square

EXECUTIVE BOARD DECISION

REPORT OF:	Executive Member for Resources
LEAD OFFICERS:	**DIRECTOR OF FINANCE & CUSTOMER SERVICES**
DATE:	**14th MARCH 2019**

PORTFOLIO/S AFFECTED:	Resources
WARD/S AFFECTED:	All
KEY DECISION:	**YES** ☐ **NO** ☒

SUBJECT: TREASURY MANAGEMENT STRATEGY REPORT 2019/20

1. EXECUTIVE SUMMARY

1.1 Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2017 Edition (the Treasury Management Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

2. RECOMMENDATIONS

That the Executive Board:

2.1 approves the proposed Treasury Management Strategy for 2019/20, detailed in Appendix 1, including the proposed Treasury Management Indicators.

3. BACKGROUND

3.1 Treasury management is the management of the Council's cash flows, borrowing and investments, and the associated risks. The Council borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Council's prudent financial management.

3.2 Investments held for service purposes or for commercial profit are considered in the Capital Strategy report, approved by Finance Council in February 2019.

4. RATIONALE

4.1 The Council is required to approve a Treasury Management Strategy before the start of each financial year. It must also set Treasury and Prudential Indicators and a policy for determining a "prudent" level of Minimum Revenue Provision for repayment of debt which is consistent with the Council's Medium Term Financial Strategy (MTFS).Treasury Management Strategy.

5. KEY ISSUES

5.1 Working within the regulatory and professional frameworks, the Council considers and agrees an annual Treasury Management Strategy before the start of each year. This is followed up with a mid-year Strategy Review, considered alongside the Annual Outturn Report, summarising the position for the previous financial year. The key requirements for the Council are to maintain its two investment priorities, the security of capital and the liquidity of investments.

6. POLICY IMPLICATIONS

6.1 The policy implications arising from the Treasury Management Strategy are contained within the overall Budget Strategy of the Council.

7. FINANCIAL IMPLICATIONS

7.1 The financial implications arising from the Treasury Management Strategy are also contained within the overall Budget Strategy of the Council..

8. LEGAL IMPLICATIONS

8.1 Under the Local Government Act 2003, the Council is required to have regard to CIPFA's *Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes.*

9. RESOURCE IMPLICATIONS

9.1 None as a direct consequence of this report.

10. 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.

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.

10. CONSULTATIONS

10.1 The issues raised in this report have been discussed previously with Audit and Governance Committee and the Treasury Management Group.

11. STATEMENT OF COMPLIANCE

11.1 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

VERSION:	**1.0**

CONTACT OFFICER:	**Ron Turvey, Deputy Finance Manager**
DATE:	28th February 2019
BACKGROUND PAPER:	None

Appendix 1

TREASURY MANAGEMENT STRATEGY 2019/20

1 Introduction

1.1 The Authority both borrows and invests substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of risk are therefore central to the Council's Treasury Management Strategy.

1.2 Treasury risk management for local authorities is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's *Treasury Management in the Public Services: Code of Practice 2017 Edition* (the CIPFA Code) which requires each authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

1.3 Investments held for service purposes or for commercial profit are considered in a different report, the Capital Strategy.

1.4 In previous years, the Council's Prudential Indicators (to assess and measure the affordability, sustainability and prudence of its capital investment plans) and Minimum Revenue Provision (MRP) Policy were incorporated within the Treasury Management Strategy approved by Finance Council. These are now included with the Capital Strategy considered by Finance Council, and the Treasury Management Strategy (and mid-year review and outturn reporting) will now be considered by Executive Board.

1.5 Should the assumptions on which this report is based change significantly, it may be necessary to seek approval to a revised Treasury Management Strategy. Such circumstances could include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of investments made or borrowing required.

2 Economic Context, Credit Outlook and Interest Rates

2.1 The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20. Transitional arrangements, if agreed, may prevent a cliff-edge, but may also extend the period of uncertainty for several years.

2.2 Inflation, as measured by the Consumer Price Inflation (CPI) Index, fell to 2.1% in December and is expected to decline slightly in the short run before rising again after the effect of the recent fall in petrol prices unwinds. Unemployment rates remain low, and real wages have started to increase, but any economic slowdown could impact heavily on consumer spending.

2.3 The UK's annual GDP growth has fallen, and is now well below trend. However, providing the UK's exit from the EU is relatively smooth, the Bank of England, in its February Inflation Report, expects annual GDP growth to recover to 2% by the end of its forecast period.

2.4 The UK's progress negotiating its exit from the European Union, together with its future trading arrangements, will continue to be a major influence on the Authority's treasury management strategy for 2019/20. Transitional arrangements, if agreed, may prevent a cliff-edge, but may also extend the period of uncertainty for several years.

2.5 Following the Bank of England's decision to increase Bank Rate to 0.75% in August, no change to monetary policy has been made since. However, the Bank expects that should the economy continue to grow in line with forecasts, further increases in Bank Rate may be required. The Bank's Monetary Policy Committee (M.P.C.) continues to reiterate that any further increases will be at a gradual pace and limited in extent.

2.6 The US economy continued to grow, though at a slower rate by the end of 2018. The US Federal Reserve has continued to increase interest rates, but concerns over the sluggish growth, and storm clouds over potential world trade wars suggest that future increases in US interest rates will be slower than previously anticipated.

2.7 The big four UK banking groups have now divided their retail and investment banking divisions into separate legal entities under "ringfencing legislation". Bank of Scotland, Barclays Bank UK, HSBC UK Bank, Lloyds Bank, National Westminster Bank, Royal Bank of Scotland and Ulster Bank are the ringfenced banks that now only conduct lower risk retail banking activities. Barclays Bank, HSBC Bank, Lloyds Bank Corporate Markets and NatWest Markets are the investment banks. Credit rating agencies have adjusted the ratings of some of these banks with the ringfenced banks generally being better rated than their non-ringfenced counterparts.

2.8 The Bank of England released its latest report on bank stress testing, illustrating that all entities included in the analysis were deemed to have passed the test once the levels of capital and potential mitigating actions presumed to be taken by management were factored in. The BoE did not require any bank to raise additional capital.

2.9 European banks are considering their approach to Brexit, with some looking to create new UK subsidiaries to ensure they can continue trading here. The credit strength of these new banks remains unknown, although the chance of parental support is assumed to be very high if ever needed. The uncertainty caused by protracted negotiations between the UK and EU is weighing on the creditworthiness of both UK and European banks with substantial operations in both jurisdictions.

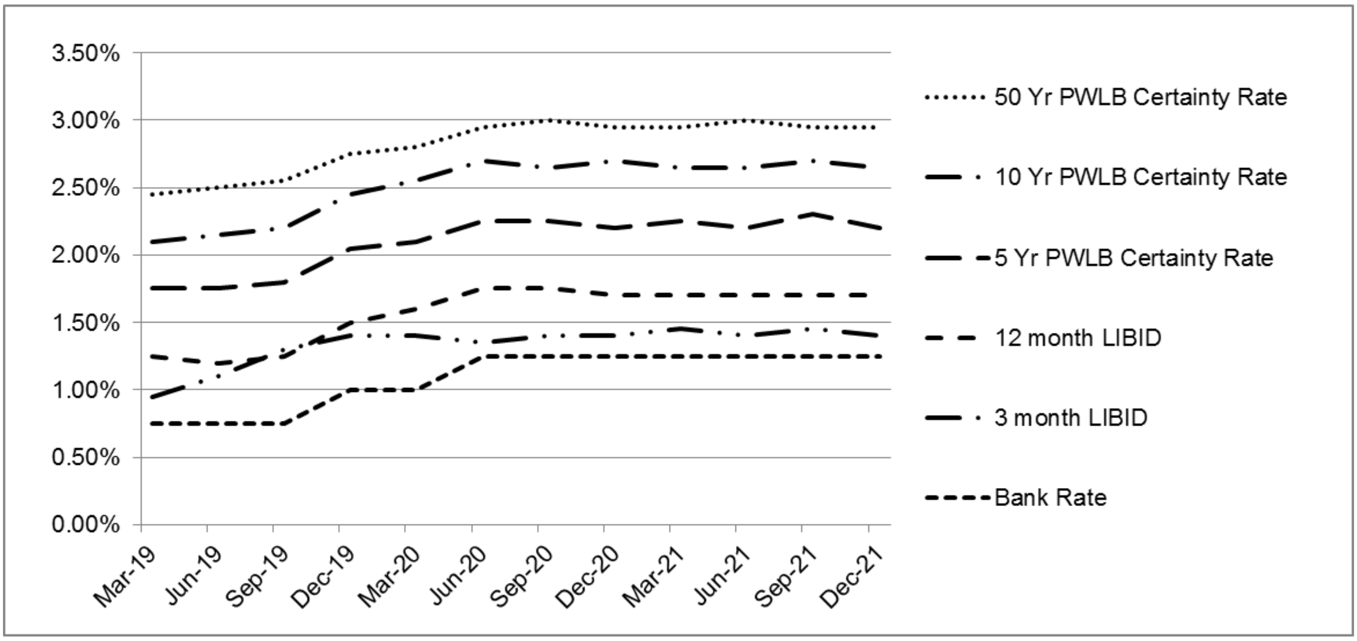
2.10 Following on from the August increase in Bank Rate to 0.75%, the Authority's treasury management adviser Arlingclose projects two more 0.25% hikes by June 2020 to take official UK interest rates to 1.25%. The MPC has maintained expectations for slow and steady rate rises, because though it favours a tight monetary policy, it is reluctant to push interest rate expectations too strongly. Arlingclose believes that MPC members consider both that ultra-low interest rates result in other economic problems, and that a higher Bank Rate will afford a more effective policy weapon should downside Brexit risks crystalise.

2.11 The Council's latest interest rate forecast, reflecting advice from Arlingclose, is shown below.

The PWLB rates relate to potential long term borrowing, and the LIBID (London Interbank Bid Rate) to short term borrowing and investment.

This is a realistic view of potential rates, however it must be recognised that there is significant uncertainty and risks to both the upside and downside. While assumptions are that a Brexit deal is struck and some agreement reached on transition and future trading arrangements before the UK leaves the EU, the possibility of a "no deal" Brexit still hangs over economic activity.

As such, the risks to the interest rate forecast are considered firmly to the downside.



For the purpose of setting the budget for 2019/20, it was assumed that:

- any new investments would be at low rates, averaging around 0.6%,
- short-term borrowing would be available at an average of around 1.25% and
- new long-term loans would be available, if required, at rates below 2.0%.

3 Borrowing Strategy

3.1 At the end of December 2018 the Council held around £315 M of borrowing:

	£M
Short Term Debt – maturing 18/19	60.0
Short Term Debt – maturing 19/20	18.0
Long Term Debt	156.0
Lancashire County Council (LCC) Debt	15.0
Debt re PFI arrangements	66.0
	315.0
This was offset by investments of:	62.5
Net borrowing (gross borrowing less investment)	252.5
If LCC and PFI debt are excluded, net borrowing	171.5

The investment level was unusually high because the Council took advantage of low PWLB interest rates in early December to take £35 M of new long term debt, while already holding short term loans covering its liquidity needs. The level of investments will fall sharply, as short term debt is repaid before the end of the financial year.

3.2 The Council's CFR (Capital Financing Requirement) is the key measure of the Council's borrowing **need** in the long term. It is

the accumulated need to borrow **to finance capital spend** (not funded from grants, etc.)

LESS the accumulated Minimum Revenue Provision (MRP) charges already made - councils must make a prudent MRP charge in their accounts, to finance their debt –

LESS any capital receipts applied to finance outstanding debt.

The CFR tends to increase if capital spend financed from borrowing exceeds MRP.

3.3 Forecast changes in CFR and borrowing needs are shown in the table below

	31.3.18 Actual £m	31.3.19 Estimate £m	31.3.20 Forecast £m	31.3.21 Forecast £m	31.3.22 Forecast £m
General Fund CFR	299.9	302.3	310.6	303.5	295.1
Less: CFR re Other debt liabilities *	-85.9	-85.4	-84.8	-84.3	-83.7
Loans CFR	**214.0**	**216.9**	**225.8**	**219.2**	**211.4**
Less: External borrowing **	-125.3	-154.9	-150.4	-145.7	-141.3
Internal borrowing	**88.7**	**62.0**	**75.4**	**73.5**	**70.1**
Less: Usable reserves ***	-41.0	-33.0	-29.7	-27.7	-27.7
Plus/Minus: Working capital	3.6	-2.7	-9.0	-10.9	-12.8
Remaining Net borrowing NEED	**51.3**	**26.3**	**36.7**	**34.9**	**29.6**

Net borrowing NEED addressed by		
Short Term borrowing	**85.0**	**43.0**
Treasury Investments	**-33.7**	**-12.7**

* CFR regarding PFI liabilities and transferred debt that form part of the Council's total debt
** only loans to which the Council is committed over the longer term
*** includes schools balances and grants received in advance of need

The Council's usable reserves and working capital allow less borrowing to be taken than would otherwise be required. This is sometimes termed internal borrowing.

,

The Council's "Loans CFR" initially increases, due to the levels of prudential borrowing under its Capital Programme plans. Thereafter, unless the level of prudential borrowing is increased beyond current plans, it will start to fall in later years, as the level of MRP being made would then be larger than the increase in CFR resulting from additional spend financed from borrowing.

3.4 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that total debt should be lower than the highest forecast CFR over the next three years. The Council expects to comply with this recommendation during 2019/20.

3.5 The authority will continue to need to take borrowing in support of funding its capital programme. The chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required.

3.6 Given the significant cuts to public expenditure and in particular to local government funding, the proposed borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With short-term interest rates currently lower than long-term rates, it is likely to be more cost effective in the short-term to either use internal resources, or to borrow short-term loans instead. By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.

3.7 The benefits of internal and short-term borrowing will be monitored regularly against the potential for incurring additional costs by deferring borrowing into future years when long-term borrowing rates are forecast to rise modestly. Arlingclose will assist the Authority with this ‘cost of carry’ and breakeven analysis. Its output may determine whether the Authority borrows additional sums at long-term fixed rates in 2019/20 with a view to keeping future interest costs low, even if this causes additional cost in the short-term.

3.8 It had been the case that the Council had only taken short term borrowing for a number of years, with a view to minimising interest costs. It was always recognised, however, that it would be necessary to at some time to start to take some longer term borrowing, to address interest costs in the future, and to avoid becoming overly reliant on continuously rolling over short term debt. A significant tranche of long term borrowing was taken in December 2018, and the authority will continue to maintain a flexible approach to borrowing.

3.9 One alternative option is that the Council may arrange forward starting loans during 2019/20, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.

3.10 In addition, the Council may take further short term loans to cover cash flow requirements.

3.11 The approved sources of long-term and short-term borrowing will be:

- Public Works Loan Board (PWLB) and any successor body
- any institution approved for investments (see below)
- any other bank or building society authorised to operate in the UK
- any other UK public sector body
- UK public and private sector pension funds (except the Lancashire County Council Fund)
- capital market bond investors
- UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

- leasing
- hire purchase
- Private Finance Initiative
- sale and leaseback

The Authority has previously raised much of its long-term borrowing from the PWLB but it continues to investigate other sources of finance, such as local authority loans and bank loans, which may be available at more favourable rates.

3.12 Debt Rescheduling The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk.

3.13 The Council still has £13 M of LOBO (Lender’s Option Borrower’s Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. These options may be exercised during 2019/20; whilst it is unlikely that the options will be exercised in the current low interest rate environment, there remains an element of refinancing risk. The Authority may take the option to repay LOBO loans at no cost if it has the opportunity to do so. It is not currently expected that the Council will take any further

LOBO loans - however in order to allow for some flexibility, the Council will limit its total exposure to LOBO loans to £25 M.

3.14 The UK Municipal Bonds Agency plc was established in 2014 by the Local Government Association as an alternative to the PWLB. Blackburn with Darwen BC was one of a number of local authorities investing in the Agency to help to establish it. It plans to issue bonds on the capital markets and lend the proceeds to local authorities.

This would be a more complicated source of finance than the PWLB for two reasons:

(a) borrowing authorities may be required to provide bond investors with a joint and several guarantee over the very small risk that other local authority borrowers default on their loans and
(b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

Any decision to borrow from the Municipal Bonds Agency will be subject to a separate report to Executive Board.

4 Investment Strategy

4.1 On a day to day basis the Council can hold significant surplus funds representing income received in advance of expenditure requirements, in addition to balances and reserves held. In the past 12 months, the Council's investment balance has ranged from £15 to £65 million, reflecting in particular the profiles of capital spending, grant funding, short term borrowing levels and long term debt repayments.

4.2 Both the CIPFA Code and the MHCLG Guidance require the Council to invest its funds prudently, and to have regard to the **security** and **liquidity** of its investments before seeking the highest rate of return, or **yield**. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving low investment income.

4.3 If the UK enters into a recession in 2019/20, there is a small chance that the Bank of England could set its Bank Rate at or below zero, which is likely to feed through to negative interest rates on all low risk, short-term investment options. This situation already exists in many other European countries. In this event, security will be measured as receiving the contractually agreed amount at maturity, even though this may be less than the amount originally invested.

4.4 The Council uses a cash flow model to determine the period for which funds may prudently be committed. The forecast is compiled on a prudent basis, to minimise the risk of the Council being forced to borrow on unfavourable terms to meet its financial commitments. Furthermore, a prudent level of funds is maintained in 'instant access' investments, to cover most likely eventualities. However to mitigate risk further, it is possible to borrow funds to cover short-term needs.

4.5 The Council's surplus cash is currently invested in short-term unsecured bank deposits, building society deposits and money market funds, along with fixed term deposits with other local authorities and the Debt Management Office (DMO). Given the increasing risk and continued low returns from short-term unsecured bank investments, the Council will consider the options to diversify into more secure and/or higher yielding asset classes during 2019/20, particularly if it finds itself with funds to invest for longer.

4.6 In order to prioritise the security of investments, the Council sets limits on the amounts placed with different institutions and as to the duration of the investment. This is to maintain a diversified investment portfolio and to align amounts and durations of investments to the perceived risks associated with different counterparties.

4.7 When deteriorating financial market conditions give cause for concern, the Council will further restrict its investments to those institutions of higher credit worthiness and reduce the duration of its investments to seek to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government (via the DMO or invested in government treasury bills for example) or with other local authorities. This may reduce the level of investment income earned, but will protect the principal sum invested.

4.8 The Council uses credit ratings from all the three main rating agencies (Fitch Ratings Ltd, Moody's Investors Service Ltd and Standard & Poor's Financial Services LLC) to assess the risk of loss of investments. The lowest available credit rating will be used to determine credit quality. In order to make the limits straightforward to manage, limits are based on the Long-term ratings, as these ratings are those that address credit risk directly. Long-term ratings are expressed on a scale from AAA (the highest quality) through to D (indicating default). Ratings of BBB- and above are described as investment grade.

The ratings are obtained and monitored by the Council's Treasury Advisers, Arlingclose, who will notify the Council of changes as they occur.

4.9 Credit ratings are a significant factor in assessing the creditworthiness of organisations however the Council understands that they are not perfect predictors of investment default. Full regard will be given to other available information on the credit quality of banks and building societies, including credit default swap prices, financial statements, information on potential government support and other market information. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may meet the specified criteria.

4.10 Investment limits are applied at the point at which new investments are made. They are set at cautious levels, allowing for the fact that circumstances may change while investments run their course

It is proposed that if the investment criteria for a counterparty are no longer met, then:

- no new investments will be made,
- any existing investments that can be recalled at no cost will be recalled and
- full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.

4.11 Where a credit rating agency announces that it is actively reviewing an organisation's credit ratings with a view to downgrading, and as a result it is likely to fall below the specified minimum criteria, then no further investments other than into instant access accounts will be made until the outcome of the review is announced. This policy will not apply to negative outlooks which indicate a long-term direction of travel rather than an imminent change of rating.

Where a credit rating agency awards a different rating to a particular class of investment instrument as opposed to the credit rating of the counter-party as a whole, the Council will base its investment decisions on the instrument credit rating rather than the counterparty credit rating.

4.12 Investment Criteria for 2019/20

The proposed criteria are at essentially the same levels as were agreed for last year. The distinctions previously applied in MHCLG Investment Guidance between Specified and Non-Specified Investments have changed, so those categories are no longer reflected in the proposed limits. It is proposed that the Council may invest its surplus funds with any of the counterparty types in the table immediately below, subject to the cash and time limits shown AND to other limits also set out successively below.

Approved Investment Counterparties	Cash limit	Time limit
Banks and Building Societies – Secured		
long-term credit ratings no lower than AA (or equivalent)	£5M each	364 days
long-term credit ratings no lower than AA- (or equivalent)	£4M each	364 days
long-term credit ratings no lower than A- (or equivalent)	£3M each	364 days
Banks and Building Societies – Unsecured		
long-term credit ratings no lower than AA (or equivalent)	£5M each	9 months
long-term credit ratings no lower than AA- (or equivalent)	£4M each	6 months
long-term credit ratings no lower than A- (or equivalent)	£3M each	4 months
The Council's **current account banker** - provided long term credit rating no lower than BBB- (or equivalent)	£3M	next day
Corporates or **Registered Providers** with long-term credit ratings no lower than A- (or equivalent)	£3M each	4 months
Unrated institutions, such as some building societies	£1M each	4 months
Company Shares where no direct service benefit arising, for the prudent management of its financial affairs	£100,000	n/a
Pooled funds (incl. money market funds)		
long-term credit ratings no lower than A- (or equivalent)	£5M each	n/a
unrated or long-term credit ratings under A- (or equivalent)	£4M each	n/a
UK Government	no limit	364 days
Other Government with long-term-credit ratings no lower than A- (or equivalent)	£5M each	364 days
UK Local Authorities* (irrespective of credit rating)	£5M each	364 days
* as defined in the Local Government Act 2003		

Other Investment Limits	Cash limit
Any single organisation, except the UK Central Government	£5M each
UK Central Government	unlimited
Any group of organisations under the same ownership	**Group or overall limit** same as would be set for parent company
Foreign countries - limited to those with sovereign credit rating of AA + or better (from all agencies)	£5M each
UK investments will not be limited by the UK's sovereign credit rating	
Foreign investment limits will not apply to investment in pooled funds which may be domiciled overseas. Sovereign credit rating criteria and foreign country limits will also not apply to investments in multilateral development banks (e.g. the European Investment Bank and the World Bank).	
Registered providers and registered social landlords	£5M in total
Unsecured investments with building societies	£6M in total
Money market funds	£16M in total

4.13 Secured and Unsecured Investments

Unsecured Investments include accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail.

Unsecured investments with banks rated below A- (but no lower than BBB-) will be restricted to overnight deposits with the Council's Current Account bank, if applicable. A high level of monitoring of the credit-worthiness of the Current Account banker will be maintained if its ratings fall this low and this option will not be taken up if there are serious concerns.

In addition to investment balances, the Council may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services. These are not classed as investments, but are still subject to the risk of a bank bail-in, and balances will therefore be monitored and minimised, so far as practicable. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.

Secured Investments include covered bonds and other collateralised arrangements with banks and building societies. Such investments are secured on the bank's assets, which limits potential losses in the unlikely event of insolvency and means that they are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the highest of the collateral credit rating and the counterparty credit rating will be used to determine cash and time limits.

4.14 Investment in Other Government, Corporate and Registered Providers

Other Government – this covers loans, bonds and bills issued or guaranteed by national governments, regional and local authorities and multilateral development banks. These investments are not subject to bail-in and there is an insignificant risk of insolvency.

Corporates – this covers loans, bonds and commercial paper issued by companies other than banks and registered providers. These investments are not subject to bail-in but are exposed to the risk of the company going insolvent.

Registered Providers – this covers loans and bonds issued by, guaranteed by or secured on the assets of Registered Providers of Social Housing, formerly known as Housing Associations. These bodies are tightly regulated by the government and, as providers of public services, they retain a likelihood of receiving government support if needed.

4.15 Unrated Institutions

To allow the option to invest in the Municipal Bonds Agency, and to continue to retain the option to invest in other unrated counterparties, it is proposed to set the limits as set out in 4.12 above.

4.16 Pooled Funds (including Money Market Funds)

Pooled Fund investments are investments in diversified investment vehicles consisting of any of the above investment types, plus equity shares and property. These funds have the advantage of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a fee.

The regulatory environment for pooled funds has changed how money market funds operate. The Council has had regular advice from its Treasury Adviser on the risk position for pooled funds, as the proposals have been enacted, and will continue to monitor the position for such funds.

Short-term Money Market Funds that offer same-day liquidity and very low or no volatility will be used as an alternative to instant access bank accounts.

Pooled funds whose value changes with market prices, and/or have a notice period, will only be used for longer investment periods.

Bond, equity and property funds offer enhanced returns over the longer term, but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.

4.17 Strategy for 2019/20

Cash flow surpluses can be considered as falling into three categories -

(a) **Short-term funds** that are required to meet cash flows occurring in the next month or so, and for which the preservation of capital and liquidity is therefore of paramount importance. Generating investment returns is of limited concern here, although should not be ignored. Instant access AAA-rated money market funds and bank deposit accounts will be the main methods used to manage short-term cash.

(b) **Medium-term funds** that may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. A spread of counterparties and maturity dates will be maintained to maximise the diversification of credit and interest rate risks.

(c) **Long-term funds** that are not required to meet any liquidity need and can be invested with a greater emphasis on achieving higher returns. Security remains fundamental however, as any losses from defaults will impact on the total return. Liquidity is of lesser concern, although it should still be possible to sell investments with due notice if large cash commitments arise unexpectedly. This is where a wider range of instruments, including structured deposits, certificates of deposit, gilts and corporate bonds could be used to diversify the portfolio.

The overall Investment Strategy will be to prioritise security of funds and maintain a mix of short-term (largely instant access) and medium-term investments to generate investment income as market conditions permit. There are currently no long-term investments by the Council. If there are sufficient funds at a future date, the Council will consider its options for optimising returns and making more long-term investments.

With short-term interest rates still significantly lower than long-term rates, due consideration will also be given to continuing to use surplus funds to defer making long-term borrowing or even make early repayments of long-term borrowing. In addition to the savings on the interest rate differential, this strategy will also reduce the Council's exposure to credit risk and interest rate risk. In the context of the borrowing strategy, it is likely that most investments will continue to be in instant access and short term deposits, to manage the Council's liquidity.

The counterparty limits set out above, do allow for a wider range of investment opportunities to be taken up than have been used by the Council to date. Should the circumstances arise under which this would be appropriate, this would allow an increased diversification of the overall portfolio and in some instances, increase the security of investments made. The take up of any new investment opportunities will be closely managed by TMG, following advice given by the Council's Treasury Management Advisers.

5 Budget Implications

5.1 Excluding PFI costs (which are offset by Government grant funding), the budget for debt interest payable in 2019/20 is £6.8 million (including the interest element of payments to LCC for debt managed on our behalf), reflecting

(a) £6.3 million interest payable, at an average interest rate of around 3.8%, on the long-term debt portfolio (forecast to average £167 million over the year),

(b) up to £0.5 million for short-term borrowing, at interest rates averaging 1.25%.

Projected investment income in 2019/20 is around £100,000, based on an average investment portfolio of circa £16 million, and interest rates averaging 0.6%.

If actual levels of investments and borrowing and/or actual interest rates differ from those forecast, performance against budget will be correspondingly different.

6 Using Derivatives

6.1 A derivative is a financial instrument whose value is derived from changes in the value of an asset or an index. Local authorities (including this Council) have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. deals agreed for future dates) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans).

Section 1 of the Localism Act 2011 included a general power of competence that removes the uncertain legal position over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment). The CIPFA Code requires authorities to clearly detail their policy on the use of derivatives in the annual strategy.

The Council will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of financial risks that the Council is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall Treasury Risk Management Strategy.

6.2 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria. The current value of any amount due from a derivative counterparty will count against the counterparty credit limit and the relevant foreign country limit.

7 Treasury Management Indicators

The Council measures and manages its exposures to treasury management risks using the following indicators:

<u>Refinancing Risk - Maturity Structure of Borrowing</u>

This indicator is set to control the Council's exposure to refinancing risk - i.e. to prevent too much debt maturing at any one time, with a risk the Council will have to refinance at the rates then prevailing. The limits for up to 24 months continue to be relaxed to allow for a higher level of short term borrowing.

The upper and lower limits on the maturity structure of fixed rate borrowing will be:

	Upper	**Lower**
Under 12 months	50%	0%
12 months and within 24 months	20%	0%
24 months and within 5 years	30%	0%
5 years and within 10 years	30%	0%
10 years and above	95%	25%

This indicator applies to the financial years 2019/20, 2020/21, and 2021/22, from the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. Where there is a prospect that a LOBO may be called, this has been reflected in setting these limits.

Principal Sums Invested for Periods Longer than 364 Days

The purpose of this indicator is to control the Council's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the total principal sum invested to final maturities beyond the period end will be:

	2019/20 £M	2020/21 £M	2021/22 £M
Limit on principal invested beyond year end	7.0	5.0	3.0

The Indicators above are "standard" Treasury Management Indicators that are generally adopted by local authorities, in line with individual circumstances. These indicators have not directly addressed the key treasury priorities of Security and Liquidity, though these issues are already closely tracked throughout the year. However, working in conjunction with the Council's Treasury Advisers, options for the formal monitoring of performance in regard to these priorities remain under consideration.

Interest Rate Risk

CIPFA has withdrawn the previous recommendation for standard indicators for Upper Limits on Fixed and Variable Interest Rate Risk. Nonetheless, this Council recognises that it must have regard to the risk that fluctuations in interest rates could create an unexpected burden on its finances, and will therefore continue to monitor its exposure to Fixed and Variable Interest Rate Risk. In addition, without setting a formal limit, this Council will also monitor, on an ongoing basis, the potential impact of a 1% change in interest rates on its current borrowing and investment portfolio.

The upper limits on fixed and variable rate interest rate exposures, expressed as an amount of net principal borrowed will be:

	2019/20 £M	2020/21 £M	2021/22 £M
Upper limit on Fixed Interest rate exposures	233.9	227.7	220.2
Upper limit on Variable Interest rate exposures	102.8	100.0	96.6

8 Other Matters

Markets in Financial Instruments Directive (MiFID)

The Authority has opted up to professional client status with its providers of financial services, including advisers, brokers and some fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance and Customer Services believes this to be the most appropriate status.

9 Other Options Considered

The MHCLG Investment Guidance and the CIPFA Code of Practice do not prescribe any particular treasury management strategy for local authorities to adopt.

Some alternative strategies, with their financial and risk management implications, are listed below.

Alternative	Impact on income and expenditure	Impact on risk management
Invest in a narrower range of counterparties and/or for shorter times	Interest income will be lower	Reduced risk of losses from credit related defaults
Invest in a wider range of counterparties and/or for longer times	Interest income will be higher	Increased risk of losses from credit related defaults
Borrow additional sums at long-term fixed interest rates	Debt interest costs will rise; this is unlikely to be offset by higher investment income	Higher investment balance leading to a higher impact in the event of a default; however long-term interest costs will be more certain
Borrow short-term or variable loans instead of long-term fixed rates	Debt interest costs will initially be lower	Increases in debt interest costs will be broadly offset by rising investment income in the medium term, but long term costs will be less certain
Reduce level of borrowing	Saving on debt interest is likely to exceed lost investment income	Reduced investment balance leading to a lower impact in the event of a default; however long-term interest costs will be less certain

The Director of Finance and Customer Services, having consulted with the Executive Member for Resources, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness.