

# Public Document Pack

## Executive Board

Thursday, 11 February 2021

Time: 6.00 pm

Venue: Virtual Meeting

[Join Here](#)

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## AGENDA

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

1. **Welcome and Apologies**
2. **Minutes of the Previous Meeting**  
**Executive Board Minutes Jan 2021** 4 - 8
3. **Declarations of Interest**  
**DECLARATIONS OF INTEREST FORM** 9
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**

**Adult Services & Prevention**

## **Children, Young People & Education**

- 8.1 **Adoption Six Monthly Report 2020/21**  
**Adoption 6 monthly report** 10 - 27  
**Appendix 1 for Adoption 6 monthly report\_v2**
- 8.2 **Evidence Based Practice of CADS**  
**CADS Report** 28 - 33  
**Appendix 1 - CADS**

## **Environmental Services**

## **Public Health & Wellbeing**

## **Digital & Customer Services**

## **Growth & Development**

## **Finance & Governance**

- 8.3 **Corporate Revenue Budget Monitoring Report Quarter 3 - 2020/21**  
**Revenue Monitoring Report** 34 - 45  
**Appendix 1 - Revenue Monitoring**  
**Appendix 2 - Revenue Monitoring**
- 8.4 **Corporate Capital Budget and Balance Sheet Monitoring Report Quarter 3 2020/21**  
**Corporate Capital Monitoring Report** 46 - 58  
**Appendix 1 - Capital**  
**Appendix 2 - Capital**
9. **Corporate Issues**
- 9.1 **Creation of a Joint Venture Company and Subsequent Acquisition of former Thwaites Brewery Site**  
**Joint Venture Report** 59 - 65
10. **Matters referred to the Executive Board**

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

11. **Creation of a Joint Venture Company and subsequent acquisition of former Thwaites Brewery Site**  
**Joint Venture Report Part 2** 66 - 74  
**Plan A**

**Plan B**

Date Published: Wednesday, 03 February 2021  
Denise Park, Chief Executive

## EXECUTIVE BOARD

14<sup>th</sup> January 2021

### PRESENT

#### **COUNCILLOR:**

Councillor Mohammed Khan CBE  
Councillor Julie Gunn  
Councillor Jim Smith  
Councillor Musafa Desai  
Councillor Vicky McGurk  
Councillor Phil Riley  
Councillor Damian Talbot  
Councillor Quesir Mahmood

#### **PORTFOLIO:**

Leader of the Council  
Children, Young People and Education  
Environmental Services  
Adult Services and Prevention  
Finance and Governance  
Growth and Development  
Public Health and Wellbeing  
Digital and Customer Services

#### **ALSO IN ATTENDANCE:**

Zara Hayat  
Muhammed Bapu

Youth MP  
Deputy Youth MP

	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>The Leader of the Council, Councillor Mohammed Khan, welcomed all to the meeting and read out the statement explaining that this was a virtual meeting. Apologies were received from Councillor John Slater.</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The Minutes of the Meeting held on 10th December 2020 were agreed as a correct record.</p>	<b>Agreed</b>
3	<p><b><u>Declarations of Interest</u></b></p> <p>There were no Declarations of Interest submitted.</p>	
4	<p><b><u>Equality Implications</u></b></p> <p>The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.</p>	<b>Confirmed</b>
5	<p><b><u>Public Forum</u></b></p> <p>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:-</p>	

Item			Action
Name of Person asking the Question	Subject Area	Response by	
Martin Kerry	Council Pest Control Service	Councillor Jim Smith, Environmental Services	
Mark Russell	Voucher for Council Staff	The Leader	
<p>Cllr Smith read out the answer to Mr Kerry's question and advised that this would be sent to Mr Kerry as he was not in attendance.</p> <p>Councillor Khan responded to the question and supplementary question from Mr Russell, advising that it was very important to recognise the efforts of Council staff who had gone above and beyond in their response to the pandemic and the voucher was in recognition of this, adding that staff would have the option to donate this to local charities if they wished.</p>			
6	<p><b><u>Questions by Non-Executive Members</u></b></p> <p>No Questions had been received from Non-Executive Members,</p>		
7	<p><b><u>Youth MPs Update</u></b></p> <p>Zara and Muhammed asked two questions, requesting data on the impact of Covid on young people's mental health and demand for services, and on the way these services were promoting themselves to young people.</p> <p>Councillors Talbot and Gunn responded, giving details of the significant increase in demand for services, particularly in the 13-19 age groups, and gave details of the support available via Mental Health Practitioners in schools, CAMHS and Kooth, and the way these services were publicised. Common themes reported included isolation, friendship issues, and anxiety related to Education.</p> <p>Zara and Muhammed also verbally reported on recent events and activities including involvement in consultation and promotion of the Local Plan, attendance at National Young Inspectors meetings and support for young people, particularly in relation to Mental Health issues.</p> <p>Several Executive Members thanked the Youth MPs for their contributions and support for Council initiatives and the Youth MPs were pleased to advise that their term of office had been extended for a further year.</p>		

	Item	Action
	<p><b><u>Executive Member Reports</u></b></p> <p><b><u>Leader's Update</u></b></p> <p>Councillor Mohammed Khan verbally reported on the current position relating to the Covid-19 pandemic, advising of stabilising rates and noting the role of the Cathedral in the vaccination programme and of SMART testing at Ewood Park and King George's Hall and the role of redeployed Leisure staff, who were being trained on testing.</p> <p>Cllr Khan also advised of ongoing assistance to local businesses via Business Grants.</p>	<b>Noted</b>
<b>8.1</b>	<p><b><u>Compulsory Purchase in Griffin Regeneration Area</u></b></p> <p>Members received a report requesting approval to initiate compulsory purchase action under s226 of the Town and Country Planning Act 1990 in respect of the remaining privately owned properties situated within the Griffin Regeneration Area that it had not been possible to purchase by agreement.</p> <p><b>RESOLVED -</b></p> <p>That the Executive Board:</p> <p>Upon being satisfied that:</p> <ol style="list-style-type: none"> <li>a) It would contribute to the economic, social and environmental well-being of the borough;</li> <li>b) There is a compelling case in the public interest as the interference with Human Rights involved is proportionate in the interests of land assembly for housing development;</li> <li>c) Sufficient funds exist for carrying the resolution into effect;</li> <li>d) No impediments exist to the implementation of the scheme to assemble the land for housing development (subject to the making of the order) and there is a reasonable prospect of its implementation, should the order be made;</li> <li>e) The whole of the legal estates to the affected properties could not be acquired by agreement.</li> </ol> <p>2.1 Authorise the Director of Growth and Development, in conjunction with the Director of HR, Legal and Governance to prepare and make a Compulsory Purchase Order (CPO) under section 226 of the Town and Country Planning Act 1990 and the Acquisition of Land Act 1981, for the purpose of land assembly to carry out housing development on the land.</p> <p>2.2 Authorise the Director of Growth and Development to negotiate terms for the acquisition by agreement of any outstanding interests in the land within the Order prior to its confirmation.</p>	<p><b>Approved</b></p> <p><b>Approved</b></p>

	Item	Action
	2.3 Authorise the Director of HR, Legal and Governance (in the event that the Secretary of State notifies the Council that it has been given the power to confirm the Order) to confirm the order if he is satisfied that it is appropriate to do so.	<b>Approved</b>
	2.4 Authorise the Director of Growth and Development to approve agreements with the landowner setting out the terms of withdrawal of objections to the Order (including the power to defer implementation post confirmation). In consultation with the Director of HR, Legal and Governance to make deletions from and/or minor amendments and modifications to the proposed Order and Order plans.	<b>Approved</b>
9.1	<p><b><u>Schools Capital Programme variation to support the creation of new school places</u></b></p> <p>The Executive Board received a report requesting approval of a variation to the capital programme for Schools and Education for the 2020-2021 academic year and a request to enter into an extended premises lease arrangement for the purpose of pupil place growth.</p> <p>To ensure that the Council was able to meet its statutory requirements, both for normal school admissions rounds and ongoing significant In Year admissions, there was a need to create new pupil places across the primary, secondary and specialist phases of education in both Blackburn and Darwen. The analysis of required places was based on historical birth-cohort effects that were working through the school-age population, in combination with the effects that planned housing development may have on the size and distribution of the school-age population in Blackburn with Darwen.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p> <p>1: Approves the following financial variations to the Schools and Education capital programme for the 2020-2021 academic year:</p> <ul style="list-style-type: none"> <li>• £550,000 from Schools Basic Need Funding for the planned expansion programme at Lammack Community Primary School</li> <li>• £660,000 for the planned relocation of Longshaw Nursery School, of which £265,000 is requested from Schools Basic Need Funding</li> <li>• £380,000 from Schools Basic Need Funding to undertake lease ready works and support a planned refurbishment programme at The Sunnyhurst Centre.</li> </ul> <p>2: Delegates authority to Director of Children's Services &amp; Education and the Director of Growth and Development, in consultation with the Executive Member for Children, Young</p>	<p><b>Approved</b></p> <p><b>Approved</b></p>

	Item	Action
	<p>People and Education, to negotiate terms and enter into a 30-year lease with The Champion Academy Trust for The Sunnyhurst Centre.</p> <p>Signed at a meeting of the Board on 11<sup>th</sup> February 2021</p> <p>(being the ensuing meeting on the Board)</p> <p>Chair of the meeting at which the Minutes were confirmed</p>	



## DECLARATIONS OF INTEREST IN ITEMS ON THIS AGENDA

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

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

MEETING: EXECUTIVE BOARD

DATE: 11<sup>th</sup> FEBRUARY 2021

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, Young People and Education

**LEAD OFFICERS:** Strategic Director of Children's & Education (DCS)

**DATE:** Thursday 11<sup>th</sup> February 2021

**PORTFOLIO(S) AFFECTED:** Children, Young People and Education

**WARD/S AFFECTED:** (All Wards);

**KEY DECISION:** N

### SUBJECT:

Adoption Six Monthly Report 2020/21

### 1. EXECUTIVE SUMMARY

The Adoption Now, Regional Adoption Agency (RAA) have compiled this Report with additional local information included by Blackburn with Darwen, Service Lead. The Report details a summary of the period April to September 2020 with analysis, data and patterns that may support service development.

### 2. RECOMMENDATIONS

That the Executive Board notes the Adoption Six Monthly Report alongside Appendix 1.

### 3. BACKGROUND

Adoption Now is a Regional Adoption Agency providing Adoption Services on behalf of a consortium agreement with six Local Authorities; Blackburn with Darwen, Bolton, Bury, Rochdale, Oldham and Tameside.

Data remains local data relating to Blackburn with Darwen children, with Post Adoption Support, Recruitment and Assessment data including regional data.

This is the six monthly Report produced by the Head of Service from the RAA, with additional information and oversight from Blackburn with Darwen's Service Lead. Local Authority employees remain seconded to the RAA to date. There is a regular Adoption case-tracking meeting held to enable the Local Authority to have continued shared information and updates about the progress of children with Adoption Care Plans for children in the Borough. This also allows financial oversight and monitoring.

### 4. KEY ISSUES & RISKS

Key highlights from Appendix 1 to be considered alongside this report include:

- During the first 6 months of the year, 10 children were subject to a decision that they should be placed for adoption (SHOBPA). This compares with 18 in the same period last year, and represents quite a reduction, it is possible that Covid-19 has had an impact on numbers. Those children who did receive a SHOBPA decision were primarily of white British origin. In terms of age, 4 children were in the 0 – 2 age range, 3 were in the 3 to 4 age range and 3 in the 5 + age range.
- On 30<sup>th</sup> September 2020, there were 10 children with a plan for adoption (subject to a placement order) awaiting placement and not yet matched. Of this number 5 children had no potential links identified, and the other 5 were either linked, had a plan to be adopted by a foster carer, or were

subject to a change of Care Plan to return to their birth family. This number of 10 waiting included two sibling groups of 2, one child was older with significant additional needs, the other included a much older child. One child was in the upper age range and of dual ethnicity.

- Continued efforts to match all children waiting will include them being profiled at Exchange Days where adopters can come and discuss children available for adoption and all will be invited to attend a Family Adoption Day run by Adoption Now if this is appropriate for them. A new virtual event called 'Link and Play' is being used to facilitate such events while Covid rates are high and groups cannot meet in person. This is an innovative alternative to an activity day devised by Adoption Now staff.
- There have been no disruptions of adoption placements during this review period. A disruption is identified as a placement where the child has moved in with adopters, and then the placement has failed. This figure is positive as it suggests matches are appropriate and placements successful.
- This year in 2020/2021 the Board have set an aspirational target of 100 adopter approvals. By the end of September 2020, 27 new families had achieved approval at panel. There were 21 approvals in Quarter 2 2020 which is positive. Despite the challenges created by offering training and assessment sessions virtually, the recruitment team continue through uncertain times, and projections are positive.
- This year, 6 adopters have been matched with sibling groups of two. There are a further 5 approved families offering a sibling placement to two children and seven coming through in assessment with a similar offer. Compared with last year's 12 month data, where only six families were matched with siblings, this is a strong indicator that the recruitment drive to encourage more families to consider more than one child is effective.
- Last year, 58% of Stage 1 assessments were completed within the two-month timescale and 86% of Stage 2 assessments were within the 4 month target timescale. At this half year point, the team performance for timeliness has so far reduced only slightly despite the pandemic: 52% of stage 1 assessments and 81% of stage 2 assessments have been within timescale. Stage 1 delays are more often related to statutory checks since March 2020 and have been Covid-19 related. Stage 2 delay has been due to complexities arising in assessment or life events, again in a number of cases exacerbated by Covid-19.
- Of the 27 approvals at this halfway point report, 85% of reports were judged good or excellent by panel members. This is a significant achievement considering all assessments have been presented to panel during the current Covid-19 pandemic and the vast majority of them have been completed largely virtually.
- The DfE allocated up to £213,000 for Adoption Now to claim, in order to provide a package of additional support for Adopters and Special Guardians, and that the funding would remain in place until the end of September 2020. This has since been extended until 31<sup>st</sup> December 2020. A varied package of support was sourced and commissioned and 9 successful applications were made to the fund that have been supporting families on an immediate and needs led basis.

## **5. POLICY IMPLICATIONS**

There are no Policy implications.

## **6. FINANCIAL IMPLICATIONS**

In accordance with the agreed financial model, the operational budget for Adoption was combined with five other North West Authorities when the RAA was formed in 2017.

A total of £124,000 was spent on placing children with outside agencies in the 6 months to September 2020 compared to £192,000 for the same period last year. Current forecasting shows expected expenditure on inter-agency adoption fees in 20/21 of £274,000 against the available budget of £323,500, a forecasted under spend of £49,500. The Adoption Service as a whole is currently forecasting an underspend of £56,300.

**7. LEGAL IMPLICATIONS**

None identified.

**8. RESOURCE IMPLICATIONS**

None identified.

**9. EQUALITY AND HEALTH IMPLICATIONS**

**Please select one of the options below.**

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**

None required/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**

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

<b>CONTACT OFFICER:</b>	Ailsa Smith/Pamela Price
<b>DATE:</b>	18/02/21
<b>BACKGROUND PAPER:</b>	Report to be considered alongside Appendix 1

# Adoption Annual Report

## 2020/21



### Executive Report

## **Introduction**

Achieving adoption for children contributes to improving outcomes for the most vulnerable children and young people in line with priorities outlined in other Council plans. Adoption Now is a Regional Adoption Agency formed in 2017, providing adoption services on behalf of six Local Authorities – Bolton, Blackburn with Darwen, Bury, Rochdale, Oldham and Tameside.

Data in this report relating to children remains local data relating to Blackburn with Darwen children however, adoption support and recruitment data now covers the Region. This report covers the period April to September 2020.

## **Adoption Agency Business - Children**

### **Children with an Adoption Plan**

During the first 6 months of the year 10 children were subject to a decision that they should be placed for adoption (SHOBPA). This compares with 18 in the same period last year and represents quite a drop in numbers. It is possible that Covid has had an impact on numbers.

Those children who did receive a SHOBPA decision were primarily of white British origin. In terms of age, 4 children were in the 0 – 2 age range, 3 were in the 3 to 4 age range and 3 in the 5 + age range.

### **Children Awaiting a Match**

On 30<sup>th</sup> September 2020, there were 10 children with a plan for adoption (subject to a placement order) awaiting placement and not yet matched. Of this number 5 children had no potential links identified, and the other 5 were either linked, had a plan to be adopted by a foster carer, or were subject to a change of Care Plan to return to their birth family.

This number of 10 waiting included two sibling groups of 2, one child was older with significant additional needs, the other included a much older child. One child was in the upper age range and of dual ethnicity.

Continued efforts to match all children waiting will include them being profiled at Exchange Days where adopters can come and discuss children available for adoption and all will be invited to attend a Family Adoption Day run by Adoption Now if this is appropriate for them. A new virtual event called 'Link and Play' is being used to facilitate such events while Covid rates are high and groups cannot meet in person. This is an innovative alternative to an activity day devised by Adoption Now staff.

### **Family Finding Activity**

Professional links and relationships have continued to result in some positive matches, especially with the Voluntary Adoption Agencies which are now partners of Adoption Now. The regional placement group meeting has been redesigned and continues to operate on a monthly basis to encourage matches with local voluntary adoption agencies. Link Maker continues to be a useful tool to promote profiles of children waiting for adoption.

In the first 6 months of the year, of the 6 children placed for adoption, 3 of them were placed with Regional Adoption Agency families classed as 'in-house' placements (50%). These placements do not incur an interagency fee. In addition 2 children were placed with concurrent foster carers, these are not adoption placements at this time but will become adoption placements should the court make a placement order.

It is good practice to search for a family within Adoption Now in the first instance and then to look afield to other Local Authorities, RAA's or Voluntary Adoption Agencies as the next step in the search.

## Children Placed for Adoption

There have been 6 children placed with adopters in this 6 month period and 2 children have been placed with concurrent carers. This number included a sibling group of 2 with additional needs, and a child with significant additional needs.

There were 10 Adoption Orders granted in this period. The scorecard data for children adopted between 1<sup>st</sup> April 2020 and 30<sup>th</sup> September 2020 is as follows :

Measure		BwD average
Placement Order to Matching (A2)	Scorecard Indicator - 121 days	20/21 86
Child entering care starting adoption placement (A1)	Scorecard indicator – 426 days	341

These figures show that during the half year timescales, local figures are well below the target for A1 and A2 and the first 6 months of the year represents a significant improvement in both measures. Scorecard measures are not 'counted' until the year after an Adoption Order has been made, therefore these figures will not influence the published Scorecard results for some time yet. A1 is an indicator that can be affected by Court timescales and can vary hugely due to a variety of other factors. The A2 measure represents the family finding process for children.

## Children Adopted

10 Adoption Orders were made from April to September 2020/21. It is these children that the score card data refers to. The number will be lower than usual as courts have not prioritised Adoption hearings during the coronavirus period, especially if birth parents have requested leave to contest.

## Adoption Disruption

There have been no disruptions of adoption placements during this review period. A disruption is identified as a placement where the child has moved in with adopters, and then the placement has failed. This figure is positive as it suggests matches are appropriate and placements successful.

## Adoption Agency Recruitment

This report addresses the activity and outcomes of the Recruitment and Marketing work stream during the period 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2021. It should be noted that this six month period began with the unprecedented uncertainty of how the Covid-19 pandemic would impact our workforce and adoption practice going forward. The service began operating remotely through lockdown from 23 March 2020 and was delivering a fully operational, but still a largely virtual service, at the beginning of September 2020.

## Staffing

The Recruitment and Marketing work stream is responsible for the recruitment, assessment, training and support of prospective adopters. The team comprises of 26 individuals:

- 2 Team Managers
- 1.5 Advanced Practitioners
- 14 FTE social workers (10 part time, 9 full time)
- 3 Marketing Workers

At no point in the last six months has the team been fully staffed.

## Headline Data Overview

In the full year preceding the formation of the RAA, (1<sup>st</sup> April 2016 - 31<sup>st</sup> March 2017), the local authority adoption teams in the six agencies approved 67 adopters collectively.

In the first full year of RAA operation (1<sup>st</sup> April 2018- 31<sup>st</sup> March 2019), 73 adopters were approved and 91 RAA children were matched with 84 RAA families. Additionally, 15 RAA families had 18 children placed with them from external agencies.

In our second full year of operation (1<sup>st</sup> April 2019-31<sup>st</sup> March 2020), 91 families were presented to panel and 90 were approved (1 deferred and then withdrew) ; 78 RAA children were matched with 71 RAA families. (6 in groups of 2). Additionally, 3 RAA families had 4 children placed with them from external agencies. The total amount of income generated during the year from these types of placements was £166,000.

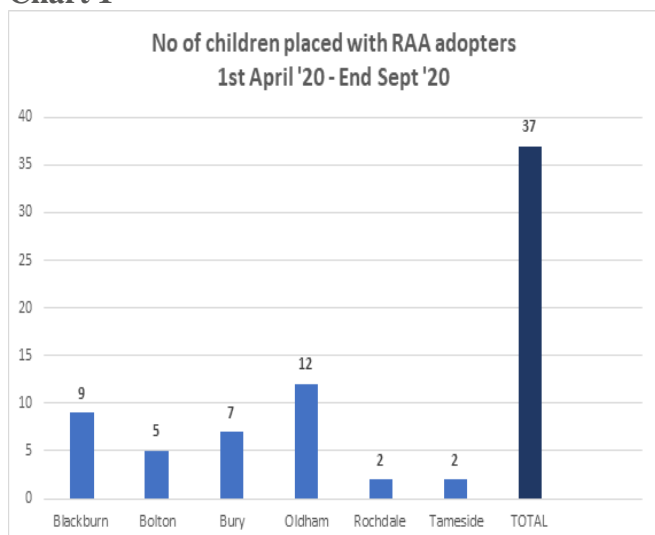
This year in 2020/2021 the Board have set an aspirational target of 100 adopter approvals. By the end of September 2020, 27 new families had achieved approval at panel. There were 21 approvals in Quarter 2 2020 which is positive.

Despite the challenges created by offering training and assessment sessions virtually, the recruitment team continue through uncertain times, and projections are positive. Projections for the second half of the year are **25** approvals anticipated Q3, with **47** approvals anticipated in Q4. There is a higher percentage of families anticipated in Q4, partly due to the Agency receiving 46 applications from July onwards (compared to 30 for the same period last year).

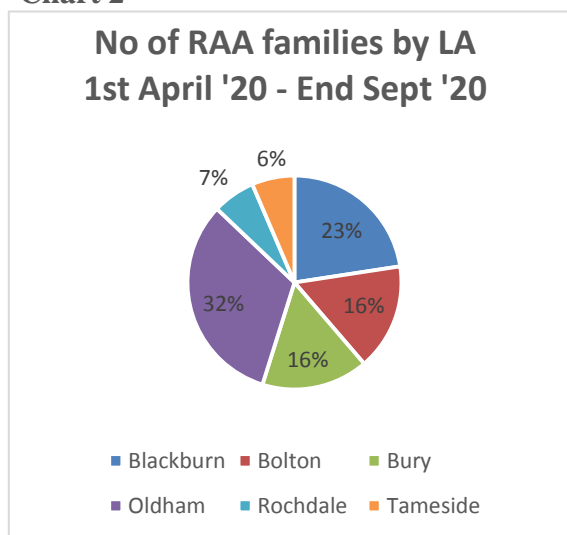
It is also positive that despite the pandemic 37 RAA children have been matched with 31 RAA families.

In respect of the 37 children matched with **31 RAA families**, 6 were in sibling groups of two. The distribution of RAA placements across agencies is shown below.

**Chart 1**



**Chart 2**



## Matching factors

The challenge to recruit sufficient adopters willing to consider siblings placed together, children who are 5 years plus, those with additional needs, or those placed under early permanence, remains a priority locally and nationally. Whilst not a legal requirement, the ability to match children on the basis of their ethnicity remains an important consideration as is the need therefore to recruit from a broad demographic that reflects the backgrounds of our children.



**Matching Siblings:** This year, 6 adopters have been matched with sibling groups of two. There are a further 5 approved families offering a sibling placement to two children and seven coming through in assessment with a similar offer. Compared with last year's 12-month data, where only six families were matched with siblings, this is a strong indicator that the recruitment drive to encourage more families to consider more than one child is effective. Since May 2020, the recruitment team have been delivering virtual group sessions twice monthly for adopters in the assessment period, to encourage more families to consider siblings. Current indications are that this is having a positive impact.

**Single/LGBT:** Single and LGBT applicants have been part of targeted national and local 'myth busting' marketing campaigns for a number of years with success in increasing awareness and adoptions. LGBT applicants were known to be statistically more likely to have older or more complex children or sibling group placements.

Of the 27 applicants approved in the agency at this half year point, there were only 2 single applicants and one LGBT couple. However, this number does increase in our projections for the next six months with a further three single applicants and seven LGBT couples booked onto panel. The single applicants are all female, and whilst there have been some tentative enquiries from male applicants this year – they have not converted to applications. This remains a significant target area. Seven of the eight applications from LGBT couples are from male applicants. Again, this highlights the need to reach out to more female LGBT couples and will form part of the recruitment strategy in the forthcoming months.

**Early permanence:** Prospective adopters are advised about early permanence options with a focus on recruitment namely Fostering for Adoption (FfA) from first enquiry onwards. Since May 2020, virtual group sessions have been delivered by the team twice monthly for those adopters in assessment wishing to consider early permanence by FfA. Since August 2020 this training has been made mandatory for all those considering children 0-2 years of age. Of the 27 families approved between April 2020 and September 2020, there were 8 were willing to offer FfA. Six children were placed with RAA approved families under FfA in the same period.

**Ethnicity of adopters:** Routine tracking of children with adoption plans across the RAA gives the agency an informed perspective on the demographic of adopters we would ideally like to recruit to meet the needs of our children. In this year we have continued to see diversity in **new enquiries**; with 40% of our applicants being other than White British. There has been a steady flow of Asian/Pakistani families but we continue to target Black African families where we know there is a local and national need for adopters from this group.

Our ability to target and recruit from Polish and Eastern European groups has continued to be a strength since the appointment of an assessing social worker able to speak multiple languages, assisting greatly with access to specific communities and churches, translation of marketing materials and assessments where English is a second language.

### Timescales

Last year, 58% of Stage 1 assessments were completed within the two-month timescale and 86% of Stage 2 assessments were within the 4 month target timescale. At this half year point, the team performance for timeliness has so far reduced only slightly despite the pandemic: 52% of stage 1 assessments and 81% of stage 2 assessments have been within timescale. Stage 1 delays are more often related to statutory checks since March 2020 and have been Covid-19 related. Stage 2 delay has been due to complexities arising in assessment or life events, again in a number of cases exacerbated by Covid-19.

### **Quality of reports to Panel**

Of the 27 approvals at this halfway juncture, 85% of reports were judged good or excellent by panel members. This is a significant achievement considering all assessments have been presented to panel during the current Covid-19 pandemic and the vast majority of them have been completed largely virtually.

## Complaints

There was one formal complaint to the agency in the period. The complaint was addressed internally at Head of Service level.

## Disruptions

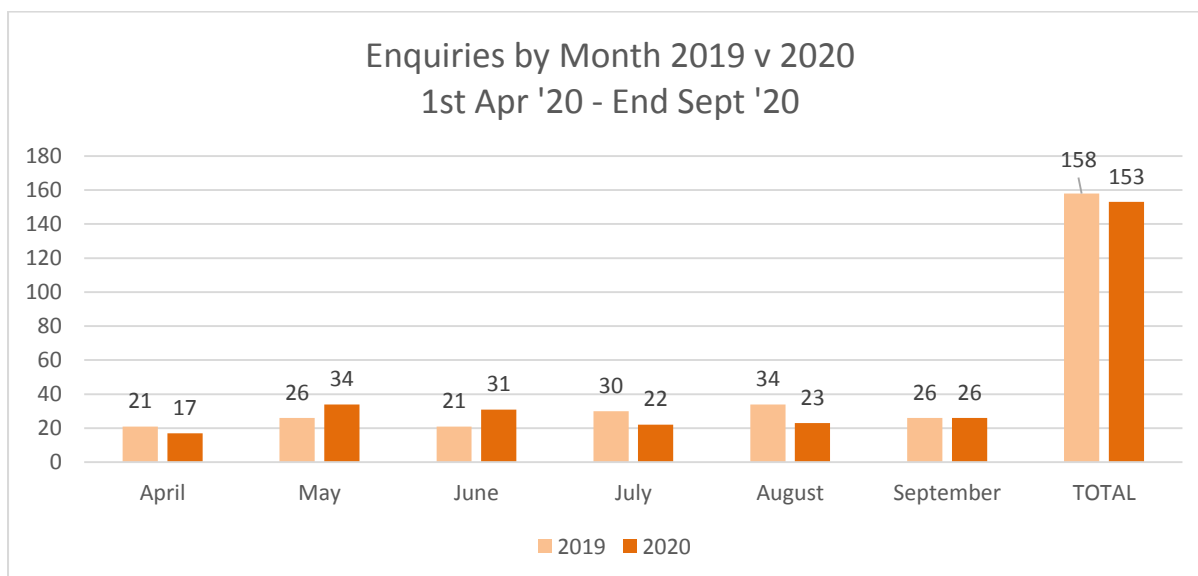
Adoption placements with RAA families continue to evidence stability. Of the 37 RAA children placed with RAA families, there has been one disruption in the period April to September 2020. This one disruption involved a young child, and Covid restrictions impacting upon a single carer were partly responsible

## Adopter Recruitment /Marketing activity

There are three members of the team who work exclusively on recruitment and marketing activity in the RAA. One member of the team has been on maternity leave from March 2020 returning January 2021.

Adopter recruitment has been targeted at a wide reach from our 6 LA's over the past 6 months with a view to building up a profile of adopters from various backgrounds and ethnicities. Some targeted marketing has been driven specifically towards Asian, LGBTQ, Polish and BAME adopters.

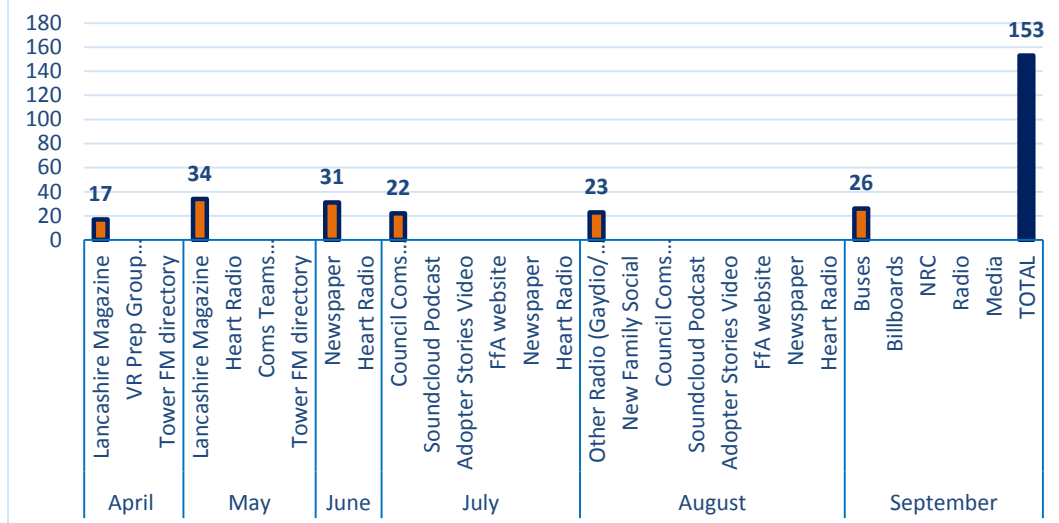
## Comparison of enquiries by month 2019/2020 (does not include contacts from families wanting information only).



The chart above shows 153 families have made contact and gone on to make a registered enquiry in this period. Additionally, there were 64 enquiries from those only seeking information at the point of contact. This totals 217 enquiries in the period April to September which is positive.

The chart below shows where the recruitment has been targeted and where enquiries have been generated.

## Enquiries by month including marketing activity over and above ongoing (social media ads / google ads / website / ) 1st Apr '20 - End Sept '20



The chart above shows spikes in enquires during periods of heavy marketing activity including radio campaigns, social media activity and outdoor advertising – buses and billboards; key to driving the brand. We saw an increase during lockdown periods perhaps due to families having time to consider their options or feeling the loneliness of lockdown.

A major impact of Covid from a marketing activity perspective, has been inability to attend local and regional events which were planned to include Polish Fairs, Manchester Pride, Muslim Lifestyle Expo. As such we have adapted by increasing our social media ads to promote awareness weeks related to such and inform that despite the pandemic Adoption Now are still fully operational as an agency for adopter recruitment. We have also had additional support from our local coms team recently, by featuring in internal and external newsletters as these have been a key information tool to communities more recently.

During September 2020 we supported the #youcanadopt campaign using collateral provided by the national campaign, also during this time we launched further activity during National Adoption Week gaining free local and regional radio and media coverage including MEN. We had bursts of outdoor coverage in all LA's during this period and have similar planned for January 2021

The key driver for contacts into the Agency is via Google search engine. This is noted as the largest source of enquiry; however the search could relate to having seen another form of advert which may have prompted the search.

Since March 2020 and the impact of the Covid-19 pandemic, we have increased our focus and attention on our digital marketing strategy across our social media channels and on our website. With a combined following of over 1,200 and growing across our platforms, along with utilising links with the local authority coms teams we have been able to increase our reach to more potential adopters. We have refined our content and posting times to maximise impact; with each piece of content posted across our platforms being signposted back to our website.

[www.adoptionnow.org.uk](http://www.adoptionnow.org.uk) is the front door and we are constantly looking at ways to make it as welcoming and informative as possible. Along with directing potential adopters to the website via organic posting Adoption Now are also focusing on targeted Facebook Ads and Google ads to bring more visits to the website. SEO (Search Engine Optimisation) has been a priority, from increasing content and revolving the content to create brand new location pages that will increase online 'search-ability'.

## **Service Sufficiency Strategy & Marketing Activity**

In developing the agency sufficiency strategy Adoption Now pays due regard to children's tracking data, particularly as the profile and needs of children in the care system change all the time in terms of ethnic diversity amongst the local authorities, gender, numbers of children needing to be placed, numbers of children with lifelong physical and developmental needs and those with specific diagnoses, for example, autism, Asperger's, foetal alcohol spectrum disorder. This informs the recruitment strategy.

The national picture at September 2020 indicates that the number of children with placement orders has been reducing since March 2020 possibly due to court delays as a result of the pandemic.

### **Team and service development**

With little warning prior to lockdown in March 2020 the team developed a host of new resources including our own videos and training materials in order that we can continue to offer a marketing and recruitment service. These are supported by new processes and procedures, new standard letters. Video open evenings, virtual training groups for adopters, initial visits and virtual assessments have been operating throughout and service developments are continuing throughout these extraordinary times.

### **Adoption Support**

The last 9 months have been unprecedented and challenging for all, and whilst the adoption support service has continued to experience various staffing issues, including some significant periods of sick leave, it has been possible as a service to have continued to meet the needs of families during this time.

People have worked together to support each other, finding creative ways to cover duty that not only supports adoptive families who need services but also enabling staff to work who were suddenly juggling childcare, home schooling and other caring responsibilities.

Much of the face-to-face core offer of support has remained on hold, however, the team are all developing confidence in the virtual world and are now successfully delivering most of the workshops and support groups virtually, including some new additions.

Adoption Now have produced a fortnightly bulletin called 'Reaching Out' for parents, sharing hints, tips, and ideas, with therapy informed activities and mindfulness for parents which in the main has been well received. Parents and mentors contribute to 'Reaching Out' and have started to deliver this monthly, which will be something which is continued beyond the pandemic. There have been some tentative discussions about how we might be able to offer our Therapeutic Parenting Courses virtually.

In the last report, adoption support consultations for pre-matching, pre-placement support, early placement guidance and advice were increasingly being utilised. More recently, it has become Adoption Now wide policy to have a consultation for all children moving on to their adoptive families. In the main, these are very positive and are valuable in supporting the development of and in strengthening adoption support plans.

Since starting the consultations in late May 2020, 56 consultations have been considered in relation to 72 children.

### **The Covid 19 Fund:**

The DfE allocated up to £213,000 for Adoption Now to claim, in order to provide a package of additional support for Adopters and Special Guardians, and that the funding would remain in place until the end of September 2020. This has since been extended until 31<sup>st</sup> December 2020. A varied package of support was sourced and commissioned and 9 successful applications were made to the fund that have been supporting families on an immediate and needs led basis.

All families have access to free membership to the National Association of Therapeutic Parents (NATP) including access to online training sessions and Special Guardians can subscribe free to Grandparents plus and access a more targeted support package on request.

The Manchester Occupational Therapy Service were also commissioned to produce a series of Sensory Processing video's – this included 7 sets of 3 videos, each set will be based around one of the 7 sensory systems. These have now all been produced and are being shared with families on an unlimited basis and will be a valuable resource beyond Covid 19.

A referral process was implemented for the following support services:

- Consultation with Clinical Psychologist
- Consultation with Education Psychologist
- Mindfulness for parents
- Access to webinars re managing teenagers and younger children in the current situation
- Therapeutic parenting support – various packages
- Adult/Couples counselling
- Relax Kids
- Sessional support for pre-teen/teens and young adults
- Sessional support – DDP/Theraplay and NVR
- Grandparents Plus tier 2 support
- Attachment Informed Sensory Regulation Consultations as part of therapeutic parenting support.

**May 2020 – October 2020**

**Number of families accessing Covid 19 fund support packages via Adoption Now:**

**152 families**

**Breakdown:**

***Adoptive families:***

***Pre order -***

30

***Post order -***

77

***SGO families:***

10

**SGO families accessing support packages direct from Grandparent Plus**

**35**

The subscription-based support from NATP and Grandparent Plus is now widely being utilised by families, with the NATP take up now being around 150 subscriptions/families. We continue to promote the NATP membership through adoption support consultations and via 'Reaching Out', including the prepaid training

and courses available via Inspire. This has also included their 6-week de-escalation therapeutic parenting programme being run specifically for Adoption Now families.

The individual LA's promote the Grandparent Plus membership to their SGO families.

We have now utilised almost all the support packages with capacity remaining for Relax Kids (including Chill Skills for Teens and Relax Adults) and Consultations with a Clinical Psychologist. We anticipate that we will use all this resource by 31<sup>st</sup> December 2020.

### **Adoption Support Fund:**

The future of the Adoption Support Fund remains uncertain at present. A spending review of the fund was due in November 2019, however, for various reasons this was not completed, and the fund continued, with the spending review being rescheduled for November 2020.

Whilst we are currently in the transitional phase of this spend review, there is speculation that the fund will remain unchanged for a further year, until March 2022.

<b>Total monies received 01/04/2020 – 31/10/2020</b>	<b>£439,088.80</b>
<b>Number of children currently receiving therapy funded via ASF</b>	156
<b>Number of applications made to the fund</b>	146
<b>Post order applications</b>	133
<b>Pre order applications</b>	13
<b>Local Authority Breakdown:</b>	
<b>Blackburn with Darwen</b>	10
<b>Bolton</b>	23
<b>Bury</b>	37
<b>Oldham</b>	18
<b>Tameside</b>	28
<b>Rochdale</b>	30

In this period, we have been able to make just one small application to the Adoption Support Fund (ASF) for packages of support provided by Adoption Now staff who are certified practitioners or working towards certification.

Although the total monies claimed from the ASF is greater for this period than in the same period in 2019/2020, the number of applications and children supported via ASF funding is lower in this same period. This is likely to be a result of the pandemic – in terms of therapy packages agreed prior to the pandemic many interventions have been on hold for periods of time, causing delay to time frames, funds have lasted longer with travel costs being converted to further sessions or session times being reduced where virtual interventions have been applicable. In terms of new applications for new children and families, again, some work has been on hold for applications made prior to the lockdown as commencing with a new family or commencing specialist assessments was not appropriate virtually.

**Cases/workload:**

**Adoption Support – Post Order**

The current open case total is 287 – this total reflects the number of children receiving adoption support.

An overall breakdown of the current open cases in terms of when they came into Adoption Now is as follows:

<b>Ongoing cases from 2017/18, 2018/19 and 2019/20</b>	<b>245</b>
<b>01/04/2020 – 31/10/2020</b>	<b>42</b>
	<b>Total 287</b>

<b>01/04/2020 – 31/10/2020</b>	
<b>Receiving on-going Adoption Support Packages</b>	<i>267 (includes 39 assessments completed 01/04/2020 – 31/10/2020)</i>
<b>Ongoing Assessments</b>	20
<b>Cases closed</b>	72
	<b>Total 359</b>

**Adoption Support - Pre Order**

<b>Ongoing cases from 2019/20</b>	<b>10</b>
<b>01/04/2020 – 31/10/2020</b>	<b>33</b>
	<b>Total 43</b>

01/04/2020 – 31/10/2020

<b>Receiving on-going Adoption Support Packages</b>	<b>43</b>
<b>Cases closed</b>	<i>52 (10 now open post order and 42 NFA following adoption support consultations).</i>
	<b>Total 95</b>

### Access to Records

**01/04/2020 – 31/10/2020**

**Ongoing**

<b>90</b>

The RAA successfully rolled out a process for Pre-Commencement Adoptions across the wider team in January 2020 and the process for Post Commencement Adoptions remains in progress.

At present Access to Records are on hold – whilst referrals are still being taken, these are not being progressed due to Covid 19. Letters have been sent to all adopted adults who were in the progress of accessing their records with Adoption Now and they will continue to receive support from their allocated social worker where required. We are currently working on a recovery plan to be implemented in the New Year, to progress and complete these pieces of work where possible.

### **Support groups/Events:**

#### **Workshops:**

- Reaching Out – bulletin/newsletter that we created to keep in touch with our families. This started on a fortnightly basis and has now reduced to monthly.
- Virtual workshops/training –
  - 10/06 – Support to family and friends – 8 attendees
  - 11/06 – Support to family and friends – 8 attendees (including a grandparent in Florida!)
  - 14/07 – Support to family and friends – 7 attendees (daytime session)
  - 22/07 – Support to family and friends – 8 attendees (evening session)
  - 28/07 – Support to family and friends – 9 attendees (daytime session)
  - 27/07 – Life story/introduction – 8 attendees (evening session)
  - 28/07 – Life story/introduction – 9 attendees (daytime session)
  - 29/07 – Managing contact – 8 attendees
  - 08/09 – Starting your adoptive family – 7 attendees (evening)
  - 22/09 – Support to family and friends – 9 attendees (evening)
  - 29/09 – Nurturing Attachments – 9 attendees (daytime)
  - 20/10 – Starting your Adoptive Family – 9 attendees booked (evening)
  - 21/10 – Developing Brain – 10 booked (full daytime)



- Up and coming –
  - 10/11 – Life Story part 1 – 10 booked (this should have been part 2 but additional part 1 as waiting list)
  - 17/11 – Nurturing Attachments – 5 booked so far
  - 24/11 – Developing Brain – 10 booked (full – evening)
  - 23/11 – Support to family and friends – 8 attendees booked (evening)
  - 25/11 – Starting your adoption family -

In addition, individual sessions/consultations regarding life story work and support for returning to school continues.

#### **Support groups:**

- Single adopter group – Monthly virtual meeting
- Nurture Group – is going live (virtually) later this month and will be a monthly group.

**Surgeries and Letterbox:** This is another area of work that is in the main on hold due to Covid 19 as surgery appointments cannot be held and supporting letterbox/indirect contact is limited as we are unable to access letterbox files.

Adoption Now continues to provide support through the Duty Service and continues to work with the letterbox co-ordinators to keep as many exchanges progressing as possible. We have many birth parents who require support to write letters and are anxious that their exchanges will be late, we are progressing any enquiries where we are able to and offering reassurance that as soon as we are able we will arrange surgery appointments and will support exchanges outside of the set time frames due to any delays being outside the control of any of the parties.

Whilst in infancy, planning had commenced in relation to the management of all 6 letterbox/mailbox services moving into Adoption Now.

#### **Adoption Panels**

Adoption panels continue to operate four times per month with an option to run a fifth panel if required. An annual panel chair report exists which summarises the work of the panels. Since the end of March 2020, all panels have operated remotely via either SKYPE or TEAMS.

They continue to be busy and in this period 2 Panel Chairs resigned and two new panel chairs have been recruited, which means there are still 4 panel chairs available although for a limited period this was reduced to 2. The panel is quality assured as is all paperwork being presented, and it is evident that there is continued improvement in the quality and standard of both matching paperwork and adopter assessment paperwork. 100% of matches presented on Blackburn with Darwen children were of good quality or better during the 6 month period (10 matches in total).

#### **Inter-country adoption**

Inter-country adoption services are rarely requested in Blackburn with Darwen but the Local Authority has a statutory obligation to provide or commission a service. Blackburn with Darwen commission this service from The Inter Country Adoption Centre.

#### **Participation of Young People**

Services being designed are in line with the expressed wishes of some of our young people when they were consulted last year. Creative ways continue to be used to encourage participation from children who access

post adoption support as well as those children who are awaiting adoption, especially, but not exclusively, those who are verbal.

### **Complaints**

Adoption Now has not received any complaints in relation to Blackburn with Darwen children.

### **Allegations**

There have been no allegations in the last six months.

### **Budget**

All Adoption Support fund applications are dealt with by Adoption Now. The operational budgets supporting adoption are transferred to Adoption Now at the beginning of each financial year and combined with the budgets from the other five Local Authorities.

There are additional pressures on the budget this year due to 'on costs' being charged by Bolton to support the hosting of the RAA and newly committed expenses. In addition it is expected that the RAA will need to move its hub and this may also incur new costs.

There are costs associated with posts in the RAA that had no budget line to support them from the outset however, these are covered now by the income being generated and savings achieved from other budget lines as part of the economy of scale in bringing the six Local Authorities together.

It is envisaged that in this financial year and the need to absorb additional expenses, that there will be no deficit budget. Early indications suggest there may be some unspent budget due to Covid restricting some activities that usually incur costs.

A total of £124,000 was spent on placing children with outside agencies in the 6 months to September 2020 compared to £192,000 for the same period last year. Current forecasting shows expected expenditure on inter-agency adoption fees in 20/21 of £274,000 against the available budget of £323,500, a forecasted underspend of £49,500. The Adoption Service as a whole is currently forecasting an underspend of £56,300.

### **Team Development**

A development plan exists within Adoption Now to ensure continuous improvements are made to the service. In addition this is informed by adopter surveys carried out at least annually. The last of these was at the end of March 2020 and over 120 people responded with ideas and suggestions, some of these were specifically related to the Covid 19 situation and the additional services that they required from the Covid 19 funding.

Staff training remains a priority with full staff teams being trained on such things as adopter assessments, Therapeutic life story work that was delivered to local authority staff as well as RAA staff, panel training and much more.

One of the biggest challenges is approving more adopters for a wider range of children. Whilst numbers approved are over 30% more than the combined LA's were approving prior to the RAA coming into existence this is still not sufficient. There has been a recent unusual situation whereby the RAA had quite a number of adopters waiting for placements. This appears to be due to delays in courts finalising care proceedings and therefore children not being available for placement.

Support for adopters continues to grow and develop with the introduction of therapeutic parenting programmes over the last year and the increased use of virtual reality which adopters are finding extremely helpful.

In the coming year the adoption mailbox will be centralised within Adoption Now.

Covid 19 has generated a whole raft of new innovations including virtual adopter information events and virtual preparation groups and virtual adoption panels which had to be developed in less than a week in order to ensure adopters could still be approved in large numbers at the end of March. Additionally, a new

therapeutic fortnightly newsletter out to adopters has been developed and a whole new range of services has been funded by the Adoption Support Fund to support families in this time of crisis.

In September a virtual activity for family finding called 'Link and Play' took place to substitute for the activity days that have been unable to take place due to Covid 19 restrictions. This was an innovative event and resulted in links being found for over 80% of children profiled. All these changes have taken a huge amount of organisation but staff have risen to the challenge admirably.

### **Mentoring Service**

The mentoring service now has a full complement of 13 volunteer adopters and a coordinator which is proving very successful and of benefit to adoptive parents.

Karen Barrick - Head of Service for Adoption Now

Pamela Price – Service Lead Placements, Blackburn with Darwen Borough Council

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Children, Young People and Education
<b>LEAD OFFICERS:</b>	Strategic Director of Children's & Education (DCS)
<b>DATE:</b>	Thursday, 11 February 2021

<b>PORTFOLIO(S) AFFECTED:</b>	Children, Young People and Education
<b>WARD/S AFFECTED:</b>	(All Wards);
<b>KEY DECISION:</b>	<b>N</b>

### SUBJECT:

Evidence Based Practice of CADS

### 1. EXECUTIVE SUMMARY

This report details the development, implementation and impact of BwD's Children's Advice and Duty Service or the "The Front Door" to Children's Services.

### 2. RECOMMENDATIONS

That the Executive Board: Notes the content of the report and endorses and recognises the impact of the implementation of CADS in BwD based on the 52 week evaluation of the model.

### 3. BACKGROUND

Professor Thorpe and his team were commissioned to undertake a piece of research regarding the functioning of Blackburn with Darwen's Multi Agency Safeguarding Hub in 2019. Recommendations from the findings of this research informed the development of a new multi agency approach and the development of CADS to determine whether children, young people and their families required a social work service. Appendix 1 details the background in more detail.

### 4. KEY ISSUES & RISKS

Identifying key requirements on a statutory basis in the Children's Social Care Service to ensure the right children received the right level of intervention to meet their needs. A robust response to concerns about children's welfare or safeguarding is a key role of the Council and our Children's Services.

### 5. POLICY IMPLICATIONS

We worked to ensure that our statutory obligations and statutory guidance was fulfilled, alongside key improvements in performance.

### 6. FINANCIAL IMPLICATIONS

The reduction in case loads has supported quality offer to children and families. Retention of staff has improved. The number of children looked after has decreased. All of these actions have led to Children's Services utilising resources more effectively.

## 7. LEGAL IMPLICATIONS

CADS offers a quality service for partner agencies and the public to ensure our statutory obligations are fulfilled.

## 8. RESOURCE IMPLICATIONS

We have strengthened the number of social workers at the front door to determine thresholds.

## 9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

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

Professor Thorpe's Team who conducted the research to inform new ways of working.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>CONTACT OFFICER:</b>	Janette Clarke, , janette.clark@blackburn.gov.uk
<b>DATE:</b>	28 January 2021 v2
<b>BACKGROUND PAPER:</b>	

## **Evidenced Based Practice and the Development, Implementation and Impact of BwD's Children's Advice and Duty Service or "The front door"**

### **Development and Implementation of our Children's Advice and Duty Service (CADS)**

The newly appointed Director of Children's Services reviewed performance and workload in BwD children's services in late 2018 and early 2019. Demand for the service was on an increase, caseloads for social workers were too high and this was adding to staff turnover. All of these issues were having an impact on a service, which in 2017 had been judged to be overall "good" by Ofsted, but where Ofsted had judged Help and Protection as Requires Improvement. The increasing demand for more and more resources threatened the quality and consistency of social work practice whilst also threatening the resources of the Council. Despite some initial resistance and concerns from staff and partners who were committed and proud of BwD's Multi Agency Safeguarding Hub (MASH), the DCS was committed to exploring different ways of working. This was supported by the newly appointed CEO. David Thorpe and his team were commissioned in February 2019 to research how the existing MASH in BwD was functioning. The review was informed by the implementation of Professor Thorpe's work with other local authorities and his longstanding expertise as an academic in social work practice and theory.

The research completed in April 2019 with findings and recommendations reported to the DCS in June 2019.

Staffing structures were reviewed and strengthened over the summer of 2019 with qualified and experienced social workers/advanced practitioners being supported and trained to deal with telephone enquiries at the point of initial contact. A new service manager was created and appointed to lead CADS. These changes in staffing structure were fundamental to the successful delivery of the model.

Support from Digital and Transformation on enhanced telephony systems and an improved website all went towards delivering the planned "Go Live" date on the 5 November 2019.

The model promotes professionals seeking advice directly via telephone rather than completing a multi-agency referral form. Put simply David Thorpe's model is based on the following premise: You can't ask a form questions and it is never acceptable to do nothing. Partners or concerned individuals have conversations with qualified social workers in order to determine next steps and/or to agree that a referral into children's social care is appropriate. These conversations and decisions on actions to take are recorded on the children's social care system by the social worker who has taken the call. There is a requirement that a manager signs off all decisions.

CADS has now been in place as a model to support the right children at the right level at the right time for 15 months and a 52 week review of the data has been held. Key headlines from the 52 week review indicates a 402.7% increase in the number of telephone conversations occurring between social workers and partners – this being the most dramatic increase of any Local Authority Professor Thorpe's team have ever seen. There has been a 33% reduction in referrals and a 31.7% reduction in the number of single assessments. The trend in terms of the implementation is one of consistency and stability with the model being maintained and embraced by the team and by partner agencies.

Feedback is gathered systematically from partners who have said the following:

- *Very pleased with the support / advice offered from CADS. Risk of harm has been initially reduced, paving the way for CAF to be opened to continue this work, but in a less urgent manner (School, October 2020)*

- *SW was outstanding with her professional approach to the situation. She listened to what I had to say and was very professional. I have received a letter 2 days later with a plan to support mum with her son's ADHD. This I feel will help her feel much more confident dealing with him. Thank you for such a brilliant service (Housing Needs, June 2020)*
- *Very supportive, clear and helpful (School, December 2020)*
- *Many thanks for your swift and thorough input (Health, November 2020)*
- *Very satisfied with this communication (GP, June 2020)*
- *Excellent professional support when needed (Health Visitor, July 2020)*

Professor Thorpe's team have advised that we have a compelling story to tell in Blackburn with Darwen regarding the implementation of CADS and the impact of the model. By focusing our resources on the 66% of families who need us most and reducing a volume of work that should never have been accepted into the social work system we have been able to free up social work time to work with the children and families.

We have a strong early help offer in BwD too, which supports a CAF lead professional model both internally and with our partners. The Early Help team offer advice and support to partners in lead professional roles. This mirrors the CADS model, but at a lower threshold. Our step-up and step down to Early Help works well with the teams linking closely together with children receiving support at the appropriate level along the continuum of need.

We have implemented guidance around three similar contacts about a child within a 3 month timeframe with a requirement that these contacts need closer scrutiny by the CADS social worker and team manager. Section 47 enquiries have reduced by 31%. The biggest reduction in Section 47 enquiries has happened during the 45-day assessment period. This more proportionate response means we are no longer an outlier with our statistical neighbours for this performance measure.

Strategy discussions and Section 47 enquiries, which are reviewed in our weekly CADS data meetings demonstrate a sound commitment from partners that supports effective multi-agency decision making. The threshold and quality of this process is determined by quality assurance activity to ensure that multi-agency decision-making is appropriate. We are also reviewing recent outcomes from strategy discussions and section 47 enquiries when they result in no further action.

### **Analysis of quality of practice**

Our weekly CADS data meetings give an overview of incoming contacts/referrals/outcomes. 24 hour decision making at the front door is now at an average of 80% and the average conversion rate from contact to referral is 18%. Before we implemented the model the percentage of contacts to referrals was as high as 96%. 12 months ago assessments completed within timescale were 61%. Currently timeliness of assessments is at 90%. The assessment teams are able to undertake quality and timely assessments with those children and families where risk and need requires us to lead multi-agency support and intervention.

Recent analysis of data at our Service Development Board confirms that this reaching out to the community has resulted in 981 contacts from family, friends and neighbours from April 2020 to the end of December 2020, compared to 633 in the previous year.

19.4% is our current re-referral rate, which is below the regional and England average, but is a figure we will continue to monitor. As stated above, if three contacts are received of a similar nature within a three month period and patterns are emerging then the SW and TM will offer greater scrutiny of such cases where it is likely that a referral and single assessment will be triggered.

Social workers within the four assessment teams at the time of the 52 week review of CADS had an average caseload of 18.2. This compares to the average caseload 12 months ago of 28.8.

## Conclusion

BwD's Children's Advice and Duty Service was designed, implemented and is being delivered on an evidenced based social work practice model. Supported by our partners and increasingly the broader community we are proud of the difference that we have made to the offer that the children in BwD receive.

Professor Thorpe further indicated that BwD have a very positive story to tell both from the implementation of our CADS model and the combination of this with other strategies which have supported both good practice and more realistic workloads for our staff. CADS has not been entirely about demand management – it has been about redressing the balance as regards ourselves as a statutory Children's Service who are required to work with the right families and those referrals which do progress to assessment. We need to make sure our biggest resource, the staff, are working with those most in need and at risk.

Within BwD we had the biggest and most impactful journey to travel that Professor Thorpe's team had ever seen based on their original analysis and this has been fulfilled with the very successful implementation of the model. It was the right decision to make to support our service.

Other initiatives that have supported a more proportionate response to need and risk include the development and implementation of a Legal Gateway meeting. This meeting considers social workers and their manager's request to implement pre-proceedings with enhanced assessments and interventions for children and families where we consider that there is a need to share parental responsibility. This meeting asks social workers with their manager to present a case to senior social work colleagues for a case discussion and shared decision-making. Prior to the implementation of Legal Gateway decisions, to go into pre-proceedings or initiate care proceedings, rested with one senior manager who agreed or disagreed based on the contents of a case decision form. Legal Gateway was implemented in July 2019 and over the eighteen months has resulted in a 40% reduction in care proceedings. CADS, Legal Gateway and an investment in systemic social work training have all contributed to a resetting of the context in which social work practice takes place in the Service.

We are never complacent and we continue to review the impact of CADS as a service through weekly practice review meetings, a quarterly, soon to be monthly partnership board and thematic audits. The need to ensure that CADS continues to respond appropriately to children in need of help and protection during Covid has also informed specific communication with our communities about what to do if you are worried about a child. The need to reach out to protect the most vulnerable, whilst a core social work value, is also one of Blackburn with Darwen Borough Councils most important Corporate Priorities.

Given the challenges of the Covid Pandemic on public services and the impact that it has had in BwD the significance of the changes brought about to our "front door" are remarkable and are a credit to the staff, social workers and partners who have supported us on this journey.



Jayne Ivory

## EXECUTIVE BOARD DECISION



**REPORT OF:** Executive Member for Finance and Governance

**LEAD OFFICERS:** Director of Finance

**DATE:** 11th February 2021

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**KEY DECISION:** YES  NO

**SUBJECT: CORPORATE REVENUE BUDGET MONITORING REPORT QUARTER 3 - 2020/21**

### 1. EXECUTIVE SUMMARY

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

### 2. RECOMMENDATIONS

The Executive Board is asked to approve:

- the portfolio cash limit adjustments outlined in Appendix 1.
- the Earmarked reserves position shown in Appendix 2
- the variations to revenue expenditure, as listed in Section 6, giving rise to a balance of £8.042 million in the unallocated General Fund revenue reserve.

### 3. BACKGROUND

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

### 4. KEY ISSUES & RISKS

a) Actual revenue expenditure at 31<sup>st</sup> December 2020 in relation to controllable budgets across all portfolios was £84.423 million, which is 70.76% of the current budget. Further details relating to the financial position of each portfolio are outlined in Section 6.

b) Subject to Executive Board approval of the proposed adjustments, General Fund unallocated reserves are £8.042 million at 31<sup>st</sup> December 2020 compared to the minimum level of unallocated reserves agreed at Finance Council in February 2020 of £4.0 million.

c) Based on the information currently available, Earmarked Reserves available for discretionary use within the Council are £47.353 million at 31<sup>st</sup> December 2020 compared with a balance of £19.152

million at 31<sup>st</sup> March 2020, with a further £9.448 million of 'Other Reserves' held mainly in relation to schools.

## 5. POLICY IMPLICATIONS

The information contained within the report accords with the three year budget forecast within the Medium Term Financial Strategy 2020-23, as approved at Finance Council on 24<sup>th</sup> February 2020.

## 6. FINANCIAL IMPLICATIONS

### 6.1 CASH LIMITS AND REVENUE EXPENDITURE

#### 6.1.1 Revenue Budget Overview

The 2020/21 Budget and MTFs 2020-2023 approved by Finance Council in February 2020 set a balanced budget for the year based on the assumptions made at that time. Since then, the Covid-19 pandemic has created a significant shock to the economy and resulted in significant, unplanned expenditure and income losses for the Council, as set out in previous reports to the Executive Board and Council Forum.

This is a fluid situation and we are continuing to monitor and forecast the costs and savings associated with both the pandemic and any emerging budget pressures over the last quarter of the year. The position is complex as we have received over 60 different Covid related grants to date, with more anticipated – some are for general use, some are for specific areas/activities, some must be spent by 31<sup>st</sup> March 2021 or will need to be repaid to government, and some can be carried forward for use in 2021/22 either generally or on specific areas/activities. A report will be provided to the March Executive Board to update on this.

#### 6.1.2 Performance Against Controllable Budgets

Appendix 1 details the portfolio controllable budgets approved by the Executive Board in November 2020 together with the details of the adjustments recommended to the Board for approval in this report. These include:

- transfers (budget virements) between portfolios
- transfers from Unallocated reserves to support budget pressures
- other use of Earmarked reserves
- transfers to Earmarked reserves in respect of grants / contributions to be carried forward and utilised in 2021/22

The principle issues for each portfolio at the end of the third quarter of the year are summarised below:

#### Summary

Portfolio	Total Forecast (Under) / Over spend 2020/21	Less: Overspend due to Covid-19 related costs/loss of income	Underlying position (Under) / Over spend 2020/21
	£mill	£mill	£mill
Adults & Prevention Services	0.526	(2.719)	(2.193)
Public Health & Wellbeing	2.828	(3.627)	(0.799)
Children, Young People & Education	1.297	(0.900)	0.397
Schools & Education (DSG)	0.452	(0.000)	0.452

Environmental Services	1.503	(1.503)	0.000
Growth & Development	1.703	(1.867)	(0.164)
Digital & Customer Services	0.418	(0.371)	0.047
Finance & Governance	3.251	(3.848)	(0.597)
Cross Portfolio pressures	3.715	(3.715)	0.000
<b>TOTAL</b>	<b>15.693</b>	<b>(18.550)</b>	<b>(2.857)</b>

Note: These figures do not include income losses in respect of Business Rates and Council Tax which are covered in section 6.4 below.

### **Covid-19**

As stated above, the Covid-19 pandemic has resulted in significant unplanned expenditure and income losses. Work to collate both the actual costs incurred and income lost due to Covid-19 has continued throughout the period, and also to review and refine the assumptions on which the forecasts for these are based for the remainder of the financial year.

In addition to the £15.03m of general COVID-19 Grant funding that the Council has received, the government has provided further financial support to councils to meet a proportion of their losses in Sales, Fees and Charges; this is based on the eligibility criteria issued by MHCLG, defining the specific sales, fees and charges covered by the scheme. The council has submitted two of these claims to date, based on our forecast of eligible losses, amounting to £5.75 million; a final return to reflect the actual losses for the 12 months to 31<sup>st</sup> March 2021, net of any savings generated through non-delivery or reduced activities in these areas, will be submitted at the year end.

### **Portfolio positions**

The underlying budget issues for each portfolio at the end of the second quarter are as follows:

#### **Adults & Prevention Services**

The portfolio is predicting an underspend of £2.193 million for the year, excluding the additional costs and losses of income arising due to Covid-19.

From 19th March to 31st August 2020, care costs for residential and nursing care attributed to hospital discharge or hospital admission avoidance have been paid directly by the NHS. In addition, Continuing Health Care (CHC) frameworks for the joint funding of packages of care were suspended during this time. The hospital discharge guidance was revised on 1st September 2020 and with effect from that date, only the first six weeks following discharge will be funded by the NHS going forward. CHC frameworks have also restarted and CHC recovery systems are now back in place, as a result there has been an increase in referrals and care package costs reverting back to Local Authority funding. Hospital discharge trackers continue to be monitored to estimate care costs coming back to Social Care and the present forecasts seek to take into consideration the impact of Covid 19 and hospital discharge wherever possible. However, hospital tracker systems are being reviewed to update our estimates and it should be recognised that together with winter pressures, this may result in further escalating costs over the remaining few months.

The portfolio is therefore predicting a net overspend of £526k including additional costs associated with Covid-19 for the year of £2.719 million but, due to changes made in the hospital discharge guidance issued during this pandemic, a resulting net underlying underspend of £2.193 million.

The Neighbourhoods and Prevention department within the portfolio is forecasting a breakeven position by the end of the financial year.

### **Public Health & Wellbeing**

The portfolio is forecasting an underlying underspend of £799k, i.e. excluding the costs associated with Covid-19.

Over the course of the year to date our leisure facilities, the museum and our venues in Blackburn and Darwen have been unable to operate as normal, firstly due to lockdown and then once they could reopen, this was only at a reduced capacity; these services are again in lockdown. The Leisure and Culture department is therefore forecasting an overspend in the region of £2.752m, including additional costs and income losses due to Covid of £3.551m, i.e. a net, underlying underspend of £799k.

Public Health is currently predicted to overspend by £76k, all of which is attributable to the additional costs incurred due to the crisis.

### **Children, Young People & Education**

The portfolio is forecasting an underlying overspend of £397k, i.e. an increase of £275k from the position reported at Quarter 2. This is primarily due to an increase in the forecast for expenditure for commissioned placements. The department continues to explore all options to mitigate rising demand and to ensure that all sources of external grant funding are maximised.

The portfolio is close to finalising a tri-partite agreement with colleagues in the NHS by which the NHS will fund a proportion of costs incurred in relation to children with complex health needs. This follows a piece of work undertaken by health in collaboration with local authorities across Blackburn with Darwen, Blackpool, LCC and South Cumbria due to a recognition from the SEND inspections undertaken, that there has been very little joint commissioning around placements for young people with complex needs. At this juncture no funding has been included in forecast overspend of £397k but once this agreement is finalised, this will have a beneficial impact on the budget position at outturn.

### **Dedicated Schools Grant / Schools Block**

Services in Schools & Education (DSG) are currently forecasting to overspend by £452,000 against the funding available in 2020/21 through the DSG and Pupil Premium. This overspend arises from increasing Special Educational Need placement costs as a result of an increase in the number of Education, Health and Care Plans (EHCPs). This overspend will be funded in year from the High Needs reserve and for 2021-22, a contingency has been set aside in the High Needs Block in anticipation of continued growth in this area.

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

### **Environmental Services**

The portfolio is now reporting an underlying break even position, i.e. excluding the costs of Covid, as waste disposal costs have decreased due to the introduction of the blue bins and we have seen a corresponding increase in recycling tonnages since August. The recycling costs of fibre during September and October have been favourable, however it should be noted that these can vary as the portfolio cannot control the pricing of commodity materials which fluctuate throughout the year.

Budgets across the portfolio, especially those which are impacted by the current lockdown restrictions, continue to be closely monitored; income streams continue to be impacted and there is potential for an increase in waste tonnages as people remain at home.

## Growth & Development

Pressures previously identified within the Highways budgets of approximately £500k have been addressed by management action. The portfolio is currently forecasting an underlying, non-Covid19, underspend of £164k.

Covid-19 pressures of £1.867m are forecast within the portfolio, arising from losses of income in respect of business rents and planning income in particular.

## Digital & Customer Services

The portfolio is forecasting an overspend of £418k for 2020/21, based on actual levels of income and expenditure received/incurred at 31<sup>st</sup> December 2020, and the assumptions made in respect of income and expenditure for the final 3 months of the year.

Of this overspend, £371k relates to losses of income and costs incurred in respect of the response to Covid, including Registrars (£222k), ITM&G (£108k) and Coroners (£24k).

Excluding the impact of Covid, the underlying forecast for the year is an overspend of £47k.

## Finance & Governance

The portfolio is forecasting an overspend of £3.251m for 2020/21, which includes a forecast of Covid related expenditure and losses of income incurred on behalf of the council of £3.848 million. This figure includes purchases of personal protective equipment for use by all departments across the Council and by adult social care providers, the costs of establishing and operating a Food Hub to supported the most vulnerable during the first lockdown and forecast income losses across the portfolio due to Covid, including those on commercial rents and the Council's income share from the Mall.

The underlying position of the portfolio, excluding Covid costs and income losses, is an underspend £597k which relates to staffing vacancies which have not yet been filled together with costs that have not been incurred during the period as activities have ceased or been deferred e.g. elections, training courses, meetings and the progression of legal cases. As noted last quarter, £202k of the underspend reflects refunds from various energy companies following a utility review by the Procurement Team which resulted in backdated repayments to the council dating back to 2010.

## 6.2 General Fund Unallocated Reserves

Summary of movement	£million
Unallocated reserves as per the Qtr 2 2020/21 Executive Board Report (Nov 2020)	8.045
Transfers (from) Unallocated reserves	
Budget increase for Children, Young People and Education portfolio to fund a temporary post processing Subject Access Requests	(0.023)
Transfers to Unallocated reserves	
Savings in respect of interest payable due to significantly reduced interest rates	0.020
Balance on Unallocated General Fund reserves at 31 December 2020	8.042

### 6.3 Earmarked reserves

Taking account of the adjustments highlighted at Appendix 2, the level of Earmarked reserves held for discretionary use by the Council at 31<sup>st</sup> December 2020 will be £47.353 million compared with a balance of £19.152 million as at 31<sup>st</sup> March 2020.

Summary of movement	£million
Balance of reserves at 30 <sup>th</sup> September 2020 (as reported to Executive Board in November 2020)	41.409
Use of Developers contributions (Section 106) Reserve to finance revenue expenditure – Corporation Park (included in Appendix 1)	(0.135)
Release to portfolios of grants and budgets carried forward from 2019/20 into 2020/21 (included in Appendix 1)	
- Flexible Homeless Support Grant	(0.015)
- Better Care Fund	(0.056)
Additional government grant funding – see Note 1 below	2.842
Grants and budgets requested to be carried forward from 2020/21 into 2021/22 (included in Appendix 1)	1.072
Revenue contributions for financing capital expenditure returned to reserves due to capital slippage and re-profiling of capital financing:	
- Developers contributions (Section 106) reserve	1.696
- Office accommodation and property improvements reserve	0.300
- Future maintenance of Wainwright Bridge reserve	0.240
Balance on Earmarked reserves at 31 <sup>st</sup> December 2020	47.353

Note 1 – Additional government grant allocations received:

- Local Authority Compliance and Enforcement - £103,500
- Additional s31 grant to compensate for enhanced Business Rate Reliefs, following submission of an updated estimate - £976,300
- Sales Fees and Charges claim (first instalment / tranche) - £1,762,500

Details of the requested applications of reserves are outlined in the Appendices to this report.

### 6.4 Collection Fund

#### Business Rates

As reported in the previous corporate revenue budget monitoring report, grant allocations of over £17 million have been made to compensate the Council for extended business rate reliefs introduced to help businesses through the coronavirus pandemic. As these grants are held in the Council's General Fund, rather than the Collection Fund, the business rates budget has been re-profiled to reflect the impact of the changes in the various discounts given on the amount of income due.

In addition to the reliefs granted by the government the council took a number of proactive measures to support businesses in the borough. During April, May and June the council delayed requesting direct debit payments and agreed to spread business rates bills over a longer period of time. As a result, the current rate of collection for business rates remains 4.24% below that normally expected at this point

in the year. The rate is improving each month and the recommencement of recovery action will also benefit collection.

The current projected year end position for the Business Rates Collection Fund is a deficit carried forward into 2021/22 of £17.357 million, comprising:

	<b>£million</b>
Business Rates surplus brought forward from 2019/20	(2.412)
Estimated deficit for the year	19.769
<b>Projected deficit carried forward as at 31/03/2021</b>	<b>17.357</b>

The Business Rates Retention scheme provides for non-domestic rates collected by a billing authority to be shared between it, its major precepting authorities and central government. Under this scheme, the Council, as billing authority, is required by 31<sup>st</sup> January each year to notify Lancashire Combined Fire Authority and the Secretary of State of its calculation of non-domestic rating income for 2021/22 and its estimate of the 2020/21 surplus/deficit on the Collection Fund.

Consequently, the estimated deficit above will be shared between the Council, the Fire Authority and Central Government and will be subtracted from each party's share of 2021/22 non-domestic rating income. In line with the Government's decision to allow local authorities to spread a deficit on the collection fund from 2020/21 over three years, an adjustment has been made to spread any in-year deficit (but not the element offset by the receipt of Section31 grant income) over the period 2021/22 to 2023/24.

The impact of the "3 year spread" adjustment on the total deficit and the Council's share of this is detailed in the table below:

<b>Business Rates</b>	<b>Total Deficit £'mill</b>	<b>BwD share of deficit £'mill</b>
Difference between 'estimated' and 'actual' surplus brought forward from 2019/20	(1.922)	(1.413)
Impact of extended reliefs provided by the government to support businesses through the pandemic – these sums will be accounted for in 2021/22 but will be offset by Section31 grant received in 2020/21 and which is being carried forward into 2021/22 in an Earmarked reserve	17.170	8.413
Forecast Business Rates deficit in relation to 2020/21 which is not compensated for by Covid related Section31 grants – <i>this element can be spread equally over the 3 years 2021/22 to 2023/24</i>	2.109	1.033
<b>Forecast Deficit carried forward at 31/03/2021, prior to adjustment for 3 year spread</b>	<b>17.357</b>	<b>8,033</b>
Amount to be deducted from the deficit calculation as adjustment for 3 year spread	(1.406)	(0.688)
<b>Forecast Deficit carried forward at 31/03/2021</b>	<b>15.951</b>	<b>7.345</b>

## Council Tax

The Council's current rate of collection for Council Tax is largely in line with expectations, however, any comparison with the previous year is distorted by the allocation of £2 million of Hardship Support together with the increase in the number of Local Council Tax Support claimants. Whilst recovery action has commenced, the numbers of accounts this relates to is much reduced compared to last year. It is



extremely difficult to predict what the impact will be at the end of the year, however we are expecting a lower collection rate.

Taking all these factors into account, the current projected year end position on the Council Tax Collection Fund is a deficit carried forward into 2021/22 of £1.747 million, made up of:

	<b>£million</b>
Council Tax surplus brought forward from 2019/20	(0.712)
Estimated deficit for the year	2.459
<b>Projected deficit carried forward as at 31/03/2021</b>	<b>1.747</b>

In a similar way to business rates, Council Tax is collected by the Council, as billing authority, on behalf of its major precepting authorities i.e. Lancashire Police and Crime Commissioner (PCC) and Lancashire Combined Fire Authority. The Council is required by 31<sup>st</sup> January each year to notify the PCC and the Fire Authority of its estimate for the 2020/21 surplus/deficit on the Collection Fund.

Consequently, the estimated deficit above will be shared between the Council, the PCC and the Fire Authority and will be subtracted from each party's share of 2021/22 Council Tax income. These shares are calculated after making an adjustment to spread any 'in-year', i.e. 2020/21, deficit over the period 2021/22 to 2023/24.

The impact of the "3 year spread" adjustment on the total deficit and the Council's share is detailed in the table below:

<b>Council Tax</b>	<b>Total Deficit £million</b>	<b>BwD share of deficit £million</b>
Difference between 'estimated' and 'actual' deficit brought forward from 2019/20	0.079	0.067
Council Tax deficit in relation to 2020/21 – <i>this element is spread equally over the 3 years 2021/22 to 2023/24</i>	1.668	1.415
<b>Forecast Deficit carried forward at 31/03/2021 prior to adjustment for 3 year spread</b>	<b>1.747</b>	<b>1,482</b>
Amount to be deducted from the deficit calculation as adjustment for 3 year spread	(1.112)	(0.943)
<b>Forecast Deficit carried forward at 31/03/2021</b>	<b>0.635</b>	<b>0.539</b>

The Council's share of the adjusted deficits in both tables above will be included within the draft 2021/22 budget to be presented to Finance Council on 1<sup>st</sup> March 2021.

## **7. LEGAL IMPLICATIONS**

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

## **8. RESOURCE IMPLICATIONS**

None.

## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

## 10. CONSULTATIONS

Not applicable.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>V1</b>
-----------------	-----------

<b>CONTACT OFFICER:</b>	<b>Julie Jewson</b> <b>Senior Finance Manager</b> <b>Tel 585893</b>
<b>DATE:</b>	27 <sup>th</sup> January 2021
<b>BACKGROUND PAPER:</b>	N/A

SCHEDULE OF BUDGET ADJUSTMENTS REQUESTED - QUARTER 3 2020/21

	Adults and Prevention Services	Public Health & Wellbeing	Children, Young People & Education	Environmental Services	Growth & Development	Digital & Customer Services	Finance & Governance	Schools & Education (DSG)	TOTAL
	£	£	£	£	£	£	£	£	£
<b>Controllable Budget approved at Executive Board November 2020</b>	<b>53,270,271</b>	<b>2,669,153</b>	<b>31,827,603</b>	<b>8,848,585</b>	<b>8,331,488</b>	<b>5,681,103</b>	<b>9,496,703</b>	<b>(941,000)</b>	<b>119,183,906</b>
<b>Transfers between portfolios</b>									
Budget transfer relating to Complex Cases Team	53,500		(53,500)						0
									0
<b>Transfers (to)/from contingency</b>									
									0
									0
<b>Carry forward of grants, contributions and other budgets to 2021/22</b>									
Strengthen Communities - Volunteering in Lancashire (SCVL) ESF Project	(120,315)								(120,315)
Flexible Homelessness Support Grant (FHSG) - continued funding for Community Protection Officer (to end of October 2022)	(58,000)								(58,000)
Social Integration Funding	(685,000)								(685,000)
Troubled Families Funding	(208,500)								(208,500)
									0
<b>Other transfers (to)/from earmarked reserves</b>									
Utilise s106 contributions - Corporation Park				135,000					135,000
Transfer from Flexible Homeless Support Grant (FHSG) Top Up Grant Reserve	14,900								14,900
Utilisation of Building Control Reserve					31,074				31,074
Utilisation of Better Care Fund Reserve	56,200								56,200
									0
									0
<b>Transfers (to)/from unallocated reserves</b>									
Budget increase to fund a temporary post dealing with System Access Requests			23,400						23,400
									0
<b>Other budget adjustments</b>									
									0
<b>Revised Controllable Budget as at 31st December 2020</b>	<b>52,323,056</b>	<b>2,669,153</b>	<b>31,797,503</b>	<b>8,983,585</b>	<b>8,362,562</b>	<b>5,681,103</b>	<b>9,496,703</b>	<b>(941,000)</b>	<b>118,372,665</b>

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

	Balance at 30	Requested Transfers to/(from)		Balance at 31
	September 2020	earmarked reserves in Qtr 3		December 2020
	As reported to Exec Board November 2020	Carry over of grants & contributions to 2021/22	Other transfer to/(from) reserves	Q2
	£000	£000	£000	£000
Welfare, council tax and business rates reforms				
Welfare and council tax reforms	128			128
Section 31 Grant - Compensation for lost Business Rates income	16,324		976	17,300
Brexit Preparation				
Brexit Preparation Funding	149			149
Investment in assets and infrastructure				
Office Accommodation and property improvements	498		300	798
Highways winter maintenance	95			95
Support for the Local Plan	105			105
Flood Defence	77			77
Support for Other Resources and Transformation projects				
Legal Advice Reserve	105			105
Partnerships & Transformation	78			78
Insurance risk investment fund	43			43
Support for People Services				
Schools Improvement (SSIF)	236			236
Troubled Families	0	209		209
YOT partnership	252			252
Music Services	117			117
Disabled Facilities Grants	289			289
Future Demand Pressures	1,799			1,799
Better Care Fund	372		(56)	316
Support for Place Services				
Investment to support business rates growth	170			170
Place Shaping Investment Reserve	250			250
Contingent sums to support future downsizing and transformation programmes				
Support for future redundancy costs	279			279
Support for part year effect of future savings plans	2,187			2,187
Support for Future Cost Pressures	1,000			1,000
Digital Programme	868			868
Amounts b/fwd from previous year(s) in respect of unspent grants and contributions				
Transformation Challenge Award	64			64
SEN / SEND Reform Grant /SEND Prep for Empl	41			41
Transforming Lives	37			37
One Public Estate grant	474			474
Electoral Grant	57			57
DCLG Transparency Code New Burdens	13			13
Adult PSS - Local Reform and Community Voices	108			108
Adult PSS - War Pensions Disregard	30			30
Flexible Homelessness Support Grant (FHSG)	20	58		78
FHSG Top-up	15		(15)	0
Homelessness Reduction Act New Burdens Funding	33			33
Social Integration funding	270	685		955
NHS Funding for LPRES integration with Mosaic and spine mini services	29			29
COVID-19 Funding from MHCLG	14,972		1,866	16,838
Combined Authority Grant	48			48
Burdens Fund monies	2			2
Custom build Grant	15			15
Amounts committed in future year budgets/MTFS				
Budget carry over for implementation of Concerto (Property system)	20			20
Budget carry over for Intack Depot driveway	10			10
CCTV Hub carry forward	106			106
Development Investment Fund (Capital)	1			1
Strengthening Communities Volunteering in Lancashire (SCVL)	0	120		120
Reserves held for specified purposes				
Developers Contributions (S106 Income) *	(1,497)		1,561	64
Future Maintenance of Wainwright Bridge	28		240	268
Future Maintenance of Witton Park 3G Pitches	75			75
Leisure Equipment Pay-back	30			30
Future remediation costs in respect of former landfill sites	400			400
Highways claims anticipated for years up to current year but not yet received	300			300
Art Acquisitions Fund	17			17
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20			20
Allowance for contingent liabilities (e.g. MMI)	250			250
<b>TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE</b>	<b>41,409</b>	<b>1,072</b>	<b>4,872</b>	<b>47,353</b>

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

	Balance at 30 September 2020	Requested Transfers to/(from) earmarked reserves in Qtr 3		Balance at 31 December 2020
	As reported to Exec Board November 2020 £000	Carry over of grants & contributions to 2021/22 £000	Other transfer to /(from) reserves £000	Q2 £000
<b>'Other Earmarked' Reserves</b>				
Reserves held in respect of joint arrangements and charitable bodies				
Darwen Market Traders Association	2			2
Joint Building Control Account	162		(31)	131
Turton Tower Charity	66			66
LSCB Safeguarding Partners Fund	135			135
Reserves held in relation to schools				
Dedicated Schools Grant - Surplus	3,840			3,840
LMS Schools Balances	5,274			5,274
<b>TOTAL 'OTHER EARMARKED' RESERVES</b>	<b>9,479</b>	<b>0</b>	<b>(31)</b>	<b>9,448</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>50,888</b>	<b>1,072</b>	<b>4,841</b>	<b>56,801</b>
<b>UNALLOCATED RESERVES</b>	<b>8,045</b>	<b>0</b>	<b>(3)</b>	<b>8,042</b>

\* Developers Contributions (S106 Income) - where this reserve appears above in a negative position, it is due to the fact that income received during 2020/21 will only be reflected in the reserve once the year end outturn entries have been completed, as is the normal practice.

## EXECUTIVE BOARD DECISION



**REPORT OF:** Executive Member for Finance and Governance

**LEAD OFFICERS:** Director of Finance

**DATE:** 11 February 2021

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**KEY DECISION:** YES  NO

**SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2020/21 – Quarter 3 (9 months to 31<sup>st</sup> December 2020)**

### 1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 31<sup>st</sup> December 2020, highlighting key issues and explaining variations in the first 9 months of the financial year.

### 2. RECOMMENDATIONS

The Executive Board is asked;

- to approve the revised capital programme as per Appendix 1,
- to approve the variations to the programme shown in Appendix 2

### 3. BACKGROUND

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

### 4. KEY ISSUES & RISKS

a) The total cost of the Council's capital investment programme for 2020/21 has now decreased from £32.815 million, as approved by Executive Board on 12<sup>th</sup> November 2020, to £25.117 million. The net variation of £7.698 million (detailed in Appendix 2) reflects;

- variations made to reflect the approval of schemes during the third quarter of the year, of £0.552 million; an increase of £0.020 million to the main capital programme and £0.532 million to the earmarked schemes
- further variations during the third quarter of the year for which approval is requested (net reduction in the programme of £1.755 million)
- slippage and re-profiling of budgets during the third quarter of the year over into 2021/22 and future years (£5.963 million).

b) As at 31<sup>st</sup> December 2020, the capital expenditure across the portfolios was £12.353 million (representing 49.2% of the current, revised projected capital spend).

c) The estimated of capital receipts expected in 2020/21 is £3.4 million; £2.162 million has been received in the first nine months of the year. **Page 46**

## 5. POLICY IMPLICATIONS

The information contained within the report accords with the capital strategy and the three year budget forecast within the Medium Term Financial Strategy 2020-23, as approved at Finance Council on 24<sup>th</sup> February 2020.

## 6. FINANCIAL IMPLICATIONS

### 6.1 CAPITAL PROGRAMME

The variations in actual spend and resource availability for 2020/21 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The Capital Programme for 2020/21 has decreased by £7.698 million, the major capital variations to note are as follows:

#### 6.1.1 New Approved Capital Schemes

Several capital schemes (new schemes and amendments to existing schemes) were approved and have now been added to the capital programme as follows:

Scheme	Amount 2020/21	Amount 2021/22	Approved By	Date Approved
<b>Children's, Young People and Education</b>				
Lammack School Extension	-	£550,000	Executive Board	14-Jan-21
BCHS/Crosshill	-	£380,000	Executive Board	14-Jan-21
Longshaw Nursery Relocation – change in scheme scope and reduction in estimated cost	-	(£840,000)	Executive Board	14-Jan-21
<b>Environmental Services</b>				
Vehicle replacements (earmarked scheme)	£532,000	-	Executive Board	13-Feb-20
<b>Digital and Customer Services</b>				
Corporate ICT – Replacement of waste processes and round management system software	£20,000	£133,000	Executive Member Decision	15-Jan-21
<b>TOTAL</b>	<b>£552,000</b>	<b>£223,000</b>		

#### 6.1.2 Adults and Prevention Services

##### Disabled Facilities Grant and Telecare Project

Additional Disabled Facilities Grant of £253,000 has been received during the quarter. Approval is sought to add this to the existing budget for this scheme.

Due to the COVID-19 pandemic a number of projects in these schemes have been delayed. Approval is requested to reprofile £870,000 from the Disabled Facilities Grant and £110,000 from the Telecare Project schemes into 2021/22.

### 6.1.3 Children's Young People & Education

Approval is sought to slip the following into 2021/22, as these schemes are not expected to be completed in this year:

<b>Scheme</b>	<b>Slippage £</b>
Disabled Facilities Grant	(560,000)
Shadsworth Infants – Heating	(90,000)
Lower Darwen Disability Access Adaptations	(15,000)
Feniscowles Disability Access Adaptations	(125,000)
Shadsworth Infants Extension and Remodel	(220,000)
<b>TOTAL VARIATIONS</b>	<b>(1,010,000)</b>

### 6.1.4 Environmental Services

#### Slippage

Approval is requested to slip £103,000 on the Land Remediation scheme and £230,000 on the Blakewater Car Park scheme into 2021/22 as these works are not expected to complete in 2020/21.

#### Old Bank Lane Car Park

This scheme has now been completed and approval is requested to remove the remaining budget of £100,000, as this has not been required.

### 6.1.5 Public Health & Wellbeing

#### Witton 3G Pitches

This scheme has now been completed and approval is requested to remove the remaining budget of £23,000, as this is not required.

### 6.1.6 Growth and Development

#### Cathedral Quarter Office Block Fit Out Costs

A request is made to slip the remaining £38,000 budget to 2021/22 so this can be used for future potential fit out costs to facilitate lettings.

#### Growth Team Housing Schemes

Approval is sought for the following variations to housing schemes managed by the Growth Team:

<b>Scheme</b>	<b>Slippage £</b>	<b>Other Variations £</b>
Neighbourhood Intervention Fund	(19,700)	19,700
Development Investment Fund	(65,000)	-
<b>Total</b>	<b>(84,700)</b>	<b>19,700</b>

Capital receipts of £19,700 have been recycled back into the Neighbourhood Intervention Fund and a request is made to increase the scheme by this value.



## Blakey Moor

The Blakey Moor scheme has faced various delays, with work virtually ceasing since the start of the COVID-19 pandemic. Approval is therefore requested to slip £96,000 to 2021/22, for works not expected to complete this year.

## Local Transport Plan

Variations to the Local Transport Plan budget are listed in the table below. S106 contributions should only be utilised upon their receipt and also Covid-19 has delayed works commencing on development sites.

The budget for the South East Blackburn Scheme is £11,560,000 funded by a Lancashire Enterprise Partnership (LEP) contribution of £9,050,000 and a Blackburn with Darwen Borough Council contribution of £2,510,000. The scheme commenced in 2019/20 and there was an advance borrowing requirement for both 2019/20 and 2020/21 in respect of this as per the Executive Board Decision report dated 9th January 2020. Due to Covid-19, the works have been delayed on this scheme and these will now run into 2021/22, which means that the borrowing in advance of £715,000 is no longer required in year. The LEP have agreed that their full contribution of £9,050,000, back dated to 2019/2020, can be claimed in this financial year

Approval is sought for the following adjustments to the approved Local Transport Plan capital programme for 2020/2021.

<b><u>Variations Due to Slippage</u></b>	<b><u>£'000s</u></b>
DFT Emergency Travel Active Fund – Tranche 2	(162)
<b>S106 Contributions to be used in 2021/22</b>	
S106 Gib Lane	(260)
S106 School Lane	(36)
S106 Yew Tree Drive	(450)
S106 Blackburn North	(50)
S106 Roe Lee	(150)
S106 Pole Lane North	(150)
S106 Spring Meadows	(200)
Wainwright Bridge Commuted Sum held in Reserve	(240)
<b>Total Variations due to Slippage</b>	<b>(1,698)</b>
<b><u>Other Variations</u></b>	
DFT Emergency Active Travel Fund Tranche 1 Adjustment	(74)
Growth Development 3 Contributions	(560)
Growth Development 3 Borrowing in Advance	(715)
Blackburn Bus Station Performance Bond	(250)
<b>Total of Other Variations</b>	<b>(1,599)</b>
<b>Total Net Variations</b>	<b>(3,297)</b>

## **6.1.7 Digital and Customer Services**

A number of Corporate ICT schemes are continuing schemes which are not expected to fully complete in 2020/21 and a request is made to slip the remaining budget on these schemes into 2021/22.

The Monitoring and Management and Protocol Mobile App Project schemes are both now fully complete, a request is made to transfer the remaining budgets on these schemes to the Corporate ICT earmarked scheme.

Approval is sought for the following variations to Corporate ICT schemes:

<b>Scheme</b>	<b>Slippage £</b>	<b>Other Variations £</b>
Core Infrastructure Programme	(120,000)	-
Legal Services Case Management System	(25,000)	-
Corporate Website	(16,000)	-
Town Hall IT Infrastructure Upgrade	(190,000)	-
Digital Customer Portal	(85,000)	-
Monitoring and Management	-	(1,000)
Protocol Mobile App Project	-	(5,000)
<b>Total</b>	<b>(436,000)</b>	<b>(6,000)</b>

#### Desktop Refresh

Previously £113,000 of the approved budget for this scheme was transferred back into the Corporate ICT earmarked scheme. A request is made to reinstate this budget into 2021/22 due to an increase in the demand for devices across the Council, as part of the COVID response.

#### **6.1.8 Finance and Governance**

##### Carbon Management Plan

Approval is requested to slip £67,000 in respect of this scheme in to 2021/22 for use on future carbon management capital projects.

##### Griffin Lodge

Approval is requested to remove the budget of £300,000 for this scheme. Any work required will be considered alongside other priorities in relation to Council owned properties.

##### Corporate Accommodation Strategy Phase 2

The Corporate Accommodation Strategy Phase 2 scheme has encountered some delays during the pandemic, and therefore approval is requested to re-profile £1,000,000 from this scheme into 2021/22.

##### Darwen Town Hall Re-roofing

As above, this scheme has also encountered some delays during the pandemic and therefore approval is requested to reprofile £220,000 from this scheme into 2021/22, for work not expected to be completed during this financial year.

#### **6.1.9 Earmarked Schemes**

##### Corporate ICT Earmarked Scheme

It is requested to slip £2.113 million from the 2020/21 capital programme into the 2021/22 and Future Years Programme. The balance of the Corporate ICT Earmarked Schemes for the 2021/22 and Future Years Programme will be used to support the capital costs of the ongoing digitisation of the Council's infrastructure.

##### Corporate Property Investment Earmarked Scheme

Approval is required to slip £2.571 million of this Earmarked Scheme allocation from the 2020/21 programme to meet the costs in future years. This will be utilised to help the Council fulfil its future growth and development plans.

## Vehicle Purchase

It is requested that £532,000 of the budget, previously approved for the purchase of vehicles, be slipped into 2021/22 to cover the committed costs of the vehicles not expected to be purchased before the end of this financial year.

## **6.2 CAPITAL RECEIPTS**

Actual capital receipts at the end of December 2020 were £2.162 million. All of these receipts will be utilised in support of the Minimum Revenue Provision.

## **6.3 BALANCE SHEET POSITION**

### **6.3.1 Overview**

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

### **6.3.2 Non-current Assets**

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

### **6.3.3 Borrowing and Investments**

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

Both short and long term borrowing interest rates were at low levels at the end of the period, having remained fairly stable over the course of the third quarter of the year. Interest rates on investments have continued to fall throughout the third quarter of the year, with rates being negligible by the end of the period. To date, it is now projected that debt interest payable will be £20,200 lower than the forecast at quarter 2, as a result of interest rates on borrowing being lower than originally forecast.

### **Interest and Debt Repayments Revenue Budget**

	<b>Original Budget</b>	<b>Forecast at Quarter 1</b>	<b>Forecast at Quarter 2</b>	<b>Movement Quarter 3</b>	<b>Forecast at Quarter 3</b>
Interest and investment income	(215,000)	(115,000)	(40,000)	-	(40,000)
Debt interest payable	12,990,200	12,990,200	12,559,200	(20,200)	12,539,000
MRP	6,835,000	6,911,000	6,911,000	-	6,911,000
<b>Total</b>	<b>19,610,200</b>	<b>19,786,200</b>	<b>19,430,200</b>	<b>(20,200)</b>	<b>19,410,000</b>

The current borrowing and investment position is as follows:

	Amounts at 31/12/2020 £000	Amounts at 30/09/2020 £000	Amounts at 31/03/2020 £000
Short term borrowing	84,250	76,000	84,000
Long term borrowing	147,798	147,798	149,915
Transferred debt re Local Government Reorganisation	14,007	14,007	14,148
Recognition of debt re PFI arrangements	62,055	62,508	63,414
<b>TOTAL BORROWING</b>	<b>308,110</b>	<b>300,313</b>	<b>311,477</b>
Investments made by the Council	66,448	33,968	57,453

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

#### 6.3.4 Debtors

The Council has a corporate debt policy, as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas at 31<sup>st</sup> December 2020. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position at 31/12/2020	Position at 31/12/2019
<b>Council tax</b>		
Current year balance (£000)	14,164	13,842
Previous year arrears (£000)	13,004	11,921
<b>Total Council tax balances</b>	<b>27,168</b>	<b>25,763</b>
Collection rates	78.2%	78.2%
<b>Business rates</b>		
Current year balance (£000)	6,682	8,988
Previous year arrears (£000)	3,278	2,495
<b>Total Business rates balances</b>	<b>9,960</b>	<b>11,483</b>
Collection rates	76.1%	80.4%
<b>Housing Benefit</b>		
Overpayments balances (£000)	2,622	2,961

The Business Rates collection rate has been affected by the measures taken by both central government and the council, to support businesses in the borough through the COVID pandemic. To

allow businesses sufficient breathing space from April to June, the council took the decision that it would not request direct debit payments, and instead it would recalculate all Business Rate bills with the instalments reprofiled over the period from July to March.

In addition, the council has also offered the option to any struggling businesses, to make contact with the Finance Team and in many instances, as a result, instalment plans have been introduced for the payment of their invoices relating to the April to June period.

## **7. LEGAL IMPLICATIONS**

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

## **8. RESOURCE IMPLICATIONS**

None.

## **9. EQUALITY AND HEALTH IMPLICATIONS**

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

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

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

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

## **10. CONSULTATIONS**

None

## **11. STATEMENT OF COMPLIANCE**

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

## **12. DECLARATION OF INTEREST**

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

<b>VERSION:</b>	<b>V1.0</b>
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<b>CONTACT OFFICER:</b>	<b>Jody Spencer-Anforth (Ext 507748) Julie Jewson (Ext 5893)</b>
<b>DATE:</b>	January 2021
<b>BACKGROUND PAPER:</b>	N/A

## Overall Capital Monitoring 2020/21

	2020/21				2021/22 and Future Years			
	Approved Programme 2020/21	Programme Approved At Executive Board November 2020	Requested Variations (See Appendix 2)	Revised 2020/21 Capital Programme As at 31st December 2020	Approved Programme 2021/22 and future Years	Programme Approved At Executive Board November 2020	Requested Variations (See Appendix 2)	Revised 2020/21 Capital Programme As at 31st December 2020
	(Finance Council) £'000	£'000	£'000	£'000	(Finance Council) £'000	£'000	£'000	£'000
<b>Costs</b>								
Adults and Prevention Services	2,796	1,891	(727)	1,164	5,000	3,228	980	4,208
Children, Young People & Education	7,237	6,292	(1,010)	5,282	12,750	5,576	1,100	6,676
Environmental Services	1,929	2,120	(433)	1,687	0	0	333	333
Public Health & Wellbeing	0	23	(23)	0	0	0	0	0
Growth & Development	17,781	18,277	(3,496)	14,781	300	4,181	1,917	6,098
Digital & Customer Services	697	1,150	(422)	728	0	572	682	1,254
Finance & Governance	3,490	3,062	(1,587)	1,475	0	1,000	1,287	2,287
<b>Total Predicted Expenditure</b>	<b>33,930</b>	<b>32,815</b>	<b>(7,698)</b>	<b>25,117</b>	<b>18,050</b>	<b>14,557</b>	<b>6,299</b>	<b>20,856</b>
<b>Resources</b>								
- Department for Education	5,461	4,392	(450)	3,942	10,000	0	1,645	1,645
- Department for Transport	3,299	5,133	(422)	4,712	0	888	(526)	362
- Disabled Facilities Grants	3,322	2,411	(1,287)	1,124	6,000	3,754	1,540	5,294
- Other Grants	2,093	891	107	998	0	742	768	1,510
<b>Government Grants</b>	<b>14,175</b>	<b>12,827</b>	<b>(2,052)</b>	<b>10,775</b>	<b>16,000</b>	<b>5,384</b>	<b>3,427</b>	<b>8,811</b>
Unsupported Borrowing	9,804	9,714	(2,440)	7,274	300	3,682	2,351	6,033
External Contributions	6,601	6,998	(970)	6,028	0	441	(310)	131
Revenue Contributions	3,350	3,276	(2,236)	1,040	1,750	5,050	831	5,881
<b>Total Resources</b>	<b>33,930</b>	<b>32,815</b>	<b>(7,698)</b>	<b>25,117</b>	<b>18,050</b>	<b>14,557</b>	<b>6,299</b>	<b>20,856</b>
<b>Difference</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Earmarked Schemes</b>								
Corporate ICT	3,116	2,249	(2,127)	122	0	0	1,867	1,867
Corporate Property Investment	2,864	2,571	(2,571)	0	3,000	0	2,571	5,571
Vehicles (funded from capital or leased)	0	352	0	352	0	0	532	532
	<b>5,980</b>	<b>5,172</b>	<b>(4,698)</b>	<b>474</b>	<b>3,000</b>	<b>0</b>	<b>4,970</b>	<b>7,970</b>
<b>Contingent Schemes</b>								
Asset Management Strategy	0	0	0	0	3,000	0	0	3,000
	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>3,000</b>

## Scheme variations to 2020/21 Capital Programme

	Capital Programme Approved By Executive Board on November 2020 £ 000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations Qtr 3 2020/21 £ 000	Total Capital Programme at 31 December 2020 £ 000	Approved Programme 20/21 and Future Years Finance Council February 2020 & November 20 Exec Board £'000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations £'000	Total Programme 21/22 and Future Years £'000
<b>Adults and Prevention Services</b>								
Disabled Facilities Grant	1,601	(870)	253	984	2,908	870	0	3,778
Telecare Project	290	(110)	0	180	320	110	0	430
Blackburn Town Centre Security	0	0	0	0	0	0	0	0
	<b>1,891</b>	<b>(980)</b>	<b>253</b>	<b>1,164</b>	<b>3,228</b>	<b>980</b>	<b>0</b>	<b>4,208</b>
<b>Children, Young People &amp; Education</b>								
Disable Facilities Grant	623	(560)	0	63	526	560	0	1,086
Apple Trees Building Works	37	0	0	37	0	0	0	0
Two Year Old Grant	214	0	0	214	0	0	0	0
<b>Schools capital programme</b>								
Capital allocations	1,345	0	0	1,345	0	0	0	0
St Barnabas and St St Pauls	232	0	0	232	0	0	0	0
Newfield ASD Demolition	0	0	0	0	0	0	0	0
Audley Infant and Junior - New Heating System	489	0	0	489	0	0	0	0
Audley Junior - Roofing Works	34	0	0	34	0	0	0	0
Roe Lee Park - Classroom Works	3	0	0	3	0	0	0	0
Audley Childrens Centre	0	0	0	0	0	0	0	0
Avondale Kitchen	263	0	0	263	0	0	0	0
Feniscowles Heating	191	0	0	191	0	0	0	0
Shadsworth Infants - Heating	100	(90)	0	10	0	90	0	90
Brookhouse Primary - Upgrade Fire Alarm	30	0	0	30	0	0	0	0
Belmont Ramp	8	0	0	8	0	0	0	0
St Cuthberts SEND	238	0	0	238	0	0	0	0
Belmont Drainage and External Painting	9	0	0	9	0	0	0	0
Audley Infants Remodel Reception Class	203	0	0	203	0	0	0	0
Meadowhead Infants external works and lighting	0	0	0	0	0	0	0	0
Turton/Edgworth Windows	1	0	0	1	0	0	0	0
BCHS/Crosshill SEN	359	0	0	359	0	0	380	380
Turncroft Nursery Boiler	33	0	0	33	0	0	0	0
Lammack Extension	740	0	0	740	800	0	550	1,350
Darwen - Additional School Places	500	0	0	500	2,750	0	0	2,750
Longshaw Nursery Relocation	0	0	0	0	1,500	0	(840)	660
Lower Darwen Disability Access Adaptations	50	(15)	0	35	0	15	0	15
Brunel Nursery External Fencing	30	0	0	30	0	0	0	0
Feniscowles Disability Access Adaptations	150	(125)	0	25	0	125	0	125
Shadsworth Infants Extension and Remodel	260	(220)	0	40	0	220	0	220
Contingency	100	0	0	100	0	0	0	0
Project Management Fee	50	0	0	50	0	0	0	0
	<b>6,292</b>	<b>(1,010)</b>	<b>0</b>	<b>5,282</b>	<b>5,576</b>	<b>1,010</b>	<b>90</b>	<b>6,676</b>
<b>Environmental Services</b>								
Old Bank Lane Car Park	100	0	(100)	0	0	0	0	0
Land Remediation Scheme	111	(103)	0	8	0	103	0	103
Purchase of Blue Bins	1,520	0	0	1,520	0	0	0	0
Blakewater Car Park	230	(230)	0	0	0	230	0	230
Feilden St Car Park ANPR	159	0	0	159	0	0	0	0
	<b>2,120</b>	<b>(333)</b>	<b>(100)</b>	<b>1,687</b>	<b>0</b>	<b>333</b>	<b>0</b>	<b>333</b>
<b>Public Health &amp; Wellbeing</b>								
Witton 3G Pitches	23	0	(23)	0	0	0	0	0
	<b>23</b>	<b>0</b>	<b>(23)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Growth &amp; Development</b>								
Bank Top and Griffin Clearance	39	0	0	39	150	0	0	150



## Scheme variations to 2020/21 Capital Programme

	Capital Programme Approved By Executive Board on November 2020 £ 000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations Qtr 3 2020/21 £ 000	Total Capital Programme at 31 December 2020 £ 000	Approved Programme 20/21 and Future Years Finance Council February 2020 & November 20 Exec Board £'000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations £'000	Total Programme 21/22 and Future Years £'000
Group Repair (Inner NW/InnerSE/Darwen)	0	0	0	0	0	0	0	0
Neighbourhood Intervention Fund	88	(20)	20	88	700	20	0	720
Equity Loans	0	0	0	0	100	0	0	100
Empty Homes Cluster	0	0	0	0	360	0	0	360
Other Acquisition costs	0	0	0	0	10	0	0	10
Development Investment Fund	250	(65)	0	185	0	65	0	65
Assistance to Industry	254	0	0	254	300	0	0	300
Blakey Moor	596	(96)	0	500	2,161	96	0	2,257
Cathedral Quarter Office Block Fit Out	38	(38)	0	0	0	38	0	38
Local Transport Plan	13,420	(1,698)	(1,599)	10,123	0	1,698	0	1,698
Bury Fold Brook	14	0	0	14	0	0	0	0
Birch Hall Ave diversion appraisal	52	0	0	52	0	0	0	0
Reel Cinema	2,693	0	0	2,693	0	0	0	0
Land Release Fund	283	0	0	283	400	0	0	400
Refurbishment Loans	0	0	0	0	0	0	0	0
Affordable Warmth Grants	11	0	0	11	0	0	0	0
Pottery Farm Alleviation	10	0	0	10	0	0	0	0
Pallet Farm Environment Grant	9	0	0	9	0	0	0	0
Waterfall Study	26	0	0	26	0	0	0	0
Surface Water Modelling	45	0	0	45	0	0	0	0
Green Arms Rd FAS Turton	5	0	0	5	0	0	0	0
Grimshaw Park FAS Blackburn	4	0	0	4	0	0	0	0
Old Gates Drive FAS Blackburn	215	0	0	215	0	0	0	0
Darwen Tower	225	0	0	225	0	0	0	0
	<b>18,277</b>	<b>(1,917)</b>	<b>(1,579)</b>	<b>14,781</b>	<b>4,181</b>	<b>1,917</b>	<b>0</b>	<b>6,098</b>
<b>Digital &amp; Customer Services</b>								
Corporate ICT - Montr & Mgmt, service systems & op	3	0	(1)	2	0	0	0	0
Corporate ICT - Digitisation of Planning Service	1	0	0	1	0	0	0	0
Corporate ICT - Finance System	5	0	0	5	0	0	0	0
Corporate ICT - Desktop Refresh	104	0	0	104	0	0	113	113
Corporate ICT - Core Infrastructure Programme	230	(120)	0	110	0	120	0	120
Coprorate ICT - Ticketing System KGH/DLT	80	0	0	80	0	0	0	0
Corporate ICT - Legal Services Case Management System	61	(25)	0	36	0	25	0	25
Corporate ICT - Corporate Website	36	(16)	0	20	70	16	0	86
Corporate ICT - Replacement Unix Servers	7	0	0	7	0	0	0	0
Corporate ICT - Protocol Mobile App Project	6	0	(5)	1	0	0	0	0
Coprorate ICT - Microsoft Office 365	0	0	0	0	0	0	0	0
Coporate ICT - Town Hall IT Infrastructure Upgrade	220	(190)	0	30	0	190	0	190
Coporate ICT - Digital Customer Portal	307	(85)	0	222	502	85	0	587
Coporate ICT - Reablement System	50	0	0	50	0	0	0	0
Coporate ICT - RFID in Libraries	40	0	0	40	0	0	0	0
Coporate ICT - Round Management System	0	0	20	20	0	0	133	133
	<b>1,150</b>	<b>(436)</b>	<b>14</b>	<b>728</b>	<b>572</b>	<b>436</b>	<b>246</b>	<b>1,254</b>
<b>Finance &amp; Governance</b>								
Carbon Management Plan	67	(67)	0	0	0	67	0	67
Griffin Lodge	300	0	(300)	0	0	0	0	0
Corporate Accommodation Strategy Phase 2	1,930	(1,000)	0	930	1,000	1,000	0	2,000
15a Town Hall Street roofing	178	0	0	178	0	0	0	0
Darwen Town Hall Reroofing	292	(220)	0	72	0	220	0	220
Purchase of 3-7 Blakey Moor	230	0	0	230	0	0	0	0
Witton 3G Changing Room Roof	65	0	0	65	0	0	0	0
	<b>3,062</b>	<b>(1,287)</b>	<b>(300)</b>	<b>1,475</b>	<b>1,000</b>	<b>1,287</b>	<b>0</b>	<b>2,287</b>

**Scheme variations to 2020/21 Capital Programme**

	Capital Programme Approved By Executive Board on November 2020 £ 000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations Qtr 3 2020/21 £ 000	Total Capital Programme at 31 December 2020 £ 000	Approved Programme 20/21 and Future Years Finance Council February 2020 & November 20 Exec Board £'000	Slippage (to)/from future years/Reprofiling of Budget £'000	Requested Variations £'000	Total Programme 21/22 and Future Years £'000
<b>Portfolios Total</b>	<b>32,815</b>	<b>(5,963)</b>	<b>(1,735)</b>	<b>25,117</b>	<b>14,557</b>	<b>5,963</b>	<b>336</b>	<b>20,856</b>
<b>Earmarked schemes:</b>								
Corporate ICT	2,249	(2,113)	(14)	122	0	2,113	(246)	1,867
Corporate Property Investment	2,571	(2,571)	0	0	3,000	2,571	0	5,571
Vehicles (funded from capital or leased)	352	(532)	532	352	0	532	0	532
<b>Total</b>	<b>5,172</b>	<b>(5,216)</b>	<b>518</b>	<b>474</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>7,970</b>
<b>Contingent schemes:</b>								
Asset Management Strategy	0	0	0	0	3,000	0	0	3,000
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>3,000</b>	<b>0</b>	<b>0</b>	<b>3,000</b>

## EXECUTIVE BOARD DECISION



**REPORT OF:** Executive Member for Finance and Governance,  
Executive Member for Growth and Development

**LEAD OFFICERS:** Strategic Director of Place

**DATE:** Thursday, 11 February 2021

**PORTFOLIO(S) AFFECTED:** Growth and Development  
Finance and Governance

**WARD/S AFFECTED:** Blackburn Central;

**KEY DECISION:** Y

### SUBJECT:

Acquisition of Former Thwaites Site and Joint Venture Opportunity

### 1. EXECUTIVE SUMMARY

The Former Thwaites Brewery site in Blackburn Town Centre is a key strategic redevelopment opportunity of a brownfield site. Thwaites vacated the site in 2018 when the business relocated to new purpose-built premises for their brewery, offices and stables. Demolition of the brewery buildings subsequently commenced and site clearance was completed in 2020.

This report recommends involvement by the Council as a minority shareholder in a new Special Purpose Vehicle (SPV) along with Maple Grove Developments Ltd (Maple Grove) as majority shareholder who has now secured exclusivity of the site from the vendors. Maple Grove are a local and well regarded development company and a partner on the Council's Growth Framework.

The site is ideally located and has the potential to have a significant impact on boosting the vitality and vibrancy of Blackburn Town Centre, providing opportunities for a range of redevelopment options including land for new businesses, leisure or housing, and inward investment for the Borough.

The minority shareholding by the Council will help to ensure the site is master planned and delivered in a way which maximises positive outcomes for the local area, and also to allow a holistic strategy to be developed, to include the adjacent Council-owned former Blackburn Markets site and other Council assets in the area.

### 2. RECOMMENDATIONS

That the Executive Board:

- i. Notes the Former Thwaites Brewery site represents a key strategic redevelopment site;
- ii. Approves the Council to join the Special Purpose Vehicle (SPV) as a minority 49% shareholder for the purposes of acquiring the site, preparing the site for development and disposing of land parcels to 3rd parties for development;

- iii. Approves the acquisition of Properties 2 and 3 shown on Plan A by the Council from the SPV;
- iv. Delegates authority to the Growth Programme Director in consultation with the Executive Member for Growth and Development to commission works such as refurbishment, repair, alteration or demolition works necessary to make Property 3 safe and bring it back into use;
- v. Approves the terms of the Put Option and Options to Purchase;
- vi. Notes the potential for the development to include a mix of commercial, leisure and residential end uses;
- vii. Approves a capital allocation to commit to the SPV which will be in accordance with Council's accounting framework;
- viii. Delegates authority to the Growth Programme Director in consultation with the Strategic Director of Place and Executive Member for Growth & Development to agree final terms for the Shareholders Agreement and legal, financial and ongoing management arrangements of the SPV;
- ix. Delegates authority to the Chief Executive to appoint and remove Council Directors to the SPV; and
- x. Notes that any further acquisitions outside of the Put Option or disposals outside of the Options to Purchase will be subject to Council approval via the usual appropriate mechanisms.

### **3. BACKGROUND**

#### **3.1 Site Location**

The site is located in Blackburn Town Centre and is circa 2.97 hectares or 7.33 acres in area. The site is bounded by Barbara Castle Way to the north and north east, Penny St to the west, and Salford and Starkie St to the South. Plan A attached contains a site location plan with Plan B attached showing the adjacent Council owned parcels, which are subject to an existing exclusivity agreement with Maple Grove.

#### **3.2 Site Context**

The site was formerly home to Thwaites Brewery before its demolition and is now cleared with the exception of a training centre and a former public house which front Penny Street.

The site represents a major strategic redevelopment opportunity in a highly prominent gateway location in Blackburn Town Centre and is identified as one of the Council's "Big Six" highlighted growth opportunities of the draft Local Plan, which is presented for public feedback until 19th February 2021.

#### **3.3 Site Ownership**

The site is currently owned by Daniel Thwaites PLC.

#### **3.3 Planning History**

No planning permissions are currently in place for development of the site, however the below provides a summary of the recent activity with regards to planning.

Planning reference 10/15/0915 – Planning permission granted for demolition of buildings and structures within the brewery site.

Planning reference 10/10/0914 – Planning permission granted for demolition of buildings and structures within the brewery site.

#### 3.4 Development Proposals

The focus for the overall site is to unlock potential redevelopment opportunities and desirable inward investment, with a strategy to be developed once the site has been secured.

#### 3.5 Regeneration Opportunity

Maple Grove submitted a confidential bid to the site owners which is agreed in principle.

The invitation from Maple Grove is for the Council to acquire a minority share ownership in the SPV and to work in partnership with Maple Grove to prime it for future development. The purpose of the SPV is to proactively promote development and regeneration. The SPV will ensure this happens by preparing all necessary surveys and permissions to ensure the site is ready for development in accordance with an agreed strategy.

Maple Grove has secured exclusivity of the site from the vendors and is prepared to commence a legal process to transfer the ownership of the site into a new SPV.

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

#### 4.1 Title Information

The site is made up of numerous freehold and leasehold title parcels, so a solicitor's detailed report on title is to be commissioned in order to fully understand any charges or covenants.

#### 4.2 Preventative Action

Acquisition of the site by the SPV will ensure the site does not pass to a developer or investor which may propose undesirable uses, or a party who does not share the Council's aspirations for the site and the surrounding area.

#### 4.3 Wider Regeneration Opportunities

Being a shareholder in the company that acquires the site presents the Council with the opportunity to explore additional options by combining the site with the adjacent Brown St development site and other Council land assets.

#### 4.4 Ground Conditions

A phase one desktop survey has been obtained, with a phase two intrusive site investigation currently being undertaken. Any significant issues identified will be addressed prior to completing the purchase of the site.

#### 4.5 Planning

The site is located within Blackburn Town Centre according to the Council's adopted Local Plan (2015), and is illustrated as a key investment opportunity within the adopted Blackburn Town Centre Supplementary Planning Document (2018).

A draft new Local Plan has been published for consultation (until 19th February 2021), in which the site is identified as one of the plan's "Big Six" growth highlights - a unique opportunity to boost the vitality of Blackburn Town Centre.

#### 4.6 Financial Risk

The draft agreement includes a 'put' option, as described in section 6 below, which may oblige the Council to acquire Maple Grove's shares at a future point in time for an agreed percentage of the value of the site acquisition shared cost.

### 5. POLICY IMPLICATIONS

Acquisition of the site as part of a joint venture will provide the Council greater control over future redevelopment options, helping to ensure that the proposals are in compliance with Local Planning policies and policies of the Council's Corporate Plan.

### 6. FINANCIAL IMPLICATIONS

Maple Grove has secured exclusivity with the vendors for the acquisition of the site based on a financial offer payable on completion of the land purchase transaction. This site value is supported by an independent valuation report carried out by CBRE and issued in November 2020. CBRE is a national property consultancy providing commercial valuation and advisory services. The SPV is also considering purchase of the adjacent training centre at a future date for a reasonable sum which will not exceed the remaining Joint Venture working capital, subject to establishing what additional benefits this acquisition would provide. The Council could benefit from the increased economic regeneration opportunities and additional synergistic value by combining with the wider site, and acquisition of the training centre also prevents the property falling into the hands of a less scrupulous landlord which could blight the wider site.

The former Fleece Inn on Penny St (Property 3) is also to be acquired as part of this transaction. Following acquisition the property will be immediately bought solely by the Council (outside of the SPV) for the purchase price and held for future regeneration purposes. An independent valuation has not been obtained, but when viewed in the context of the acquisitions of the Blackamoor Inn in 2019 and The Jubilee in 2017 the value is considered reasonable.

Acquisition of the site by the SPV will mean that the reversionary freehold interest of the Council's leasehold car park on site will transfer to the SPV. The freehold of the car park area (Property 2) is to be immediately disposed of to the Council following completion of the site acquisition at the apportioned Purchase Price and held by the Council as a car park with potential for future redevelopment. With the Council acquiring the freehold interest in the car park, the existing lease will be extinguished, as the Council cannot simultaneously be both Landlord and Tenant.

Maple Grove's invitation to the Council is for a 49% ownership of the SPV shares.

The Council will make a financial commitment in return for a 49% ownership in the SPV with the commitment used to support the acquisition of land and working capital requirements.

Maple Grove will make a financial commitment in return for a 51% ownership in the SPV with the commitment used to support the acquisition of land and working capital requirements.

Working capital will cover the SPV's activities which, subject to approvals, could include the demolition of the training centre and site clearance and the associated work involved in securing approvals. Other activities will include surveys, feasibility studies and investigations.

A 'put' option is to be included in the terms of the joint venture which is summarised as follows:

Maple Grove may oblige the Council to acquire its shares for an agreed percentage of the value of the site acquisition shared cost.

Maple Grove may also dispose of its shares for an agreed percentage of the site acquisition shared cost to a third party, subject to the Council's prior approval, such consent not to be unreasonably withheld.

The 'put' option is exercisable from the 2nd to the 4th anniversary of the SPV's company registration.

Exclusivity Options to Purchase are to be granted to the SPV following company registration, summarised as follows:

The Council shall grant the new SPV three separate 5 year exclusivity Options to Purchase on Properties 4, 5 and 6 as referenced on Plan B at Nil Fee. This will ensure a comprehensive development proposal can be submitted for this important strategic town centre site.

The agreed purchase price for each of the options has been set.

The Options to Purchase will expire in the event of Maple Grove Developments exercising the Put Option.

## **7. LEGAL IMPLICATIONS**

The SPV will be incorporated as a company limited by shares and will be registered at Companies House as a private company with Maple Grove appointed as Company Secretary. The Council will agree a Shareholders Agreement with Maple Grove to ensure the Council has protections and safeguards to ensure compliance with Council procedures. The Council will be represented by two Directors who will be appointed as Company Directors.

The SPV will not employ any persons and will instead have Service Agreements to cover any services required to operate the SPV. Services will be provided to the SPV by Maple Grove and the Council and will be by agreement.

The SPV will not undertake direct development and instead is a vehicle to acquire the site and then dispose of discrete parcels of land to developers and end users for development. The SPV will undertake surveys, investigations, demolitions and obtain any necessary approvals to assist in the process which may involve securing planning approvals. The procurement of these activities will be undertaken by either the Council or Maple Grove on behalf of the SPV.

Because the Council is intending to enter to a legal relationship with a legal person (a company) and commit the Council's resources to generate economic activity through that company then issues of public procurement have to be addressed. Subject to review by legal officers of the Shareholders Agreement it is not anticipated that the proposed arrangements would involve procurement by the Council which is subject to the Public Contracts Regulations 2015 as there is no obligation imposed by the Council for works or services to be performed. Similarly, subject to

review of the Shareholders Agreement, it is not expected that the SPV will be subject to procurement regulations as it will not be a body governed by public law.

The Council does have general capacity under the Localism Act 2011 to enter into any legal arrangements just like any other legal person subject to pre-existing legislation. However, in nearly all cases where government bodies use state resources to assist in economic activity and because of that assistance there is the potential to affect or distort competition, then State Aid must be considered. There are a number of acceptable State Aid exemptions which can potentially apply to any given scheme. In this case any potential State Aid arises by the fact that the Council is committing money into the SPV as set out in the financial implications section. Under the market economy investor principle (“MEIP”) the Council is entitled to undertake the economic activity if it operates in a similar financial manner to that of a private economic operator, most relevantly here, in terms of the risk versus reward considerations. This is because while it is acting within the market, its use of state resources do not distort competition because it is acting as any other entrepreneur might and there is no “unfair advantage” by the use of the state resources and would therefore not be State Aid. The financial implications have been detailed in respect of the potential returns on its commitment to form a conclusion on this point.

## **8. RESOURCE IMPLICATIONS**

Current staff resources from the Council’s Growth, Property, Planning and Legal teams will be utilised to complete the agreement and subsequently work with Maple Grove towards delivery of the project.

## **9. EQUALITY AND HEALTH IMPLICATIONS**

**Please select one of the options below.**

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**

Public and stakeholder consultation on development of the site will take place as part of the planning application process. Borough-wide consultation on the identification of the site as a mixed use growth site within Blackburn Town Centre commenced on 8th January 2021, and continues until 19th February 2021. An analysis of the consultation feedback will be published after the consultation has been completed, and responses reviewed.

## **11. STATEMENT OF COMPLIANCE**

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



**12. DECLARATION OF INTEREST**

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

<b>CONTACT OFFICER:</b>	Simon Jones, Growth Programme Director, Department of Growth and Development
<b>DATE:</b>	January 2021
<b>BACKGROUND PAPER:</b>	None

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

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