

Public Document Pack

Executive Board

Thursday, 8 September 2022

Time: 6.00 pm

Venue: Meeting Room A

Address: Blackburn Town Hall

AGENDA

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

1. **Welcome and Apologies**
2. **Minutes of the Previous Meeting**
Executive Board Minutes August 2022 **4 - 15**
3. **Declarations of Interest**
DECLARATIONS OF INTEREST FORM **16**
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

Adults Social Care & Health

Children, Young People & Education

Environment & Operations

Public Health, Prevention & Wellbeing

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Digital & Customer Services

Growth & Development

Finance & Governance

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

11.1 Update to Fees and Charges

P2- Update to Fees and charges

80 - 83

Date Published: Wednesday, 31 August 2022
Denise Park, Chief Executive

EXECUTIVE BOARD Thursday 11th August 2022

PRESENT

COUNCILLOR:

Councillor Phil Riley
Councillor Mustafa Desai
Councillor Julie Gunn
Councillor Jim Smith
Councillor Mahfooz Hussain
Councillor Damian Talbot
Councillor Quesir Mahmood
Councillor Vicky McGurk

PORTFOLIO:

Leader of the Council
Adults, Social Care and Health
Children, Young People and Education
Environment and Operations
Digital and Customer Services
Public Health, Prevention & Wellbeing
Growth & Development
Finance & Governance

EXECUTIVE MEMBER

Councillor John Slater

NON PORTFOLIO

Leader of the Conservative Group

ALSO IN ATTENDANCE:

Muhammed Bapu
Hasti Jahanghiri

Youth MP
Deputy Youth MP

	Item	Action						
1	<p><u>Welcome and Apologies</u></p> <p>The Leader of the Council, Councillor Phil Riley, welcomed all to the meeting. Apologies were received from Kasim Shah, Deputy Youth MP.</p>							
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The Minutes of the Meeting held on 14th July 2022 were agreed as a correct record.</p>	Agreed						
3	<p><u>Declarations of Interest</u></p> <p>Councillor Vicky McGurk declared an interest in terms of her employment in Health and Social Care, which related to several items on the agenda.</p>	Noted						
4	<p><u>Equality Implications</u></p> <p>The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.</p>	Confirmed						
5	<p><u>Public Forum</u></p> <p>In accordance with Part 3 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> <table border="1" style="width: 100%; margin-top: 10px;"> <thead> <tr> <th style="width: 33%;"><u>Name of Person asking the</u></th> <th style="width: 33%;"><u>Subject Area</u></th> <th style="width: 33%;"><u>Response by</u></th> </tr> </thead> <tbody> <tr> <td></td> <td style="text-align: center;">Page 4</td> <td></td> </tr> </tbody> </table>	<u>Name of Person asking the</u>	<u>Subject Area</u>	<u>Response by</u>		Page 4		
<u>Name of Person asking the</u>	<u>Subject Area</u>	<u>Response by</u>						
	Page 4							

	Item		Action
	Question		
	Ayub Bahadur	Lambeth Street Petition	Councillor Quesir Mahmood
	<p>Councillor Mahmood gave a response to the question and supplementary question arising, advising that Lambeth Street was due for its annual inspection in October 2022, following this inspection, the highways service would consider whether there was a requirement to resurface any sections of the road or provide any surface treatment, and Councillor Mahmood advised that after this annual inspection he would write to Mr Bahadur and let him know what action, if any, would be taken.</p> <p>At this point of the meeting, Members considered Agenda Item 10.2 – Lambeth Street Petition (see Minute No.10.2).</p>		
6	<p><u>Questions by Non-Executive Members</u></p> <p>No questions had been submitted under Part 4 of the Executive Board Procedure Rules for questions/statements by Non-Executive Members.</p> <p>Councillor John Slater raised an issue relating to access to Blacksnape Playing Fields, on behalf of Jake Berry MP, and Councillor Talbot offered to meet with residents to better understand the issues, and Councillor Riley agreed to send a response to Councillor Slater and Jake Berry MP following these discussions.</p>		
7	<p><u>Youth MPs Update</u></p> <p>The Youth MPs verbally reported on recent events and activities including :</p> <ul style="list-style-type: none"> • Attendance at the MYP Annual Conference at Hull University, where votes were taken on policies to be included in the 2022-24 Youth Parliament Manifesto, and two policies submitted by Muhammed had been added, Mental Health and Food Poverty. • Discussions on Climate Change and involvement in a new Climate Change Jury in the Borough. • Hasti's contribution to the very successful Blackburn Pride event and thanks were passed to Councillors Shorrock, Gunn and McGurk for their invaluable support. <p>Members praised the work of the Youth MPs, particularly noting the inspiring speech given by Hasti at the Pride event.</p> <p>Councillor Hussain requested that the Youth MPs feedback at the next meeting on how young people are coping with the Cost of Living crisis.</p>		

Noted

	Item	Action
8.1	<p><u>Social Care Reforms</u></p> <p>The Executive Board was provided with an update on the key issues in relation to Adult Social Care Reforms following publication of the Governments Building Back Better Plan and White Paper for reforming the delivery of Adults Social Care ('People at the Heart of Care').</p> <p>The Government White paper set out a 10 year vision for adult social care and ambitious reforms to provide individuals with choice and control, access to outstanding quality and tailored care and support, and Adult Social Care Services that were fair and accessible.</p> <p>The white paper included four key aspects of significant reform which would impact on people receiving care, providers in the care market and local authorities. These reforms were to be implemented by Local Authorities from April 2023 onwards and they represented some of the most significant change to Adult Social Care within the last decade. The four key financially related reform changes included:</p> <ul style="list-style-type: none"> • Charging Reforms – Introduction of a Care Cap which limited the amount that any individual would have to pay towards the cost of their care in their lifetime. • Charging Reforms – Change in the existing means test for chargeable care services. • Fair Cost of Care – establishment of a fair cost of care across local authority care providers • Care Brokerage – enactment of responsibilities for the Local Authority under the Care Act - Section 18(3) <p>In addition it was important to note a raft of other legislative changes impacting on adult social care all of which will linked and required a system approach to implementation.</p> <p>RESOLVED -</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Note the update provided in relation to the Social Care Reforms and in particular the Council's progress on the Fair Cost of Care exercise and development of our Care Market Sustainability Plans. 	Noted
8.2	<p><u>Multiply Government Initiative</u></p> <p>A report was submitted advising that Multiply was a national Government initiative to support the development of numeracy skills across the Borough using a variety of innovative approaches.</p>	

	Item	Action
	<p>Part of the UK Shared Prosperity Fund (UKSPF) which was Government funding intended to reduce inequalities between communities, as part of the Government’s wider “levelling up” agenda, Multiply was agreed as the first priority of the UKSPF. In addition to UKSPF, it also supported the wider aims of Lancashire’s Local Skills Improvement Plan, recognising that people who improve their numeracy skills are more likely to be in employment, have higher wages, and better wellbeing.</p> <p>Gaining a maths qualification at Level 2 (GCSE Grades A*-C) or equivalent also unlocked the door to progress to higher levels of free training to secure a skilled job in the local economy. Improved numeracy also matters to businesses right across the country – small and big. Businesses that develop their employees’ numeracy skills could boost productivity, increase profits, and improve employee retention.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes and supports the priorities and aims of the Multiply initiative over the 3 financial years – 2022-2023; 2023-2024; 2024-2025. • Agrees the Investment Plan for BwD (Appendix 1) which has been prepared for submission to the DfE. • Delegates authority to the Strategic Director of Adults & Health in consultation with Executive member for Adults Services & Prevention to select providers and award service contracts 	<p>Noted</p> <p>Approved</p> <p>Approved</p>
8.3	<p><u>Consultation on the Designation of a new Selective Licensing Area</u></p> <p>Members received a reporting requesting approval to consult on the designation of a new Selective Licensing Area. This would require all privately rented houses within the designated area to be licensed under Part 3 of the Housing Act 2004.</p> <p>All selective licensing areas had now expired. A comparator study was recently commissioned to assess the relative impacts of the most recent selective licensing schemes (Infirmary 2 and Darwen 2), and this had shown that the schemes appeared to have been beneficial in terms of addressing some of the issues which contribute to low demand; however there was still scope for improvement (Appendix 2).</p>	

	Item	Action
	<p>As well as the comparator study, a review of the Borough had been undertaken to identify areas where low housing demand continued to be an issue (Appendix 3), for which a further designation may be appropriate, and a suitable area had been identified which it was believed would benefit from being designated as a Selective Licensing Area, and a map of this proposed area was attached as Appendix 4. It had been selected as the review identified that it was suffering from low demand, and analysis showed that the proportion of privately rented properties was high at 51%.</p> <p>The purpose of the scheme was that the implementation, combined with other measures being delivered by partners, would lead to a reduction in or elimination of the blight of low housing demand and therefore lead to improvements in social and economic conditions.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <p>a) Approves the formal consultation process with residents, landlords and other parties regarding the designation of a new Selective Licensing Area;</p> <p>b) Notes the timelines outlined for the consultation, if approved. (Appendix 1);</p> <p>c) Notes the outcomes of a comparator study of the expired Infirmary and Darwen schemes (Appendix 2);</p> <p>d) Subject to satisfactory outcomes of consultations request further reports to be presented to the Executive Board seeking formal approval of the designation of the Selective Licensing Area under the Housing Act 2004. It is unlikely that the designation of this area would affect more than 20% of privately rented homes within the Borough, based on figures from census data, but if it does the designation would need to be submitted to the Department for Levelling Up, Housing and Communities for confirmation by the Secretary of State.</p>	<p></p> <p>Approved</p> <p>Noted</p> <p>Noted</p> <p>Approved</p>
8.4	<p><u>Lease of Old Bank Lane Car Park to East Lancashire NHS Trust</u></p> <p>Members were reminded that the Council constructed and opened Old Bank Lane car park adjacent to Royal Blackburn Hospital in 2018 to provide much needed car parking in the area surrounding the hospital and to ease the significant traffic congestion caused by cars waiting to enter the Hospital car park.</p>	

	Item	Action
	<p>The Council generated income from pay and foot and parking permits and paid an annual management fee to the Hospital in exchange for them managing the car park on behalf of the Council 24/7 all year around.</p> <p>In the past 3 years, the hospital site had been extensively developed which had resulted in the loss of parking spaces previously used by hospital staff. As a result, hospital staff were now parking in spaces which would normally have been used by patients and visitors to the Hospital.</p> <p>The Council had engaged in discussions and negotiations with East Lancashire Hospitals NHS Trust about the Council leasing the whole of Old Bank Lane car park for permit parking for Hospital staff, which in turn would allow the Hospital car park, to be returned to full use for patients and visitors. During the term of the lease, the Council would not be required to pay the car park management fee.</p> <p>Councillor Quesir Mahmood moved the following amended recommendations for the Part 1 and Part 2 reports (second and third recommendations).</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the report • Approves the proposed grant of lease of Old Bank Lane car park to East Lancashire Hospitals NHS Trust with a rolling break clause in favour of the landlord from the end of one year onwards with six months' notice thereafter by the Council. • Delegates approval to the Strategic Director of Environment and Operations and the Strategic Director of Growth & Development in consultation with the Executive Member for Environment & Operations and the Executive Member for Growth & Development to conclude any negotiations with East Lancashire Hospitals NHS Trust and finalise the lease arrangements. • The net additional income to the council from this arrangement be used in support of the Council's Medium Term funding deficit (as reported to the Executive Board in June 2022). 	<p></p> <p></p> <p></p> <p></p> <p>Noted</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>
<p>8.5</p>	<p><u>Homes for 4Ukraine Resourcing</u></p> <p>The Executive Board received a report, which advised that the Government's Homes 4 Ukraine scheme opened on the 18th March 2022 for visa applications from Ukrainian evacuees looking to be homed by a UK family. Up to mid June 2022, 342 people in Blackburn with Darwen had put themselves and their home</p>	<p></p>

	Item	Action
	<ul style="list-style-type: none"> • Notes the receipt of the additional funding to Blackburn with Darwen Borough Council from the Office for Health Improvement and Disparities (OHID); • Notes that the funding received (SSMTR, IPD and IPS) will be used for the purposes set out within the funding bid application form to OHID and agrees that budget estimates are created accordingly • Notes the bid for the Rough Sleeping Drug and Alcohol Treatment Grants and agrees that, subject to confirmation of the funding, budget estimates are created once the amount of funding is known; • To note the commencement of the additional activity. 	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<p>8.7</p>	<p><u>Blackburn Museum and Art Gallery Roof Replacement</u></p> <p>The Executive Board was advised that the roof of the Museum was now in an extremely poor condition, with water ingress risking damage to not only the fabric of the Council owned building but the valuable collections and exhibitions. The structural integrity of the roof had worsened over recent years causing internal damage to the original plaster work in the galleries which now limited the display of paintings from the museum's extensive collections and at times has necessitated the closure of these areas to the public.</p> <p>To protect the external building structure and longevity as well as the internal plasterwork and room decoration and to improve the thermal efficiency and stability of the gallery environment, vital for the safe keeping of the collections it would be necessary to replace the full the roof structure, repair internal damage and improve the control of the building's environment.</p> <p>In a heavily oversubscribed funding round, Blackburn Museum and Art Gallery had been successful in securing £365,000 from Arts Council England's Museum Estates and Development (MEND) fund towards the capital costs of replacing the roof and associated work. Council match funding was required, in this case £100,000 (21.5% of project costs). The projected cost of £465,000 included a 16% contingency to reflect the risk management of increased inflation and construction costs.</p> <p>The project was planned to commence on site January 2023 for an expected 9 month period.</p> <p>RESOLVED -</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> ○ Notes the successful MEND grant securing £365,000 funding from Arts Council England for the replacement of the roof at Blackburn Museum 	<p>Noted</p>

	Item	Action
	<ul style="list-style-type: none"> ○ Approves a match funding allocation of £100,000 from the Corporate Property Investment Fund ○ Approves the establishment of a capital budget of £465,000 (£365,000 grant plus £100,000 council) in the financial year 2022/23 to fund the project including surveys, professional fees and construction costs ○ Delegate authority to the Strategic Director of Environment and Operations, in consultation with the Executive Member for Growth and Development to approve the procurement strategy and subsequent award of contracts required to undertake the roof replacement and associated works following a tendering process. 	<p>Approved</p> <p>Approved</p> <p>Approved</p>
<p>8.8</p>	<p><u>Household Support Fund Round 3</u></p> <p>Members received a report which advised that in May 2022, the Government announced an extension to the Household Support Fund (HSF) from 1st October 2022 to support communities who were struggling due to the cost of living crisis. This was announced as part of wider support package to residents.</p> <p>The Council had successfully delivered the HSF since October 2021 in partnership with a range of voluntary, community and faith sector organisations who work together to provide a strength based approach to supporting our residents.</p> <p>The report requested ongoing support for the delivery of the HSF grant programme as described in the body of the report.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <p>2.1 Agree to the distribution of the Household Support Fund Round 3 as set out in the report and subject to confirmation of the grant funding.</p> <p>2.2 Give delegated authority to the Director of Finance, in consultation with the Executive Member for Finance and Governance, to amend the grant criteria should that be considered necessary given guidance from Government and local circumstances.</p>	<p>Approved</p> <p>Approved</p>
<p>9.1</p>	<p><u>Procurement of the 0-19 Healthy Child Programme</u></p> <p>The Executive Board received a report which The provision of 0-19 Healthy Child Programme services across Blackburn with Darwen will be retendered due to the current contract coming to an end.</p>	

	Item	Action
	<p>The 0-19 Healthy Child Programme incorporates a range of service provision, covering health visiting, school nursing, specialist infant feeding and targeted support for children and families from Community, Voluntary and Faith Sector partners.</p> <p>The Healthy Child Programme provides a wide-ranging offer including support for breastfeeding, vulnerable families, speech and language development, mental wellbeing of families and looked after children's health assessments. Safeguarding responsibilities apply through all elements from identification of risk and need, to early help and targeted work, and formal child protection</p> <p>A comprehensive health needs assessment and consultation with stakeholders and partners has taken place to ensure the new service meets the needs of our children, young people and families. The delivery model has been reviewed based on consultation feedback, and a full competitive tender exercise is proposed to commence in Autumn 2022, based on the approved Procurement Strategy.</p> <p>In moving the report, Councillor Talbot moved an amendment to the final recommendation, as listed below:</p> <p>RESOLVED -</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Approves the commencement of a competitive tendering exercise in accordance with procurement rules, to result in a new revised contract to be in place from 1st October 2023. • Approves an extension to the current service's contract for six months, to enable the full recommissioning process to take place, with appropriate time for consultation. • Notes that due to the significance of this contract, a report will be brought back to Executive Board in respect of the final decision to award the contract. 	<p>Approved</p> <p>Approved</p> <p>Noted</p>
10.1	<p><u>Worsten Avenue Petition</u></p> <p>It was reported that a petition signed by 80 residents of the Worsten Avenue area of Blackburn has been submitted to the Council requesting that speed bumps be installed on Worsten Avenue.</p> <p>Following receipt of the petition a speed survey was undertaken over 7 days from 16th June to 23rd June 2022. Based on the data the speeds of vehicles were well within the assigned speed limit and the request for traffic calming did not meet criteria for any intervention at this time.</p>	

	Item	Action
	<p>RESOLVED –</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the petition. • Supports the officers’ recommendation that the request for speed bumps be refused. • Request that officers inform the lead petitioner of the decision. 	<p>Noted</p> <p>Approved</p> <p>Approved</p>
10.2	<p><u>Lambeth Street Petition</u></p> <p>(See also Agenda Item 5).</p> <p>A petition signed by 176 residents of Lambeth Street area of Blackburn had been submitted to the Council requesting that the sections of Lambeth Street between numbers 128 to 31 and 154 – 59 be resurfaced.</p> <p>In 2020 the council commissioned a carriageway condition the results of which categorised carriageways and footways and these were outlined in the report submitted.</p> <p>In accordance with the Council’s Safety Inspection Procedure for Highways this road was inspected annually and any defects which exceeded the intervention levels were repaired. This defect history supported the results of the condition survey that the carriageway condition was generally acceptable.</p> <p>RESOLVED -</p> <p>1. That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the petition. • Supports the officers’ recommendation that the request for resurfacing be refused. • Request that officers inform the lead petitioner of the decision. <p>AT THIS STAGE OF THE PROCEEDINGS THE PRESS AND PUBLIC WERE EXCLUDED FROM THE MEETING.</p>	<p>Noted</p> <p>Approved</p> <p>Approved</p>
11.1	<p><u>Lease of Old Bank Lane Car Park to East Lancashire NHS Trust</u></p> <p>Further to the report submitted at Agenda Item 8.4, an additional report was submitted, containing commercially sensitive information.</p>	

	Item	Action
	<p>RESOLVED – The Executive Board:</p> <ul style="list-style-type: none"> • Notes the report • Approves the proposed grant of lease of Old Bank Lane car park to East Lancashire Hospitals NHS Trust with a rolling break clause in favour of the landlord from the end of one year onwards with six months' notice thereafter by the Council. • Delegates approval to the Strategic Director of Environment and Operations and the Strategic Director of Growth & Development in consultation with the Executive Member for Environment & Operations and the Executive Member for Growth & Development to conclude any negotiations with East Lancashire Hospitals NHS Trust and finalise the lease arrangements. • The net additional income to the council from this arrangement be used in support of the Council's Medium Term funding deficit (as reported to the Executive Board in June 2022). <p style="text-align: center;">Signed at a meeting of the Board on 8th September 2022</p> <p style="text-align: center;">(being the ensuing meeting on the Board)</p> <p style="text-align: center;">Chair of the meeting at which the Minutes were confirmed</p>	<p>Noted</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Public Health, Prevention and Wellbeing
LEAD OFFICERS:	Deputy Director Adult Social Care
DATE:	8th September 2022

PORTFOLIO/S AFFECTED: Public Health, Prevention and Wellbeing

WARD/S AFFECTED: (All Wards);

SUBJECT: CCTV Hub Staffing

1. EXECUTIVE SUMMARY

To seek approval to award a contract for CCTV hub staffing.

2. RECOMMENDATIONS

That the Executive Board:

Approves the award of the contract for the Councils CCTV hub staffing for a two year period with the option to extend for a further four number one year periods to Enigma CCTV Ltd.

3. BACKGROUND

The CCTV Hub was built to service the needs of Blackburn with Darwen and our partners across East Lancashire, Preston and beyond in 2016 following a successful grant application. Since then it has proved a significant asset, with the impact and quality of the service appealing to more and more internal and external partners.

The CCTV Hub is located in a dedicated Council building in Blackburn. The CCTV Hub amalgamates the CCTV feeds for 6 local authority areas - Blackburn with Darwen, Burnley, Hyndburn, Pendle, Preston and Rossendale into a single CCTV monitoring hub, this represents significant public sector investment. For the Hub to be fully effective in tackling crime, improving community safety and increasing people's confidence in CCTV it needs to be monitored 24 hours a day by a team of experienced, skilled, licensed and police vetted CCTV Monitoring Operators.

The current provision for staffing of the CCTV hub is now ending and therefore an open tender exercise was undertaken through the chest portal. A total of 24 companies reviewed the tender documents with bids being received by six companies with the scores outlined in the below table:

Supplier	Price	Quality	Total
Enigma	49.04	42.5	91.54
Supplier B	50	33	83
Supplier C	40.12	37.75	77.87
Supplier D	45.33	25	70.33
Supplier E	41.50	27	69.50

Supplier F	39.41	9	48.41
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It is therefore recommended that the contract is awarded to Enigma CCTV Ltd as they had the highest overall score.

4. KEY ISSUES & RISKS

The current contract is coming to an end and needs to be replaced.

The recruitment of staff has been an issue within the CCTV hub, from speaking to other local authorities who use the proposed company they have had no issues in this area.

CCTV plays a key role in the detection and deterrence of crime and anti-social behaviour across East Lancashire and Preston.

5. POLICY IMPLICATIONS

CCTV is a non-statutory service which supports crime and anti-social behaviour prevention and detection actively delivered by the Council. CCTV services also contribute significantly to the Council's corporate priority of 'Safe and clean environment'.

It is anticipated that the proposals will have a positive impact on community safety in the borough as these seek to sustain the delivery of CCTV services. It is therefore considered that the proposed contract aligns with the Council's statutory duties outlined within s.17 of the Crime and Disorder Act 1998.

6. FINANCIAL IMPLICATIONS

The annual expenditure will be circa £310k which equates to a potential £1.86million over the proposed 6 year term of the contract. This can be contained within the Council's existing budget for the service

The CCTV Hub is broadly self-funded through income generated by the service from other parties and charges to the Council.

7. LEGAL IMPLICATIONS

The procurement process used by Blackburn Council complied with the requirements of the Council's Contract and Procurement rules and the Public Contracts Regulations 2015.

CCTV services are delivered in accordance with statutory legislation outlined within the Protection of Freedoms Act 2012 (CCTV Camera Commissioners Code of Practice) and the principles outlined within the Data Protection Act.

8. RESOURCE IMPLICATIONS

The existing staff under the contract will TUPE across to the new provider, no Council staff will be affected.

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

Consultations will commence with staff following approval of the new contract.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	1
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CONTACT OFFICER:	John Bonney
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DATE:	12/05/2022
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BACKGROUND PAPER:	None
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EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICER: Director of Finance

DATE: 8th September 2022

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

KEY DECISION: Y

TITLE OF REPORT: Review of the Policy for the Minimum Revenue Provision and Prudential and Treasury Management Indicators

1. PURPOSE

1.1 This report seeks approval for a revised policy for the Council's Minimum Revenue Provision and amended Prudential and Treasury Management Indicators for 2022/23.

2. RECOMMENDATIONS

2.1 The Executive Board is requested to recommend to Council Forum:

a) the policy on the Minimum Revenue Provision as set out at **Appendix A**;

b) the amended Prudential Indicators for 2022/23 as set out at **Appendix B**.

2.2 The Executive Board is also requested to approve the amended Treasury Management Indicators for 2022/23 as set out at **Appendix C**.

3. BACKGROUND

3.1 Under Regulation 27 of the Local Authorities (Capital Finance and Accounting) (England) Regulations 2003 ('the 2003 Act'), Local Authorities are required each year to set aside a provision for debt repayment. This is known as the Minimum Revenue Provision (MRP).

3.2 Before the start of each financial year, a Local Authority should prepare a statement of its policy on making MRP in respect of that financial year and submit it to Council for approval. The Policy Statement for 2022/23 was considered and approved by Finance Council on 28th February 2022. Councils can, if they consider it necessary, revise the Policy in year.

- 3.3 This report seeks approval to propose an amendment to the Policy Statement to Council Forum following the audit of the Council's accounts for 2020/21. This amendment will apply retrospectively to the MRP for 2021/22 and to the calculation from the current financial year onwards.
- 3.4 The *Prudential Code for Capital Finance in Local Authorities* and the *Treasury Management in the Public Services Code of Practice* provide frameworks for guidance for Local Authorities with their capital and treasury management strategies and decisions.
- 3.5 Before the start of each financial year, a Local Authority should approve Capital and Treasury Management Strategies for the upcoming year. As part of the Capital Strategy the Council also approves Prudential Indicators, measurements for how the Council ensures that its capital investment plans are affordable, prudent and sustainable. As part of the Treasury Management Strategy the Council also approves Treasury Management Indicators, to measure and manage its exposure to treasury management risks.
- 3.6 The Capital Strategy including Prudential Indicators for 2022/23 was considered and approved by Finance Council on 28th February 2022. The Treasury Management Strategy including Treasury Management Indicators was considered and approved by Executive Board on 10th March 2022.
- 3.7 This report seeks approval of the revised Treasury Management Indicators for 2022/23 and also seeks approval to proposed amendments to the Prudential Indicators 2022/23 to Council Forum.

4. KEY ISSUES

Minimum Revenue Provision (MRP)

- 4.1 Following the audit of the Council's Statement of Accounts 2020/21, the Council's External Auditors has made the following recommendation in relation to the Council's policy for MRP:-
- 'The Council should satisfy itself that its MRP policy results in a prudent MRP charge, in particular that the calculation of MRP appropriately reflects the nature of and period of expected benefits of capital expenditure and appropriate annuity rates are applied'.*
- 4.2 This recommendation has arisen from a review of the Council's policy for MRP which was approved by the Council in March 2021 and specifically that part of the MRP relating to capital expenditure financed from debt arising up to 2007/08, Government-supported borrowing arising from 2007/08 and historic debt entered into prior to the Council gaining Unitary Authority status (otherwise known and hereafter referred to as Supported Borrowing).
- 4.3 Regulation 28 of the 2003 Act requires the Council to calculate in each financial year an amount of MRP that it considers to be prudent. The meaning of prudent provision is set out in the Regulations and includes various options. However, the Regulations do not rule out or otherwise preclude the Council from using an alternative method should it decide it is more appropriate.

- 4.4 In December 2015, Policy Council agreed a revised MRP Policy. For all Supported Borrowing excluding historic debt entered into prior to the Council gaining Unitary Authority status, it was agreed to spread the cost evenly over 50 years (or 2% per annum). In January 2017, Council Forum agreed a further revision to the Policy to apply the same asset life (50 years) to historic debt.
- 4.5 A subsequent amendment to the MRP Policy was agreed by Finance Council in March 2021. Rather than spread the cost of MRP evenly over a 50 year period (which in cash terms led to equal instalments of MRP but in real terms, taking account of the time value of money, resulted in annually reducing instalments of MRP) it was agreed to use an annuity method to calculate the cost of MRP. This change was implemented to provide in real terms for equal instalments of MRP annually. In cash terms, however, it results in increasing amounts of MRP charge over the repayment period.
- 4.6 In response to the recommendation from External Audit, there are two aspects to the calculation that require review. These are:-
- a) the period over which MRP is charged, which should reflect the expected benefits of the capital expenditure to which it relates; and
 - b) that an appropriate annuity rate should be applied.
- 4.7 In relation to the nature and period over which MRP is charged to reflect the expected benefits of capital expenditure. The absence of information supporting capital expenditure prior to 2008 inhibits a detailed assessment of the expenditure and, therefore the related asset life. However, a review of the Council's Asset Register indicates that on average, the assets recorded have a life of on average of 38 years. In view of this, and by way of proxy, the Council can be satisfied that using a 38 year life for expenditure funded by Supported Borrowing is reasonable.
- 4.8 In relation to annuity rates, in agreeing the policy on MRP in March 2021, the Council opted to use the 2015 PWLB Annuity New Loan Rate (3.75%). The use of 2015 rate was considered to be consistent with the timing of the change in the policy that occurred in 2015. External Audit have, however, queried the use of the 2015 rate and on reflection, whilst seeking to be consistent with the change in policy in 2015, it is more appropriate to apply the rate applicable at the time of the actual change in Policy (now July 2022). At that time, the relevant rate was 3.49% and it is considered reasonable to apply this in the proposed calculation of MRP.
- 4.9 This change in annuity rate will apply from the financial year 2021/22 onwards. The financial impact of this change has been modelled and is shown in detail at **Appendix A-Annex 1** to this report. Fundamentally, there is no change in the overall amount of debt repaid but the profile of repayment in cash terms will change so that there are higher repayments in earlier years than currently assumed (and debt will be repaid earlier than previously determined). The impact of this will have to be managed within current budgets and will be used to update the next iteration of the Council's Medium Term Financial Plan.

Prudential and Treasury Management Indicators

- 4.10 The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIFPA/LASAAC announced an optional two year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Authority intends to adopt the new standard on 1st April 2024.
- 4.11 The Prudential and Treasury Management indicators for 2022/23 were initially set taking into account the estimated impact of the new accounting standard. It is therefore considered necessary to update the indicators, given the decision to delay the adoption of the new accounting standard until 1st April 2024.
- 4.12 The revised Prudential Indicators are detailed in **Appendix B**. The revised Treasury Management Indicators are detailed in **Appendix C**.

5. POLICY IMPLICATIONS

- 5.1 This report seeks approval to a change in the Policy for the calculation of the Minimum Revenue Provision.
- 5.2 This report also seeks approval for revisions to the Prudential and Treasury Management Indicators.

6. FINANCIAL IMPLICATIONS

- 6.1 The financial implications of the proposed Policy change are as set out in the report.

7. LEGAL IMPLICATIONS

- 7.1 There are no legal implications arising directly from the contents of this report.

8. RESOURCE IMPLICATIONS

- 8.1 There are no other resources implications arising from the contents of this report.

9. EQUALITY AND HEALTH IMPLICATIONS

- 9.1 There are no equality and health implications arising from the contents of this report.

10. CONSULTATIONS

- 10.1 None arising from the contents of this report.

11. STATEMENT OF COMPLIANCE

- 11.1 The recommendation in this report is made further to advice from the Monitoring Officer.

Appendices

Appendix A – Proposed Policy for the Calculation of the MRP

Appendix B – Proposed Revised Prudential Indicators for 2022/23

Appendix C – Proposed Revised Treasury Management Indicators for 2022/23

VERSION:	1
CONTACT OFFICER:	Dean Langton – Director of Finance
DATE:	August 2022
BACKGROUND PAPERS:	

MINIMUM REVENUE PROVISION (MRP) STATEMENT

Introduction

Where the Authority finances capital expenditure by debt, it must put aside resources to repay that debt in later years. The amount charged to the revenue budget for the repayment of debt is known as Minimum Revenue Provision (MRP), although there has been no statutory minimum since 2008. The Local Government Act 2003 requires the Authority to have regard to the former Ministry of Housing, Communities and Local Government's Guidance on Minimum Revenue Provision (the MHCLG Guidance) most recently issued in 2018.

The broad aim of the MHCLG Guidance is to ensure that capital expenditure is financed over a period that is either reasonably commensurate with that over which the capital expenditure provides benefits, or, in the case of borrowing supported by Government Revenue Support Grant, reasonably commensurate with the period implicit in the determination of that grant.

The MHCLG Guidance requires the Council to approve an Annual MRP Statement each year and recommends a number of options for calculating a prudent amount of MRP, but authorities retain flexibility over their determination of what is prudent.

The proposed methodologies for use within Blackburn with Darwen Borough Council are set out below and reflect the basic principles set out in the guidance, along with some locally determined and prudent modifications.

Proposed MRP Policy Statement

The following MRP Policy is proposed, under guidance issued by the Ministry of Housing, Communities and Local Government (MHCLG) is as follows:

- (a) *For capital expenditure financed from debt arising up to 2007/08 and all new Government-supported borrowing arising from 2007/08 and thereafter* - to spread the cost outstanding at the end of 2021/22 over 38 years (from 2022/23 through to 2059/60), but to use the annuity variant, based on the average Public Works Loan Board (PWLB) annuity rates prevailing at 28 July 2022. **Annex 1** shows the profile of MRP charges on this debt.
- (b) *For capital expenditure that is self-financed from debt arising in 2007/08 and thereafter* - to charge the expenditure over the expected useful life of the relevant asset ("the Asset Life Method"), but to use the annuity variant, based on the average PWLB annuity rates prevailing in the year of the expenditure (rather than charging on a straight line basis over the asset life).
- (c) *For 'on-balance sheet' Private Finance Initiative (PFI) contracts* - to use the annuity variant of the Asset Life Method, using the annuity rates built into the financing arrangements for the contracts. This means that the MRP will relate to the estimated asset life and may not match the value written down each year against the balance sheet liability of the respective lease or PFI contract.
- (d) *For assets acquired by leases* – MRP will be determined as being equal to the principal element of the rent or charge that goes to write down the balance sheet liability.
- (e) Where former operating leases have been brought onto the balance sheet on 1st April 2022 due to the adoption of the IFRS 16 Leases accounting standard, and the asset values have been adjusted for accruals, prepayments, premiums and/or discounts, then the annual MRP charges will be adjusted so that the total charge to revenue remains unaffected by the new standard.

- (f) *For historic debt that was entered into prior to unitary authority status and is managed by Lancashire County Council (LCC) - to spread the cost using an annuity variant, based on the average PWLB annuity rates prevailing on 28 July 2022, over 38 years (up to 2059/60), in alignment with the profile for historic supported borrowing.*
- (g) *In those cases where asset lives cannot be readily determined - to use a default period of 20 or 25 years in line with government guidance. However the Council may make its own determination in exceptional circumstances, if the recommendation of the guidance would not be appropriate.*
- (h) For capital expenditure loans to third parties that are repaid in annual or more frequent instalments of principal, the Council will make nil MRP, but will instead apply the capital receipts arising from principal repayments to reduce the capital financing requirement instead. In years where there is no principal repayment, MRP will be charged in accordance with the MRP policy for the assets funded by the loan, including where appropriate, delaying MRP until the year after the assets become operational. While this is not one of the options in the MHCLG Guidance, it is thought to be a prudent approach since it ensures that the capital expenditure incurred on the loan is fully funded over the life of the assets.

As some types of capital expenditure incurred by the Council are not capable of being related to an individual asset, asset lives will be assessed on a basis which most reasonably reflects the anticipated period of benefit that arises from the expenditure.

Also, whatever type of expenditure is involved, it will be grouped together in a manner which reflects the nature of the main component of expenditure and will only be divided up in cases where there are two or more major components with substantially different useful economic lives.

Capital expenditure incurred during 2022/23 will not be subject to a MRP charge until 2023/24.

Therefore, in the determination of MRP, the Council will be both:

- (a) **prudent** - working within the principle that debt be repaid over a period reasonably commensurate with that over which the capital expenditure provides benefits, and
- (b) **practical** - making detailed determinations where the impact of the calculation will be material, but allowing a more general approach if that would be reasonable.

Based on the Authority's latest estimate of its capital financing requirement (CFR) on 31st March 2022, the budget for MRP has been set as follows:

	31 March 2022 Estimated CFR £m	2022/23 Forecast MRP £m
Capital Expenditure	205.5	6.0
Private Finance Initiatives	69.1	0.2
Transferred Debt	15.0	0.2
Total	289.6	6.4

Supported Borrowing & Transferred Debt Minimum Revenue Provision Profile

Year	2021/22 £'000	2022/23 £'000	2023/24 £'000	2024/25 £'000	2025/26 £'000	2026/27 £'000	2027/28 £'000	2028/29 £'000	2029/30 £'000	2030/31 £'000	2031/32 £'000
Annual MRP Charge - As reported at Finance Council	895.7	929.3	964.2	1,000.3	1,037.8	1,076.8	1,117.2	1,159.1	1,202.5	1,247.7	1,294.5
Annual MRP Charge - Proposed amended profile	1,275.9	1,145.5	1,187.3	1,230.7	1,275.6	1,322.1	1,370.4	1,420.4	1,472.3	1,526.0	1,581.7
Variance	380.2	216.2	223.2	230.3	237.7	245.4	253.2	261.3	269.7	278.3	287.2

Year	2032/33 £'000	2033/34 £'000	2034/35 £'000	2035/36 £'000	2036/37 £'000	2037/38 £'000	2038/39 £'000	2039/40 £'000	2040/41 £'000	2041/42 £'000	2042/43 £'000
Annual MRP Charge - As reported at Finance Council	1,343.0	1,393.4	1,445.7	1,499.9	1,556.1	1,614.5	1,675.1	1,737.9	1,803.1	1,870.7	1,940.9
Annual MRP Charge - Proposed amended profile	1,639.4	1,699.3	1,761.3	1,825.6	1,892.2	1,961.3	2,032.9	2,107.1	2,184.0	2,263.7	2,346.3
Variance	296.4	305.9	315.6	325.7	336.1	346.8	357.8	369.2	380.9	393.0	405.4

Year	2043/44 £'000	2044/45 £'000	2045/46 £'000	2046/47 £'000	2047/48 £'000	2048/49 £'000	2049/50 £'000	2050/51 £'000	2051/52 £'000	2052/53 £'000	2053/54 £'000
Annual MRP Charge - As reported at Finance Council	2,013.7	2,089.2	2,167.6	2,248.9	2,333.3	2,420.8	2,511.6	2,605.8	2,703.5	2,804.9	2,910.2
Annual MRP Charge - Proposed amended profile	2,431.9	2,520.7	2,612.7	2,708.1	2,806.9	2,909.4	3,015.6	3,125.6	3,239.7	3,358.0	3,480.5
Variance	418.2	431.5	445.1	459.2	473.7	488.6	504.0	519.8	536.2	553.0	570.4

Year	2054/55 £'000	2055/56 £'000	2056/57 £'000	2057/58 £'000	2058/59 £'000	2059/60 £'000	2060/61 £'000	2061/62 £'000	2062/63 £'000	2063/64 £'000	Total £'000
Annual MRP Charge - As reported at Finance Council	3,019.3	3,132.6	3,250.1	3,372.0	3,498.5	3,629.7	3,765.9	3,907.1	4,053.7	4,205.7	92,449.3
Annual MRP Charge - Proposed amended profile	3,607.6	3,739.3	3,875.7	4,017.2	4,163.8	4,315.8	0.0	0.0	0.0	0.0	92,449.3
Variance	588.3	606.7	625.7	645.2	665.4	686.1	(3,765.9)	(3,907.1)	(4,053.7)	(4,205.7)	(0.0)

REVISED PRUDENTIAL INDICATORS FOR 2022/23

Introduction

Local authorities determine their own programmes for capital investment in fixed assets that are central to the delivery of quality public services. The Chartered Institute of Finance and Accountancy (CIPFA) Prudential Code provides a framework to ensure that the capital investment plans of the Council are affordable, prudent and sustainable.

The Prudential Indicators recommended in the Prudential Code are designed to support and record local decision making in a manner that is publicly accountable. They are not designed to be comparative performance indicators, and should be considered in parallel with the Treasury Management Indicators required by the CIPFA *Code of Practice on Treasury Management in the Public Services*.

The Prudential Indicators provide a broad framework to be considered alongside robust forecasting procedures embedded into the budget process of the Council. Forecasts should be regularly updated as the capital programme develops, and proposals should be considered in terms of their impact on the overall corporate position, ensuring that prudence and affordability are taken into account.

Prudential Indicators in relation to previous years' actuals are taken directly from information in the Council's statement of accounts. The Prudential Indicators for the forthcoming and following years must be set before the beginning of the forthcoming year. The forward-looking Prudential Indicators include indicative figures for years two and three to allow decisions to be made with an appreciation of future trends. It is recognised that these will be subject to change but exist to promote a move away from the focus on annual decision making towards longer-term strategies.

The Prudential Indicators for 2022/23 were approved at Finance Council in March 2022, but delays in changes to the accounting standards mean that the Council is required to review and update the indicators set.

IFRS 16: The implementation of the new IFRS 16 Leases accounting standard was due to come into force for local authorities from 1st April 2022. Following a consultation CIPFA/LASAAC announced an optional two year delay to the implementation of this standard a decision which was confirmed by the Financial Reporting Advisory Board in early April 2022. Authorities can now choose to adopt the new standard on 1st April 2022, 1st April 2023 or 1st April 2024. The Authority intends to adopt the new standard on 1st April 2024.

The Prudential and Treasury Management indicators were initially set taking into account the estimated impact of the new accounting standard, it is therefore necessary

to update the indicators, given the decision to delay the adoption of the new accounting standard until 1st April 2024.

Procedures are in place to monitor performance against the forward-looking indicators in order to highlight significant deviations from expectations.

Prudential Indicators for prudence

Estimates of Capital Expenditure in £ millions

	2020/21 Actual £m	2021/22 Actual £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
Portfolio spending	21.1	17.0	30.9	23.4	17.6
Earmarked schemes	-	0.3	3.3	2.6	2.9
Contingent schemes	-	-	1.5	1.5	1.5
Total Capital Programme	21.1	17.3	35.7	27.5	22.0

Total capital spend in later years may be higher than currently forecast – however only spend funded from borrowing will impact on the Council’s CFR.

Estimates of Capital Financing Requirement in £ millions

	2020/21 Actual £m	2021/22 Actual £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
General Fund services	214.1	205.5	213.0	212.8	215.0
Debt managed by LCC	15.1	15.0	14.8	14.6	14.4
PFI projects	69.3	69.1	68.9	68.7	68.5
Total CFR	298.5	289.6	296.7	296.1	297.9

The Council must make reasonable estimates of the “total Capital Financing Requirement” – that is an estimate of the debt outstanding in respect of capital expenditure, including LCC debt and that relating to the recognition of assets acquired under PFI projects, at the end of each of the next three financial years. The LCC element relates to debt still managed by the County Council in respect of services transferred when Blackburn with Darwen became a Unitary Authority. The Other Long Term Liabilities in relation to PFI schemes are in respect of schools built under the Building Schools for the Future programme.

Authorised limit and operational boundary for external debt in £ millions

	2021/22 Limit £m	2022/23 Limit £m	2023/24 Limit £m	2024/25 Limit £m
Authorised Limit – Borrowing	263.1	245.2	232.2	234.5
Authorised Limit – PFI and LCC Debt	84.5	84.2	83.8	83.4
Authorised Limit – Total External Debt	347.6	329.4	316.0	317.9
Operational Boundary – Borrowing	253.1	235.2	222.2	224.5
Operational Boundary – PFI and LCC Debt	84.5	84.2	83.8	83.4
Operational Boundary – Total External Debt	337.6	319.4	306.0	307.9

Gross Debt and the Capital Financing Requirement in £ millions

	2020/21 Actual £m	2021/22 Actual £m	2022/23 Budget £m	2023/24 Budget £m	2024/25 Budget £m
Debt (including PFI and LCC debt)	299.1	234.6	238.0	241.8	245.2
Capital Financing Requirement	298.5	289.6	296.7	296.1	297.9

Statutory guidance is that debt should remain below the capital financing requirement, except in the short-term. The Council's debt was in excess of the capital financing requirement temporarily at the end of 2020/21, this was due to slippage on some capital schemes, and additional borrowing required for the advance payment of pension costs made in April 2020. The effects of the advance payment of pension costs will cease by the end of 2022/23, at which point debt is anticipated to return to normal levels, when compared to the capital financing requirement. As can be seen from Table 6, the Council has complied with this guidance from 2021/22 and expects to continue to do so in 2022/23 and over the medium term.

Prudential Indicators for affordabilityEstimates of the Incremental Impact of Capital Investment Decisions on the Council Tax

The incremental cost of any additional, unsupported borrowing required for new schemes to be added to the programme is not expected to be material on the 2022/23

budgets and as such has will have negligible impact on Council Tax. All new proposals are subject to the Council’s governance and financial regulations and are reported accordingly, identifying the revenue costs associated with such schemes as applicable.

Estimates of proportion of financing costs to net revenue stream

Although capital expenditure is not charged directly to the revenue budget, there are revenue budget implications i.e. interest payable on loans and MRP repayments, offset by any investment income receivable. The net annual charge is known as financing costs i.e. the cost of financing capital expenditure.

The Council must estimate the proportion of the revenue budget taken up in financing costs, by comparing financing costs to the net revenue stream i.e. the amount available to fund the Council’s revenue budget from Council Tax, business rates and general government grants.

The Indicator below is calculated on the basis that all of the Capital Programme, including Contingent elements, is delivered and assumes no reduction in SFA when projecting the future Net Revenue Stream beyond 2022/23.

	2020/21 Actual	2021/22 Actual	2022/23 Budget	2023/24 Budget	2024/25 Budget
Financing Costs (£m)	18.1	17.8	19.0	19.3	19.6
Proportion of Net Revenue Stream	10.5%	11.9%	12.6%	12.3%	12.9%

The Council’s capital financing costs in respect of BSF PFI schemes – both MRP and financing charges (interest elements) – are included, but this cost is largely covered by central government grant and does not put a pressure on Council resources.

It remains the case that a significant proportion of the net revenue budget is taken up in supporting the Main Programme part of the Capital Programme.

REVISED TREASURY MANAGEMENT INDICATORS 2022/23

Before the start of each year the Council sets a number of Treasury Management Indicators to measure and manage its exposure to treasury management risks. The Treasury Management Indicators for 2022/23 were approved by Executive Board on 10th March 2022, however due to the Council's decision to delay the adoption of the new IFRS16 Leases accounting standard an review and update of the approved indicators is required.

Following this review, the Council will measure and manage its exposures to treasury management risks using the following updated indicators:

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

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

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

This indicator applies to the financial years 2021/22, 2022/23, and 2023/24, from the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. Where there is a prospect that a LOBO may be called, this has been reflected in setting these limits.

Principal Sums Invested for Periods Longer than a Year: The purpose of this indicator is to control the Authority's exposure to the risk of incurring losses by seeking early repayment of its investments. The limits on the long-term principal sum invested to final maturities beyond the period end will be:

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

	2022/23 £M	2023/24 £M	2024/25 £M
Limit on principal invested beyond year end	7.0	5.0	3.0

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

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

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

	2022/23 £M	2023/24 £M	2024/25 £M
Upper limit on Fixed Interest rate exposures	228.3	216.0	218.2
Upper limit on Variable Interest rate exposures	100.5	94.7	95.7

EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICERS: Director of Finance

DATE: Thursday, 8 September 2022

PORTFOLIO/S AFFECTED: Finance and Governance

WARD/S AFFECTED: (All Wards);

KEY DECISION: Y

SUBJECT: Discretionary Council Tax Energy rebate scheme

1. EXECUTIVE SUMMARY

The government has over the past year announced various measures to support communities who are struggling financially due to the cost of living crisis. Included in the measures has been the provision of funding for a Discretionary Council Tax Energy Rebate scheme, and the announcement of a third round of Household Support Scheme Funding.

This report seeks to gain the authority to combine the Discretionary Scheme with some of the Household Support Scheme funding to provide for a £150 credit payment to all Council Tax Support households with dependent children. This credit will free up income for struggling families in the borough to provide assistance with the financial pressures from increasing energy and general living costs.

2. RECOMMENDATIONS

That the Executive Board:

2.1 Agree to use the Discretionary Council Tax Energy Rebate funding and a proportion of the Household Support round 3 funding as set out in the report below.

3. BACKGROUND

In addressing the surge in energy costs and the general cost of living increases, the government has introduced a number of funded schemes, these include £427,650 for the establishment of a Discretionary Council Tax Energy Rebate scheme and a third allocation of the Household Support Scheme funding, expected to be £1.619m as in the first two rounds.

The Discretionary Council Tax Energy Rebate scheme was announced alongside the main scheme which provided a £150 payment, or credit to the Council Tax account, for those properties in bands A-D. There was limited government guidance on how to design a Discretionary Council Tax energy rebate scheme other than the general objective of supporting the most vulnerable. The limited funding by government has made it extremely challenging to design a scheme that would provide a reasonable level of financial support for any vulnerable group in the borough.

An Executive Board report in August outlined the intended use of the third round of Household Support funding, once it is confirmed, and the continued support to families by the Voluntary Community Faith Sector. This report outlines the further development of the Household Support Scheme and the proposal to combine some of this fund with the Discretionary Council Tax Energy Rebate scheme to support families on low income with dependent children with the financial challenges they face.

4. KEY ISSUES & RISKS

4.1 The initial discussions on the design of a Discretionary Council Tax Energy Rebate scheme looked at allocating the funding to vulnerable households in isolation of any other scheme. However, the low level of funding and the high numbers of vulnerable individuals in the borough would result in any scheme providing minimal amounts of support. The current number of households on low income determined through entitlement of Housing Benefit or Council Tax Support is approximately 16,300. Distributing the funding across all households would result in support payments of £26.20. It was concluded that such low levels of support would do very little to assist vulnerable groups in the borough.

4.2 As the scheme guidance for both the Household Support Fund and the Discretionary Council Tax Energy Rebate scheme is to support the most vulnerable households in the borough, further options were considered where the two schemes could be combined to administer a simple scheme to assist households.

4.3 After considering a number of options, the proposal is to support working age households on low income with dependent children through a combined Discretionary Council Tax Energy Rebate scheme and Household Support Scheme model. By using both funds, the support provided would amount to a payment of £150 which would be credited directly to the Council Tax account. This solution allows for a higher value of support to be provided to households, with minimal administrative burdens placed on the council.

4.4 The determination of low income will be the entitlement to Council Tax Support at 1st October 2022.

4.5 The Household Support Scheme round 3 funding will then be able to focus more resources and support for pensioners and working age individuals with no dependents.

4.6 The scheme will also credit £150 to those households on Council Tax Support who reside in bands E-H. These households were excluded from the original government scheme. Based on the current data, this element of the scheme will benefit 128 households.

5. POLICY IMPLICATIONS

There are no policy implications arising from this report.

6. FINANCIAL IMPLICATIONS

The current number of households who fall within the criteria outlined above is 6,197. Whilst the figure does change on a daily basis, the adjustments do tend to be minimal. A final calculation will be made in October prior to the credit being applied.

The cost of crediting £150 to the qualifying households will be met by:

Discretionary Council Tax Energy Rebate scheme funding of £427,650
A contribution of £501,900 from the Household Support Scheme funding

Total cost of the support £929,550

7. LEGAL IMPLICATIONS

There are legal implications arising directly from this report.

8. RESOURCE IMPLICATIONS

None. All activities required to credit accounts with £150 will be undertaken using existing resources.

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

There are no consultation implications arising directly from this report.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION: 1

CONTACT OFFICER: Andy Ormerod

DATE: 19th August 2022

BACKGROUND PAPER:	
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EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICER: Director of Finance

DATE: 8th September 2022

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

KEY DECISION: Y

TITLE OF REPORT: Corporate Revenue Budget Monitoring 2022/23 – Quarter 1

1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide the Executive Board with an update on the Council's Revenue Budget for 2022/23 on the basis of a budget monitoring exercise undertaken at the end of June 2022.

2. RECOMMENDATIONS

2.1 It is recommended that Executive Board:-

- a) give approval to the Portfolio Cash Limit Adjustments as outlined in Appendix 1;
- b) note the General Fund Budget Summary position as at 30th June 2022;
- c) in view of the forecast overspend of £8.154m, the Executive Board request Portfolio Holders to review their budgets for the remainder of 2022/23 with a view to addressing the issues identified and limiting the amount of monies that would be required to be taken from reserves at financial year end.
- d) note the Earmarked Reserves and General Fund Balance position as at 30th June 2022.

3. BACKGROUND

3.1 In accordance with the Council's Financial Procedure Rules, all Portfolios are required to examine their revenue budget position on a monthly basis. Quarterly reports are submitted to the Executive Board for review and action as necessary along with a final report, detailing the financial outturn for the year.

4. RATIONALE

- 4.1 The development of the budget is a key element of the Council's financial governance processes. The requirement for the Council to monitor its budget during the year is set out in s28 of the Local Government Act 2003 with s28(3) requiring the Council to take action, as it considers necessary, if there has been a deterioration in its financial position.

5. KEY ISSUES

Portfolio Cash Limits - Adjustments

- 5.1 At the meeting of Council on 28th February 2022, the Council agreed the General Fund Revenue Budget for 2022/23.
- 5.2 As Councillors will be aware, the budget is subject to changes for a range of reasons as the financial year progresses. **Appendix 1** provides a detailed analysis of those budget adjustments that have occurred during the period to 30th June 2022. The impact of these adjustments on the Council's Budget for 2022/23 is summarised in Table 1 below:-

Table 1: Working Budget 2022/23 (as at 30th June 2022)

	Original Budget 2022/23 £000	Adjustments*1 £000	Working Budget at 30 th June 2022 £000
Portfolio Budgets	129,997	7,206	137,203
Other Corporate Income and Expenditure	(6,143)	(2,423)	(8,566)
Net Revenue Expenditure	123,854	4,783	128,637
Less Core Funding	(49,618)	-	(49,618)
Less Council Tax	(61,090)	-	(61,090)
Shortfall before Reserves	13,146	4,783	17,929
Change in Specific Reserves	(13,146)	(4,783)	(17,929)
Change in GF Balance	-	-	-
Funding 'Gap'	-	-	-

*1 – See Appendix 1

- 5.3 The Executive Board is asked to approve these budget adjustments (where they haven't already been approved in accordance with Financial Procedure Rules).

Performance against Controllable Budgets

- 5.4 Table 2 below provides a summary of the forecast outturn position on the Council's General Fund Revenue Budget for 2022/23 compared to the Working Budget referred to in Table 1 above. As the table indicates, on the basis of the Quarter 1 budget monitoring position there is a forecast overspend of £8.154m. A more detailed analysis is provided at **Appendix 2:-**

Table 2: Forecast Performance against Controllable Budgets

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Portfolio Budgets	137,203	142,857	5,654
Other Corporate I & E	(8,566)	(6,066)	2,500
Net Revenue Expenditure	128,637	136,791	8,154
Less Core Funding	(49,618)	(49,618)	-
Less Council Tax	(61,090)	(61,090)	-
Shortfall before Reserves	17,929	26,083	8,154
Change in Specific Reserves	(17,929)	(17,929)	-
Change in GF Balance	-	-	-
Funding 'Gap'	-	8,154	8,154

*1 – See Appendix 2

- 5.5 Councillors should note that this is a forecast outturn position for the year based on the Quarter 1 monitoring position. Further budget monitoring exercises will be undertaken during the year and these will be reported to the Executive accordingly.

Portfolio Budgets

- 5.6 As indicated in Table 2 above, the forecast outturn position on the Portfolio Budgets is an overspend of £5.654m. An analysis of this position by Portfolio is shown in the Table 3 below:-

Table 3: Portfolio Forecast Performance against Controllable Budgets

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Adults Social Care and Health	61,116	61,321	205
Children, Young People and Education	35,323	38,376	3,052
Public Health, Prevention and Wellbeing	3,418	3,992	575
Environment and Operations	13,840	14,020	180
Growth and Development	7,122	8,609	1,487
Finance and Governance	10,816	10,971	155
Digital and Customer Services	6,509	6,509	-
Schools and Education (DSG)	(941)	(941)	-
Portfolio Budgets	137,203	142,857	5,654

*1 – As per Portfolio Budgets in Table 1

- 5.7 The narrative below provides more details of these forecast variances.

Adult Social Care and Health

- 5.8 The forecast outturn position for Adult Social Care and Health is an overspend of £205k. This is summarised in the table below

Table 4: Adult Social Care and Health – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Independent Sector Other	510	636	126
Independent Sector	47,031	46,861	(170)
ASC and Social Work	2,498	2,884	387
Day Services	866	838	(29)
In House Residential	10	2	(9)
Independent Living	1,921	1,830	(91)
Integrated Commissioning	2,437	2,447	10
Mental Health	1,505	1,428	(77)
Safeguarding	814	908	95
Shared Lives	630	572	(57)
Strat Gov & Bus Support	528	481	(47)
Supporting People	1,069	1,147	78
Transport	313	245	(67)
Prevention, Neighbourhoods & Learning	549	597	48
Social Integration	332	339	7
Community Assets	105	107	2
Adult Social Care and Health	61,116	61,321	205

5.9 The key variances to note include:-

- on the basis of current levels of demand and information presently available, net spend for the portfolio for 2022/23 is predicted to be an overspend of £205k. However the portfolio is expecting to be able to manage these pressures through the year and reach a breakeven position at year end;
- included within the net portfolio position are increased demand pressures of around £2.807m on external commissioning budgets partly due to the uplift of care provider fees from April 2022. However these have been mitigated by an expected transfer of £2.979m from contingencies to fund the provider fee increases as reflected in the current Medium Term Financial Plan. The forecast also includes an estimated increase for winter demand pressures, including the potential to enhance commissions to meet demand and workforce pressures over the festive season and for transitions from Children’s Services. This will be subject to review and confirmation as the year progresses;
- the financial envelope for Albion Mill and future model for operating the Intermediate Care Unit is currently being reviewed. Although, an assessment of the financial position for this budget is ongoing, it is proposed at this point that a budget transfer of £400k for leasing costs takes place from the external commissioning budgets area to mitigate some of the potential pressures for Albion Mill within the Better Care Fund pool with Health. Once the review is completed, SPT would be informed as to the best options to manage the financial position;

- the increased demand pressures in Extra Care and Domiciliary Care as well as the cost of individual care packages due to acuity of needs should be noted as it is likely these pressures will impact on the 2022/23 budget as one off income streams received in the last financial year may no longer be available;
- Social Care government reforms, new responsibilities under the Care Act, and the review of Fair Cost of Care including Market Sustainability will result in increased costs for the Authority. These potential pressures are difficult to determine or quantify at this stage and further updates will be reported in due course;
- pressures within Neighbourhoods and Prevention Services are expected to be managed through the year to achieve a break even position at financial year end.

Children, Young People and Education

5.10 The forecast outturn position for Children, Young People and Education is an overspend of £3.052m. This is summarised in the table below:-

Table 5: Children, Young People and Education – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Strategic Social Work	6,394	6,042	(353)
Permanence	18,541	21,451	2,910
Adolescent Services	3,815	3,571	(244)
Strategy, Policy and Performance	374	482	108
Education	3,148	3,268	120
Early Years	837	978	141
Directorate	2,214	2,584	370
Children, Young People and Education	35,323	38,376	3,052

5.11 The key variances to note include:-

- significant pressures on the commissioned placement budget which is currently forecasting an overspend of £2.555m. This is largely due to an increase in the number of Looked After Children. The other significant forecast overspends relate to the Fostering Service, Strategy, Education Transport and unachievable savings targets;
- these pressures are currently being offset to some degree by underspends elsewhere, the largest being Assessment and Safeguarding, Leaving Care and Pupil Support team;
- the projected position includes an estimated £258k of income from Blackburn with Darwen CCG in relation to the joint funding of externally commissioned placements. This figure covers agreed cases for the period from April to June. From July onwards the joint commissioning panel will operate using a different model and all currently approved cases will need to be taken back to the Joint Panel for a funding review. In view of this, no income is assumed beyond 30th June;

- the budget increase associated with the post Ofsted inspection improvement plan has now been allocated against the relevant budgets. For certain elements of the plan the assumption is that they will be spent in full, however this is not the case for those elements associated with the Leaving Care service, and this explains the underspend currently reported. As newly created posts are filled and the uptake of the revised offer is known, we would expect to see this underspend reduce considerably.

Public Health, Prevention and Wellbeing

5.12 The forecast outturn position for Public Health, Prevention and Wellbeing is an overspend of £575k. This is summarised in the table below:-

Table 6: Public Health, Prevention and Wellbeing – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Leisure Services	518	1,219	700
Parks and Open Spaces	32	26	(6)
Healthy Lifestyle	200	2	(198)
Public Health	1,172	1,196	23
Community Asset Management (incl CCTV)	714	753	39
Housing Needs	430	443	13
Directorate	351	354	3
Public Health, Prevention and Wellbeing	3,418	3,992	575

5.13 The key variances to note include:-

- an anticipated overspend on the provision of leisure services which, in the last two years, have been significantly impacted by Covid-19 restrictions and closures. Income generation has seen unprecedented losses and these were partially mitigated by the allocation of Covid grants in 2021/22 which is no longer available.
- the impact of Covid has continued into this financial year; however, the cost of living crisis is also starting to impact on disposable incomes leading to pressure on memberships/attendances at Leisure Centres. The extent to which this will continue to impact will depend largely on the Government's continuing response to the crisis. Meetings are taking place with budget holders to gain an understanding of their budget assumptions and expected performance for the remainder of the year. As the year progresses, the forecasts will be refined and updated taking the latest developments and requirements into consideration;
- Public Health budgets are forecasting a break even position for the year.

Environment and Operations

5.14 The forecast outturn position for Environment and Operations is an overspend of £180k. This is summarised in the table below:-

Table 7: Environment and Operations – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Corporate Property	2,690	2,525	(165)
Markets	950	848	(102)
Business/Enterprise Centres	(110)	(62)	48
Housing Services	84	142	58
Management Overhead	1,447	1,352	(95)
Grounds Maintenance	318	383	65
Neighbourhood Health	265	195	(70)
Transport	(399)	(420)	(21)
Cleansing Services	3,247	3,031	(215)
Parking Services	(1,054)	(599)	455
Waste Disposal	6,297	6,271	(25)
Public Protection Service	128	227	99
Witton Park Cafe	(167)	(19)	148
s106 Agreements (Expenditure)	145	145	-
Environment and Operations	13,840	14,020	180

5.15 The key variances to note include:-

- the continuing impact of the pandemic and the emerging effects of the cost of living crisis which are manifested in reduced commercial income from services such as the Witton Park Cafe, Markets and Car Parks, particularly as footfall continues to be below pre-pandemic levels;
- at this stage it is anticipated that these income shortfalls will be offset in part by savings on Property budgets and waste disposal income from recycling.
- and, although offset by other variances, Councillors should note that the cost of fuel is expected to be higher than budgeted given the sharp increase in the price of fuel during the year.

Growth and Development

5.16 The forecast outturn position for Growth and Development is an overspend of £1.487m. This is summarised in the table below:-

Table 8: Growth and Development – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Commercial Investment/Tenanted Estate	(2,411)	(1,863)	548
Highways Maintenance	3,173	3,293	120
Strategic Transport/Co-ordination	2,315	2,549	234
Directorate/Growth Team	3,037	3,359	322
Building Control	118	118	-
Development Control/Planning	(427)	(450)	(24)
Town Centre Regeneration	80	171	91
RPL Office Accommodation	132	132	-
Parks and Open Spaces	(67)	(75)	(7)
Halls and Entertainment	340	492	152
Library Services	1,257	1,262	5
Museum Services	329	374	45
Arts Services	30	30	-
s106 Agreements (Income)	(783)	(783)	-
Growth and Development	7,122	8,609	1,487

5.17 The key variances to note include:-

- as per the Environment and Operations Portfolio, the impact of the Covid-19 pandemic and the cost of living crisis continue to have a significant impact on the Council's income streams. Indeed, income has still to return to pre-pandemic levels. Services impacted include the Mall, the Mall Car Park and cultural services including King Georges Hall
- the Growth management restructure has led to additional costs causing a further pressure which if not addressed will need to be funded from reserves in the first instance.

Finance and Governance

5.18 The forecast outturn position for Finance and Governance is an overspend of £155k. This is summarised in the table below:-

Table 9: Finance and Governance – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Financial Support Services	3,843	3,843	-
Democratic Services	1,250	1,360	110
Legal Support Services	1,874	1,874	-
Chief Executive, Policy and Support	799	799	-
Human Resources and Training	1,970	2,015	45
Other Non Distributable Costs	1,079	1,079	-
Finance and Governance	10,816	10,971	155

- 5.19 The key variance to note is a forecast overspend of £110k on Conduction Elections. This has arisen from the election cycle in 2022/23 where it was assumed the Council would receive grant income for the conduct of elections. However, no grant is receivable for the year.

Digital and Customer Services

- 5.20 The forecast outturn position for Digital and Customer Services is breakeven. This is summarised in the table below:-

Table 10: Digital and Customer Services – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
Coroners Services	260	260	-
IT Management and Governance	6,249	6,249	-
Digital and Customer Services	6,509	6,509	-

- 5.21 There are no variances to note at this time.

Schools and Education (DSG)

- 5.22 The forecast outturn for the Schools and Education (DSG) portfolio is breakeven. Services in Schools and Education (DSG) are currently forecast to spend the funding available in 2022/23 through the DSG and Pupil Premium. Schools and Education funding from DSG is monitored by the Schools Forum and reports are considered on a regular basis.

Other Corporate Income and Expenditure Budgets

- 5.23 The forecast outturn position for Other Corporate Income and Expenditure Budgets is an overspend of £2.5m. This is summarised in the table below

Table 11: Other Corporate Income and Expenditure Budgets – Forecast Outturn 2022/23

	Working Budget at 30 th June 2022 £000	Forecast Outturn £000	Variation £000
RCCO	7,813	7,813	-
School Contribution to Capital	(333)	(333)	-
Contingencies	4,561	7,061	2,500
Debt Charges	18,987	18,987	-
Other Non-Ringfenced Grants	(39,786)	(39,786)	-
Town and Parish Council Precepts	192	192	-
Other Corporate Income and Expenditure	(8,566)	(6,066)	2,500

5.24 The key variance to note at this time is an additional estimated cost of £3.5m for the national pay offer made to the Local Government workforce. On average, the pay offer is equivalent of a pay increase of c7 whereas the budgeted provision for the pay award is 2.0%. The Council does have a contingency of £1m for unforeseen costs which, when applied to the pay offer, leaves an estimated residual cost of £2.5m. It should be noted that the outcome of the pay negotiations is unlikely to be known until October 2023 at the earliest.

Savings Agreed for 2022/23 – Progress on Implementation

5.25 As part of the approved budget for 2022/23, the Council agreed a range of savings proposals. Delivery of the savings is fundamental to a sustainable budget. The table below highlights the forecast outturn position with the implementation of the savings agreed (the forecast impact of savings not being achieved is picked up in the variations reported in each of the Portfolios referred to above).

Table 12: Achievement of Savings Agreed for 2022/23

	Working Budget at 30th June 2022 £000	Forecast Outturn £000	Variation £000
Adult Social Care and Health	0.750	0.750	-
Children, Young People and Education	0.320	0.054	(0.266)
Environment and Operations	0.205	0.205	-
Digital and Customer Services	0.100	0.100	-
Finance and Governance	0.690	0.690	-
Total Savings	2.065	1.799	(0.266)

5.26 The monitoring of the implementation of savings will continue to be a feature of subsequent quarterly monitoring reports.

Reserves and Balances

5.27 At the start of the financial year, the Council has Reserves and Balances totalling of £76.901m. This includes a General Reserve of £7.718m (which includes the Minimum Working Balance of £6.000m)

5.28 In approving the Budget for 2022/23, the Council agreed to use £13.146m from Reserves in support of the budget. Taking into account the various adjustments referred to elsewhere in this report, the estimate of Balances and Reserves as at 30th June 2022 is £58.972m, a reduction of £17.929m. A detailed analysis of these changes is provided at **Appendix 3**.

5.29 Given the forecast outturn position set out in this report, and in the absence of actions to mitigate the overspend reported, the Council would need to draw an additional £8.154m from its Reserves and Balances to achieve a balanced budget. The extent to which this will be necessary will be subject to regular review as part of the regular budget monitoring reports presented to the Executive Board.

6. POLICY IMPLICATIONS

6.1 There are no policy implications arising directly from this report.

7. FINANCIAL IMPLICATIONS

7.1 The financial implications are as given in the report.

8. LEGAL IMPLICATIONS

8.1 There are no legal implications arising directly from the contents of this report.

9. RESOURCE IMPLICATIONS

9.1 There are no other resources implications arising from the contents of this report.

10. EQUALITY AND HEALTH IMPLICATIONS

10.1 There are no equality and health implications arising from the contents of this report.

11. CONSULTATIONS

11.1 None arising from the contents of this report.

12. STATEMENT OF COMPLIANCE

12.1 None arising from the contents of this report.

Appendices

Appendix 1 – Portfolio Cash Limit Adjustments

Appendix 2 – Summary General Fund Revenue Account – Forecast Outturn Position at 30th June 2022

Appendix 3 – Earmarked Reserves and General Fund Balance – Position as at 30th June 2022

VERSION:	1
CONTACT OFFICER:	Dean Langton
DATE:	August 2022
BACKGROUND PAPERS:	None

SCHEDULE OF BUDGET ADJUSTMENTS REQUESTED - QUARTER 1 - 2022/23

	Adults Social Care & Health	Public Health, Prevention & Wellbeing	Children, Young People & Education	Environment & Operations	Growth & Development	Digital & Customer Services	Finance & Governance	Schools & Education (DSG)	TOTAL
	£	£	£	£	£	£	£	£	£
Controllable Budget approved at Finance Council February 2022	57,310,918	2,900,411	34,211,116	10,518,180	9,016,910	6,562,088	10,418,503	(941,000)	129,997,126
Portfolio changes	(794,391)	(923,894)	0	3,369,537	(1,915,433)	0	264,181	0	0
Revised Controllable Budget	56,516,527	1,976,517	34,211,116	13,887,717	7,101,477	6,562,088	10,682,684	(941,000)	129,997,126
Carry forward of grants, contributions and other budgets from 2021/22									
Better Care Fund	1,080,044								1,080,044
Community Discharge Grant	64,978								64,978
More Positive Together (MPT) Funding	53,450								53,450
Community Support Unit - DLUHC Local Digital Collaboration Unit	50,000								50,000
Locality/Community Fund	7,386								7,386
Social Integration Programme funding	320,734								320,734
Safer Streets Funding - Alleygating maintenance		8,300							8,300
DLUHC Domestic Abuse Support to Victims Funding		65,955							65,955
Housing budget committed spend in 2022/23		114,287							114,287
Home Office funding - Prevent and Dovetail/Channel		16,067							16,067
Public Health Grant		1,091,619							1,091,619
Safer Streets Funding - CCTV Hub - Monitoring allocation year 1		30,000							30,000
Schools Linking Network			7,000						7,000
Virtual School Reserve			110,005						110,005
Early Years Professional Development			4,000						4,000
Strengthening Families Grant			47,075						47,075
Wellbeing Grant			11,000						11,000
Landscaped Areas - Commuted sum Lakeland Gardens				32,400					32,400
Community Hygiene - Land charge				4,500					4,500
Unspent Public Health funding				2,800					2,800
Unspent DEFRA grant				5,051					5,051
Section 38 Agreements					27,292				27,292
Contribution from Westholme School for MOVA works not yet completed					39,000				39,000
Levelling up capacity grant					105,000				105,000
Active Travel Feasability Grant					30,000				30,000
Capability Grant					94,765				94,765
HMLR Capacity Grant					18,525				18,525
DEFRA Biodiversity Net Gain grant					20,094				20,094
DFT Local Transport Authority Capacity grant					178,571				178,571
Local Plan underspend					27,311				27,311
Libraries Artifacts Secure Store					1,676				1,676
									0

SCHEDULE OF BUDGET ADJUSTMENTS REQUESTED - QUARTER 1 - 2022/23

	Adults Social Care & Health	Public Health, Prevention & Wellbeing	Children, Young People & Education	Environment & Operations	Growth & Development	Digital & Customer Services	Finance & Governance	Schools & Education (DSG)	TOTAL
Other transfers (to)/from earmarked reserves									
Alleygating maintenance & replacement		79,000							79,000
HMO Compliance Officer post funding		35,800							35,800
Review and evaluation of pay bands for support workers and senior support workers	85,700								85,700
Transfer from Youth Justice Reserve re Criminal Exploitation post			31,900						31,900
Transfer from Supporting Families Reserve - Targeted Youth Support			34,000						34,000
Transfer from Supporting Families Reserve			1,100						1,100
Budget increase for costs of Early Retirement / Voluntary Redundancy				22,000					22,000
Utilise developers (S106) contributions - River Darwen Parkways Play Area at Wolseley St.				45,161					45,161
Utilise developers (S106) contributions - Blacksnape Play Area				99,999					99,999
									0
Transfers (to)/from unallocated reserves									
									0
Transfers (to)/from contingency									
Funding for Adult Social Care Provider fee uplifts 2022/23	2,979,300								2,979,300
Funding for the Ofsted Improvement Plan			906,300						906,300
									0
Transfers between portfolios									
Staffing budgets realignment	(1,926)			1,926.00		(65,517)	65,517		0
Workforce Development support delivered virtually / online	(40,000)						40,000		0
Transfer of Ofsted Improvement Plan funding to Legal for additional support			(25,200)				25,200		0
Transfer to Business Support for Governance & Compliance Assistant post			(12,700)			12,700			0
Transfer to HR for CLEAPPS responsibilities			(2,200)				2,200		0
Transfer of budget for "Highways White Lining" allocated to Environment & Operations base budget				(260,000.00)	260,000				0
Building Cleaning recharge budget realignment				(1,200.00)	1,200				0
									0
Other budget adjustments									
Recognition of developers (S106) contributions received and transferred to reserves					(783,000)				(783,000)
									0
Revised Controllable Budget as at 30th June 2022	61,116,193	3,417,545	35,323,396	13,840,354	7,121,911	6,509,271	10,815,601	(941,000)	137,203,271

Corporate Budget Monitoring - Quarter 1

	Original Budget 2022/23 £000	Variations £000	Working Budget 2022/23 £000	Forecast Outturn £000	Variation £000
Adult Socail Care & Health	56,516	4,600	61,116	61,321	205
Public Health, Prevention and Wellbeing	1,977	1,441	3,418	3,992	574
Children, Young People and Education	34,211	1,112	35,323	38,376	3,053
Environment and Operations	13,888	(48)	13,840	14,020	180
Growth and Development	7,101	21	7,122	8,609	1,487
Digital and Customer Services	6,562	(53)	6,509	6,509	0
Finance and Governance	10,683	133	10,816	10,971	155
Schools and Education DSG	(941)	0	(941)	(941)	0
Net Cost of Services	129,997	7,206	137,203	142,857	5,654
Corporate Income and Expenditure					
RCCO	6,351	1,462	7,813	7,813	0
School Contribution to Capital	(333)		(333)	(333)	0
Contingencies	8,446	(3,885)	4,561	7,061	2,500
Debt Charges	18,987		18,987	18,987	0
Other Non-Ringfenced Grants	(39,786)		(39,786)	(39,786)	0
Town and Parish Council Precepts	192		192	192	0
Net Revenue Expenditure	123,854	4,783	128,637	136,791	8,154
Contribution to/(from) Reserves	(13,146)	(4,783)	(17,929)	(17,929)	0
General Fund Working Balance	0		0	0	0
Net Expenditure	110,708	0	110,708	118,862	8,154
Business Rates - Top Up Grant	(24,275)		(24,275)	(24,275)	0
Retained Business Rates	(18,185)		(18,185)	(18,185)	0
Revenue Support Grant	(14,016)		(14,016)	(14,016)	0
Collection Fund - Council Tax (Surplus)/Deficit	(755)		(755)	(755)	0
Collection Fund - NNDR (Surplus)/Deficit	6,858		6,858	6,858	0
Council Tax Income	(60,335)		(60,335)	(60,335)	0
Total Income	(110,708)	0	(110,708)	(110,708)	0

DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

	Balance at 31 March 2022	Requested Transfers to/(from) earmarked reserves in Qtr 1			Balance at 30 June 2022
	2021/22 Outturn - As reported to Exec Board July 2022 £000	Support to 2022/23 budget as agreed at Finance Council in February 2022 £000	Release of grants and other budgets b fwd from 2021/22 £000	Other transfers to/(from) reserves £000	Q1 £000
Welfare, council tax and business rates reforms					
Welfare and council tax reforms	1,528	(36)			1,492
Section 31 Grant - Compensation for lost Business Rates income	8,662	(5,471)			3,191
Investment in assets and infrastructure					
Office Accommodation and property improvements	789	(200)		(226)	363
Highways winter maintenance	551				551
Support for the Local Plan	100		(27)		73
Flood Defence	77				77
St John's Reinstatement	3,501	(450)		39	3,090
Support for Other Resources and Transformation projects					
Legal Advice Reserve	105				105
Partnerships & Transformation	78				78
Insurance risk investment fund	43				43
Brexit Preparation Funding	149				149
Support for People Services					
Schools Improvement (SSIF)	611				611
Supporting Families / Targetted Youth Support	259			(35)	224
Youth Justice	338			(32)	306
Music Services	117				117
Disabled Facilities Grants	289				289
Future Demand Pressures	1,799				1,799
Better Care Fund	1,396		(1,080)		316
Support for Place Services					
Investment to support business rates growth	520				520
Place Shaping Investment Reserve	400				400
Contingent sums to support future downsizing and transformation programmes					
Support for future redundancy costs	2,067			(22)	2,045
Support for part year effect of future savings plans	1,187				1,187
Support for Future Cost Pressures	0				0
Digital Transformation	921	(581)			340
Transition to the Cloud	447				447
Response and Recovery Reserve	2,500				2,500
Budget Support Reserve	5,000	(1,120)		(201)	3,679
Invest to Save Reserve	4,950	(614)			4,336
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	25				25
Public Health Grant	1,092		(1,092)		0
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)	68				68
Social Integration funding	506		(321)		185
Section 278 contributions	27		(27)		0
NHS Funding for LPRES integration with Mosaic and spine mini services	29				29
COVID-19 Funding from MHCLG	6,776			(120)	6,656
Combined Authority Grant	48				48
Burdens Fund monies	3				3
Custom build Grant	15				15
Linking Network	7		(7)		0
Museum & Arts Project	20				20
Museum & Schools Grant	52				52
Home Office monies	16		(16)		0
Communities Fund/Localities	7		(7)		0
Community Discharge Grant	65		(65)		0
Social Prescribing Link Workers Monies	11				11
More Positive Together monies	54		(54)		0
Community Champion Funding	85				85
Virtual School Grant	206		(110)		96
Clinically Extremely Vulnerable COVID Funding	290				290
Supported Families Funding	152				152
DLUHC Domestic Abuse Support to Victims Funding	66		(66)		0
Amounts c/fwd to future year(s) in respect of unspent grants and contributions					

DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

	Balance at 31 March 2022	Requested Transfers to/(from) earmarked reserves in Qtr 1			Balance at 30 June 2022
		2021/22 Outturn - As reported to Exec Board July 2022	Support to 2022/23 budget as agreed at Finance Council in February 2022	Release of grants and other budgets bfwd from 2021/22	
	£000	£000	£000	£000	Q1 £000
Contribution from Westholme School for MOVA works not yet completed	39		(39)		0
Levelling up capacity grant	105		(105)		0
Active Travel Feasibility Grant	30		(30)		0
Capability Grant	95		(95)		0
DEFRA Biodiversity net gain grant	20		(20)		0
HMLR Capacity Grant	19		(19)		0
Unspent Public Health funding	3		(3)		0
DEFRA grant	5		(5)		0
Arts Regeneration	26				26
Community Development Management	10				10
Community Support Unit DLUHC Local Digital Collaboration Unit	50		(50)		0
Safer Streets Fund - CCTV monitoring & Maintenance	90		(30)		60
Safer Streets Fund - Alleygating	8		(8)		0
Early Years Professional Development	4		(4)		0
Wellbeing Grant Ed Psych	11		(11)		0
Strengthening Families funding	47		(47)		0
HMLR Funding	20				20
DFT Local Transport Authority Capacity grant	178		(178)		0
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	206			(43)	163
Development Investment Fund (Capital)	1				1
Strengthening Communities Volunteering in Lancashire (SCVL)	109				109
Community Support Unit - request to carry forward specific budget	77				77
Community Hygiene - request carry forward income from Land Charges	5		(5)		0
Landscaped Areas - Commuted sum Lakeside Gardens	32		(32)		0
Housing budget carry forward re committed spend 2022/23	114		(114)		0
Libraries Artifacts Secure Store	2		(2)		0
Funding for Care Quality Commission (CQC) Inspection	600				600
Reserves held for specified purposes					
Developers Contributions (\$106 Income)	4,496	(4,754)		(474)	(732)
Future Maintenance of Wainwright Bridge	27				27
Future Maintenance of Witton Park 3G Pitches	125	50			175
Leisure Equipment Pay-back	60	30			90
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	19				19
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20				20
Allowance for contingent liabilities (e.g. MMI)	250				250
TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE	56,420	(13,146)	(3,669)	(1,114)	38,491
'Other Earmarked' Reserves					
Reserves held in respect of joint arrangements and charitable bodies					
Darwen Market Traders Association	2				2
Joint Building Control Account	124				124
Turton Tower Charity	81				81
LSCB Safeguarding Partners Fund	170				170
Reserves held in relation to schools					
Dedicated Schools Grant - Surplus	4,247				4,247
LMS Schools Balances	8,139				8,139
TOTAL 'OTHER EARMARKED' RESERVES	12,763	0	0	0	12,763
TOTAL EARMARKED RESERVES	69,183	(13,146)	(3,669)	(1,114)	51,254
UNALLOCATED RESERVES	7,718	0	0	0	7,718

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Finance and Governance
LEAD OFFICERS:	Director of Finance
DATE:	8 September 2022

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

SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2022/23 – Quarter 1 as at 30th June 2022

1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 30th June 2022, highlighting key issues and explaining variations in the 3 months of the 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 2022/23 has now increased from £35.691 million, as approved by Finance Council on 28th February 2022, to £52.400 million at 30th June 2022. The net variation of £16.709 million (detailed in Appendix 2) reflects;
 - An increase of £13.526 million in respect of variations to the programme following the finalisation of the outturn position for 2021/22,
 - budget increases of £0.827 million (of which £0.462 million is funded by transfers from existing capital scheme budgets) made to reflect the approval of schemes during the first quarter of the year,
 - further variations during the first quarter of the year, for which approval is requested (£2.818 million),
- b) As at 30th June 2022, the capital expenditure across the portfolios was £1.102 million (representing 2.10% of the current, revised projected capital spend).

c) The estimated capital receipts expected in 2022/23 is £3.445 million; £0.985 million has been received in the first three months of the year.

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 2022-25, as approved at Finance Council on 28th February 2022.

6. FINANCIAL IMPLICATIONS

6.1 CAPITAL PROGRAMME

The variations in actual spend and resource availability for 2022/23 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The capital programme for 2022/23 has increased by £16.709 million in the first quarter of the year. The other main points to note are as follows:

6.1.1 New Approved Capital Schemes

Several capital schemes (new schemes and amendments to existing schemes) were approved in the final quarter of 2022/23 and have now been added to the capital programme as follows:

Scheme	Amount £	Approved By	Date Approved
Children's and Education			
Newfield School Roof Repairs	£250,000	Executive Board	14-Jul-22
Brookhouse School MUGA Pitch Repairs	£20,000	Executive Board	14-Jul-22
Belmont Primary School Boiler Replacement	£35,000	Executive Board	14-Jul-22
Longshaw Juniors Replacement of Water Main	£25,000	Executive Board	14-Jul-22
Growth and Development			
Blackburn Museum & Art Gallery Roof Replacement – Includes £100,000 transfer from Corporate Property Investment Fund	£465,000	Executive Board	11-Aug-22
Finance and Governance			
Mill Hill Community Centre Roof – Funded by transfer from Corporate Accommodation Strategy Phase 2 scheme	£32,000	Officer Decision	12-May-22
Earmarked Schemes			
Vehicle Replacement Programme	£1,300,000	Executive Board	14-Jul-22
Total	£2,127,000		

6.1.2 Adults and Prevention Services

CCTV Hub Upgrade

Additional costs totalling £43,000 are currently forecast to be incurred on this scheme. It is requested that the budget for this scheme is increased by this amount. These additional costs are to be financed by a revenue contribution from the CCTV earmarked reserve.

6.1.3 Children's Young People & Education

Schools Capital Schemes

Unallocated schools capital grant allocations have been retained in an overarching Capital Allocation Fund within the capital programme until bids against this have been approved. Grants allocations for 2022/23 of £1.282 million for high needs provision and £1.323 million for schools condition grant have been added to the schools capital allocations fund.

A number of other adjustments are requested to be made to schools capital scheme budgets:

Scheme	Amount £
Project Management Fees	50,000
Contingency	100,000
BCHS/Crosshill	(10,000)
Lammack Extension	(26,000)
Other Variations	(12,000)
Total	102,000
Financed by Transfer from Schools Capital Allocations	(102,000)

Additional budgets on a number of schemes have been transferred back to the capital allocations fund and amounts reallocated for the project management fee for 2022/23 and contingency budget.

6.1.4 Growth and Development

Neighbourhood Intervention Fund

Capital Receipts totalling £25,000 had previously been recycled into the budget for this scheme, but have since been identified as relating to the Equity Loans scheme. The recycling of these capital receipts has therefore been transferred to the Equity Loans scheme.

Further capital receipts of £19,000 have been received in respect of properties purchased through the Neighbourhood Intervention Fund scheme. These capital receipts have therefore been recycled back into the budget for this scheme.

This results in a net decrease of £6,000 on the budget for this scheme.

Equity Loans

As well as the £25,000 increase in this budget, as noted above, further capital receipts of £30,000 have been received and recycled back into the budget for this scheme.

This results in a total increase of £55,000 of the budget for this scheme.

Blakey Moor

It is requested that the budget for the Blakey Moor scheme is increased by £420,000. £120,000 is to be funded by a revenue contribution from the COVID Recovery reserve and the remaining £300,000 is to be funded by a transfer from the Corporate Property Investment earmarked scheme.

The scope of the project has changed and forecast costs increased as a result of weather damage and deterioration in the condition of some of the buildings on Blakey Moor Terrace. Costs of construction generally have also been rising, further increasing the forecast spend for this scheme.

6.2 CAPITAL RECEIPTS

Actual capital receipts at the end of June 2022 were £0.985 million. All of these receipts will be utilised in support of the Minimum Revenue Provision.

6.3 BALANCE SHEET POSITION

6.3.1 Overview

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

6.3.2 Non-current Assets

Tangible non-current assets include property, plant and equipment held by the Council for use in the production or supply of goods and services, for rental to others or for administrative purposes. Property assets are the responsibility of the 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, their staff and the Council's independent treasury consultants Arlingclose, and options for optimising borrowing requirements are actively reviewed.

No long-term borrowing has been taken so far this year.

The Council's surplus cash balances are managed on a day-to-day basis in line with the Treasury Management Strategy approved by Finance Council. The Council spreads its investment risk over a number of institutions and has limits on how much can be invested in any one institution and for how long. The list of approved institutions is kept under regular review by the Treasury Management Group in conjunction with information from the Council's treasury consultants.

Both short and long term borrowing interest rates and investment interest rates have increased over the quarter, as a result of increases in the Bank of England Bank Rate from 0.75% at the start of the period to 1.25% by the end.

Interest and Debt Repayments Revenue Budget

	Original Budget £	Forecast at Quarter 1 £
Interest and investment income	(25,000)	(25,000)
Debt interest payable	12,590,000	12,590,000
MRP	6,422,000	6,422,000
Total	18,987,000	18,987,000

The current borrowing and investment position is as follows:

	Amounts at 30/06/2021 £000	Amounts at 30/06/2022 £000
Short term borrowing	69,250	25,000
Long term borrowing	145,681	141,550
Transferred debt re Local Government Reorganisation	13,582	12,903
Recognition of debt re PFI arrangements	61,138	59,190
TOTAL BORROWING	289,651	238,643
Investments made by the Council	75,548	71,585

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 31st March 2022. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position at 30/06/2021	Position at 30/06/2022
Council tax		
Current year balance (£000)	51,808	55,304
Previous year arrears (£000)	13,573	14,480
Total Council tax balances	65,381	69,784
Collection rates	27.4%	27.0%
Business rates		
Current year balance (£000)	28,305	29,343
Previous year arrears (£000)	3,058	3,895
Total Business rates balances	31,363	33,238
Collection rates	20.1%*	32.3%
Housing Benefit		
Overpayments balances (£000)	2,091	2,398

* Last day in month Direct Debits slightly delayed therefore not credited in calculation

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.

This report has been prepared in accordance with both the Local Government Act 1972 (Sec 151) which states that "every local authority shall make arrangements for the proper administration of their financial affairs" and the Local Government Act 2003 which, with its various statutory instruments, sets the legal framework within which the Council may undertake capital expenditure and empowers Councils to raise finance for capital expenditure.

8. RESOURCE IMPLICATIONS

None.

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

None

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	V1.0
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CONTACT OFFICER:	Jody Spencer-Anforth (Ext 507748) Julie Jewson (Ext 5893)
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DATE:	August 2022
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BACKGROUND PAPER:	N/A
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Overall Capital Monitoring 2022/23

	Current Year 2022/23				
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Revised Budget After Qtr 4 2021/22 £ 000	Virement / New Scheme Approvals £ 000	Slippage £ 000	Revised Budget at Qtr 1 £ 000
Costs					
Adults and Prevention Services	2,890	3,173	43	-	3,216
Children, Young People and Education	6,827	11,669	2,606	-	14,275
Environmental Services	609	643	-	-	643
Public Health and Wellbeing	-	-	-	-	-
Growth and Development	17,092	24,083	934	-	25,017
Digital and Customer Services	2,623	3,005	-	-	3,005
Finance and Governance	900	1,586	-	-	1,586
Portfolios Total	30,941	44,159	3,583	-	47,742
Earmarked Schemes	3,250	3,558	(400)	-	3,158
Contingent Schemes	1,500	1,500	-	-	1,500
Total Spend	35,691	49,217	3,183	-	52,400
Financing					
Department for Education	3,353	7,902	2,634	-	10,536
Department for Transport	-	4,987	-	-	4,987
Disabled Facilities Grant	3,413	3,753	-	-	3,753
Department for Levelling Up, Housing and Communities	7,295	7,820	-	-	7,820
Department for Business, Energy and Industrial Strategy	-	565	-	-	565
Environment Agency	-	412	-	-	412
Heritage Lottery	1,099	1,029	-	-	1,029
Forrestry Commission	-	85	-	-	85
Arts Council	-	-	365	-	365
Total Grants	15,160	26,553	2,999	-	29,552
External Contributions	202	244	-	-	244
Revenue Contributions	6,351	7,677	136	-	7,813
Unsupported Borrowing	13,978	14,743	48	-	14,791
Total Financing	35,691	49,217	3,183	-	52,400

Scheme variations to 2022/23 Capital Programme

	Current Year 2022/23										
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Virement / New Scheme Approvals in Q4 2021/22 £ 000	Slippage from Q4 2021/22 £ 000	Revised 2022/23 Budget at Q4 2021/22 £ 000	Virement / New Scheme Approvals £ 000	Slippage £ 000	Revised Budget at Qtr 1 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Adults and Prevention Services											
Disabled Facilities Grant	2,650		243	2,893			2,893	143	(2,750)	2,893	-
Telecare Project	240		40	280			280	(7)	(287)	280	-
Safer Streets Fund	-		-	-			-	1	1	1	1
CCTV Hub Upgrade	-		-	-	43		43	22	(21)	43	-
	2,890	-	283	3,173	43	-	3,216	159	(3,057)	3,217	1
Children, Young People & Education											
Disable Facilities Grant	663		57	720			720	20	(700)	720	-
Two Year Old Grant	-	(165)	214	49			49	-	(49)	49	-
Education - Free School Meals Module	36		-	36			36	-	(36)	36	-
Schools capital programme											
Capital allocations	1,116	(750)	3,823	4,189	2,174		6,363		(6,363)	6,363	-
St Barnabas & St Pauls	135			135			135	-	(135)	135	-
Audley Infants & Juniors Heating System				-			-	(20)	(20)	-	-
Roe Lee Park Ventilation & New Flooring				-			-	(3)	(3)	-	-
Avondale Kitchen			32	32	(2)		30	5	(25)	30	-
Shadsworth Infants - Heating	247			247			247	-	(247)	247	-
St Cuthberts SEND				-			-	6	6	6	6
Meadowhead Infants External Works				-			-	(9)	(9)	-	-
BCHS/Crosshill SEN			52	52	(10)		42	(10)	(52)	42	-
Lammack Extension	1,550		146	1,696	(26)		1,670	213	(1,457)	1,670	-
Darwen - Additional School Places	1,500			1,500			1,500	-	(1,500)	1,500	-
Longshaw Nursery Relocation	500	165	89	754	(1)		753	-	(753)	753	-
Lower Darwen Disability Access Adaptations			28	28	(2)		26	-	(26)	26	-
Brunel Nursery External Fencing			16	16	(2)		14	-	(14)	14	-
Feniscowle Disability Access Adaptations			74	74	(5)		69	-	(69)	69	-
Shadsworth Infants Extension and Remodel	200	250	22	472			472	-	(472)	472	-
Ashleigh Heating and Ventilation	26		9	35			35	-	(35)	35	-
Ashworth Nursery Perimeter Fencing	15		5	20			20	-	(20)	20	-
Audley infants (Nursery) Upgrade Fire Alarm	19		6	25			25	-	(25)	25	-
Audley Infants Resurfacing Pathways	15		5	20			20	-	(20)	20	-
Audley Infants Replacement of Fascias & Soffits	41		14	55			55	-	(55)	55	-
Audley Inf & Jnr Replace windows & upstands to lean to roof	45		15	60			60	-	(60)	60	-
Avondale Resurface Playground	105		35	140			140	-	(140)	140	-
Belmont Replace Fire Alarm System	23		7	30			30	-	(30)	30	-
Brookhouse Primary (Nursery) Replace Roof System	56		19	75			75	-	(75)	75	-
Brookhouse Primary Replace Boilers	30		10	40			40	-	(40)	40	-
Intack Primary Replacement of External Doors	13		5	18			18	-	(18)	18	-
Longshaw Juniors Replace Fire Alarm System	30		10	40			40	-	(40)	40	-
Lower Darwen Primary Heating Scheme	158		52	210			210	2	(208)	210	-
Roe Lee Roofing, Upstandings & Windows	146		49	195			195	-	(195)	195	-
Roe Lee Repairs to Service Road, Ext Areas & Auto Gates	78		22	100			100	-	(100)	100	-
Shadsworth Juniors Replacement of Boilers	30		10	40			40	-	(40)	40	-
Turton & Edgworth Upgrade Fire Alarm	23		7	30			30	-	(30)	30	-
Meadowhead Infants Drainage Installations	15		5	20			20	-	(20)	20	-
Lower Darwen Primary Sch Partial Replace Fire Alarm System	12		4	16			16	-	(16)	16	-
Stansfeld Centre / St Thomas Centre Refurbishment		500		500			500	-	(500)	500	-
Newfield Roof Repairs				-	250		250	-	(250)	250	-
Brookhouse MUGA Pitch Repairs				-	20		20	-	(20)	20	-
Belmont Primary Boiler Replacement				-	35		35	-	(35)	35	-
Longshaw Juniors Replacement of Water Main				-	25		25	-	(25)	25	-
Contingency				-	100		100	(1)	(101)	100	-
Project Management Fee				-	50		50	-	(50)	50	-
	6,827	-	4,842	11,669	2,606	-	14,275	203	(14,072)	14,281	6

Scheme variations to 2022/23 Capital Programme

	Current Year 2022/23										
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Virement / New Scheme Approvals in Q4 2021/22 £ 000	Slippage from Q4 2021/22 £ 000	Revised 2022/23 Budget at Q4 2021/22 £ 000	Virement / New Scheme Approvals £ 000	Slippage £ 000	Revised Budget at Qtr 1 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Environmental Services											
Land Remediation Scheme	104			104			104	-	(104)	104	-
Blakewater Car Park	230			230			230	-	(230)	230	-
Prayer Shelter at Pleasington Cemetery	275		34	309			309	18	(291)	309	-
	609	-	34	643	-	-	643	18	(625)	643	-
Public Health & Wellbeing											
Replacement Gym Equipment	-			-			-	(186)	(186)	-	-
	-	-	-	-	-	-	-	(186)	(186)	-	-
Growth & Development											
Bank Top and Griffin Clearance	150		36	186			186	-	(186)	186	-
Neighbourhood Intervention Fund	1,805		(217)	1,588	(6)		1,582	60	(1,522)	1,582	-
Equity Loans	100			100	55		155	-	(155)	155	-
Empty Homes Cluster	360			360			360	-	(360)	360	-
Other Acquisition costs	-		10	10			10	-	(10)	10	-
Development Investment Fund	500		23	523			523	40	(483)	523	-
Land Release Fund	759		34	793			793	2	(791)	793	-
Assistance to Industry	150		107	257			257	11	(246)	257	-
Blakey Moor	2,302		104	2,406	420		2,826	177	(2,649)	2,826	-
Cathedral Quarter Office Block Fit Out	-		28	28			28	-	(28)	28	-
Local Transport Plan	979	4,226	1,626	6,831			6,831	198	(6,633)	6,831	-
Reel Cinema	-		39	39			39	(204)	(243)	39	-
Bury Fold Brook	-		14	14			14	-	(14)	14	-
Pottery Farm Alleviation	-		10	10			10	-	(10)	10	-
Waterfall Study	-		123	123			123	30	(93)	123	-
Grimshaw Park FAS Blackburn	-		3	3			3	-	(3)	3	-
Brecon Road Drainage	-		66	66			66	14	(52)	66	-
Corporation Park Drainage	-		13	13			13	5	(8)	13	-
Aqueduct Road Drainage	-		175	175			175	-	(175)	175	-
Quick Win Fund (Hope Street)	-		8	8			8	-	(8)	8	-
Affordable Warmth Grants	-		6	6			6	-	(6)	6	-
Darwen Tower	108		(52)	56			56	26	(30)	56	-
Darwen Towns Fund - Accelerated Funds	-			-			-	-	-	-	-
Darwen Towns Fund - 5% Early Payment	-		598	598			598	253	(345)	598	-
Darwen Towns Fund	6,778			6,778			6,778	-	(6,778)	6,778	-
Thwaites SPV	245			245			245	-	(245)	245	-
Carbon Management Plan	67			67			67	-	(67)	67	-
Greenfields CC and Mill Hill Juniors FC Grants	-		50	50			50	-	(50)	50	-
St Johns Refurbishment	450		(39)	411			411	21	(390)	411	-
Griffin Lodge /Coach House	200			200			200	-	(200)	200	-
St Johns Quarter	500			500			500	-	(500)	500	-
SE Blackburn (Junction 5 & Growth Corridor) Intervention Works	1,639			1,639			1,639	-	(1,639)	1,639	-
Blackburn Museum & Art Gallery Roof Replacement	-			-	465		465	-	(465)	465	-
	17,092	4,226	2,765	24,083	934	-	25,017	633	(24,384)	25,017	-

Scheme variations to 2022/23 Capital Programme

	Current Year 2022/23										
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Virement / New Scheme Approvals in Q4 2021/22 £ 000	Slippage from Q4 2021/22 £ 000	Revised 2022/23 Budget at Q4 2021/22 £ 000	Virement / New Scheme Approvals £ 000	Slippage £ 000	Revised Budget at Qtr 1 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Digital & Customer Services											
Corporate ICT - Finance System	20		18	38			38	20	(18)	38	-
Corporate ICT - Core Infrastructure Programme	100		36	136			136	24	(112)	136	-
Corporate ICT - Legal Services Case Management System	-		32	32			32	-	(32)	32	-
Corporate ICT - Corporate Website	26		4	30			30	11	(19)	30	-
Coporate ICT - Town Hall IT Infrastructure Upgrade	100		44	144			144	-	(144)	144	-
Coporate ICT - Digital Customer Portal	240		73	313			313	-	(313)	313	-
Coporate ICT - Round Management System	4		12	16			16	-	(16)	16	-
Coporate ICT - Microsoft Licence Agreement Server and Database	126			126			126	-	(126)	126	-
Coporate ICT - Replacement HR and Payroll System	306		87	393			393	(26)	(419)	393	-
Coporate ICT - Implementation Liquidlogic Group Work Module	-		11	11			11	12	1	12	1
Coporate ICT - Microsoft 365 and Unified Comms	570		55	625			625	2	(623)	625	-
Coporate ICT - Transition to the Cloud	112		10	122			122	25	(97)	122	-
Coporate ICT - Helpdesk for Everything	108			108			108	-	(108)	108	-
Coporate ICT - Digital Customer Portal (Phase 2)	240			240			240	-	(240)	240	-
Coporate ICT - Core Network Upgrade	581			581			581	-	(581)	581	-
Coporate ICT - Intranet/iTrent	90			90			90	-	(90)	90	-
	2,623	-	382	3,005	-	-	3,005	68	(2,937)	3,006	1
Finance & Governance											
Public Sector Decarbonisation Scheme	-		565	565			565	197	(368)	565	-
Corporate Accommodation Strategy Phase 2	850		38	888	(32)		856	(1)	(857)	856	-
Darwen Town Hall Reroofing	-			-			-	(6)	(6)	-	-
Witton 3G Changing Room Roof	-			-			-	(7)	(7)	-	-
Mill Hill Community Centre Roof	50		(2)	48	32		80	-	(80)	80	-
Treescape Fund	-		85	85			85	24	(61)	85	-
	900	-	686	1,586	-	-	1,586	207	(1,379)	1,586	-
Portfolios Total	30,941	4,226	8,992	44,159	3,583	-	47,742	1,102	(46,640)	47,750	8
Earmarked schemes:											
Corporate ICT	-		28	28			28	-	(28)	28	-
Corporate Property Investment	1,950		27	1,977	(400)		1,577	-	(1,577)	1,577	-
Vehicles (funded from capital or leased)	1,300		253	1,553			1,553	-	(1,553)	1,553	-
Total	3,250	-	308	3,558	(400)	-	3,158	-	(3,158)	3,158	-
Contingent schemes:											
Asset Management Strategy	1,500			1,500			1,500	-	(1,500)	1,500	-
Total	1,500	-	-	1,500	-	-	1,500	-	(1,500)	1,500	-
Totals	35,691	4,226	9,300	49,217	3,183	-	52,400	1,102	(51,298)	52,408	8

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Environment & Operations
LEAD OFFICERS:	Strategic Director of Environment & Operations
DATE:	Thursday, 8 September 2022

PORTFOLIO/S AFFECTED:	Environment & Operations
WARD/S AFFECTED:	(All Wards);
KEY DECISION:	Y

SUBJECT: Implementing the Financial Strategy: Update to Fees and charges

1. EXECUTIVE SUMMARY

A new Fees and charges framework has been developed which provides an opportunity to consider how a different approach to fees and charges can contribute to reducing the Council's budget deficit.

The Fees and charges framework will consider all fees and charges made to residents and businesses for the use of services provided by the Council where the Council has the discretion to charge. Fees and charges will be assessed against the new framework to determine the following:

- Whether charging for the service or activity is based on covering all our costs, or whether we have made a conscious and evidenced decision to subsidise the service.
- When we increase fees and charges, i.e. annually on 1 January or 1 April or in line with statutory guidance, e.g. licensing fees, planning fees, parking fines.
- By how much we increase fees and charges, i.e. Retail Price Index, Consumer Price Index, in line with competitors or other Local Authorities
- Whether we should benchmark the fees and charges and if so, who we should be benchmarking against
- Whether the service or activity operates in a monopoly or in competitive environment?

The overarching aim of the fees and charges framework is to deliver a positive contribution to the Council's efficiencies and additional income targets, helping to safeguard frontline services that the Council provides.

This report makes recommendations for increases in fees and charges for burial and cremation services, parking services and green waste services. In addition, the report also recommends that the Council reduces its allocation of parking spaces on the Mall car park and transfers the majority of the parking spaces required to Feilden Street Multi Storey car park

- **2. RECOMMENDATIONS**
That the Executive Board:

- Notes the draft fees and charges framework and approves its use where the Council has the discretion to set the level of fees and charges.
- Approves the proposed fees and charges increases for burials and cremations to be implemented from 1 November 2022.
- Approves the proposed fees and charges increases for parking services to be implemented from 1 November 2022.
- Approves the proposed fees and charges increases for green waste collection services to be implemented from 1 January 2023.
- Approves the reduction in the Council's allocation of 225 parking spaces on the Mall car park to 50 parking spaces and the relocation of 175 parking spaces to Feilden Street Multi Storey Car Park with effect from 1 January 2023.

3. BACKGROUND

The fees and charges for cemeteries and crematoria have not been increased since 2019, the fees and charges for parking services have not been increased since 1 March 2020. The cost of operating these Council services has increased and is set to increase further due to a number of factors, including significant increases in the cost of equipment and materials, fuel and utility charges.

A significant benchmarking exercise has been undertaken for cemeteries and crematoria, parking services and green waste collection services, comparing the current fees and charges to other local authorities and to private sector competitors. As a result of this benchmarking exercise, the following increases in fees and charges are proposed:

Service/Activity	Service Area
Increase parking pay and display charges; 20p on every tariff, 50p increase on Sunday tariffs.	Parking services
Increase burial charges by 7.5%	Cemeteries and crematoria
Increase cremation charges by 10%	Cemeteries and crematoria
Increase Green waste collection service by £5 per annum	Waste and recycling

In addition to the aforementioned proposed increases in fees and charges, the Council currently pays the Mall an annual charge for 225 parking spaces. It is proposed that the Council reduces its allocation to 50 parking spaces and relocates 175 parking spaces to Feilden Street Multi Storey Car Park. This will provide a significant saving for the Council compared to current charges.

4. KEY ISSUES & RISKS

The Environment portfolio is experiencing increasing costs for equipment, materials, fuel and utility charges which is placing pressure on revenue budgets.

It is proposed to increase fees and charges in Cemeteries and Crematoria, parking services and Green Waste collection services to assist with these budget pressures.

It is also proposed to reduce the Council's allocation of parking spaces on the mall car park and relocate 175 car parking spaces to Feilden Street Multi Storey Car Park

5. POLICY IMPLICATIONS

The proposed increases in fees and charges are in line with the new Fees and charges framework.

With regards to the increases in pay and display charges, the proposal is to make a variation order to an existing Traffic Regulation Order which requires delegated approval from the Executive Member for Growth and Development and the Strategic Director of Environment and Operations. A notice is required to be publicised in local press and on site to comply with the Road Traffic Regulations Act 1984.

6. FINANCIAL IMPLICATIONS

The proposed increases in fees and charges will generate additional income in the current financial year and in 2023/24 to help offset the additional cost pressures being experienced across these services.

The Council will make an additional saving by reducing its parking allocation on the Mall car park and transferring car parking spaces to Feilden Street MSCP.

7. LEGAL IMPLICATIONS

With regards to the increases in pay and display parking income, a variation order to the existing Traffic Regulation Order needs to be advertised with 21 days' notice given – in the paper and on site. The variation order is not subject to objections. See s25 of The Local Authorities' Traffic Orders (Procedure) (England and Wales).

With regards to the increases in burial charges the Local Authorities' Cemeteries Order 1977 at paragraph 15 provides that the Council may charge such fees as it thinks proper and that the Council must publish a table of fees.

With regards to cremations, s9 of the Cremation Act 1902 the Council may demand payment of fees for cremations properly incurred.

8. RESOURCE IMPLICATIONS

Updated signage will be required in the car parks to reflect the new tariffs and the software in the Pay and Display machines will need to be amended to reflect the new tariffs.

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	1
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CONTACT OFFICER:	Martin Eden
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DATE:	27 August 2022
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BACKGROUND PAPER:	Fees and charges framework
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Blackburn with Darwen

Fees and Charges Framework

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BACKGROUND

1. The Council's Financial Strategy was agreed at Finance Council on 28th February 2022. The Strategy comprises four key strands:
 - **Growing** the Council's income using the funding mechanisms now in place for local government to increase the Borough's taxable capacity, in particular the Business Rates Retention Scheme. This means that the Council continue to consider ways in which it can increase income from business and housing growth to ensure that funding for services can be maintained and increased;
 - **Charging** for services, raising income which will mean that it is possible to continue providing services that resident's value. This will mean continuing to review the level of fees and charges, reducing the subsidy on some services and considering the introduction of new fees and charges. It will also include reviewing the Council's appetite for commercial activity and considering matters such as the level of discretionary business rates and council tax exemptions/discounts and the local scheme of Council Tax Support;
 - **Saving** costs by, for example, reviewing how the Council delivers services, doing things differently and more efficiently, scaling services to appropriate levels within the resources available to the Council and working with partners such as the NHS, the voluntary sector, local town and parish councils to sustain local facilities and services;
 - **Stopping** spending on lower or non-priority areas. This could mean, for example, that the Council works with other partners (Voluntary, Faith, Community Sector, Town/Parish Councils etc) to deliver services that would otherwise be delivered by the Council.
2. This framework is concerned with the 'Charging' strand.
3. Fees and charges represent an important source of income, providing income to support the Council to fund services with the aim of achieving the Blackburn with Darwen Borough Council's corporate objectives. The purpose of this policy document is to establish a framework within which fees and charges levied by the Council are agreed and regularly reviewed.

4. The framework provides guidance to Managers in setting appropriate levels of fees and charges, taking into account client groups and corporate objectives, and to provide for regular reviews of fees and charges within the overall service and financial planning process.
5. Incorporating the review of fees and charges formally into the service and planning process will also permit consideration of cross-cutting issues and impacts in the context of wider policy considerations.
6. The framework should allow the Council to have a properly considered, consistent and informed approach to all charges it makes for its services. This will, in turn, support the delivery of Council objectives.

LOCAL GOVERNMENT ACT 2003

7. This framework relates to fees and charges currently being levied by the Council and those which are permissible under the wider general powers to provide and charge for “Discretionary Services” included within the Local Government Act 2003.

GENERAL FRAMEWORK

8. Raising revenue from charges for services is an important element in the overall financing of the Council's services and activities. It can in other circumstances play a range of other roles, including demonstrating the value of a service or discouraging abuse of a service. It can also play a role in furthering service and strategic objectives. Consideration should therefore be given, on a regular basis, to the scope for raising revenue through charges for services and to reviewing the appropriateness and adequacy of the levels of charges being proposed or actually in force. This should be done within a general framework. It should also be carried out within the framework of the Council's service and financial planning process.
9. Primary responsibility rests with Chief Officer, Executive Members or the Executive Board to take appropriate action in relation to fees and charges levied for services.
10. In establishing new charges, the basis and extent of any discounts or concessions or considering changes to existing charges, Chief Officers will have regard to the advice and guidance set out in the following sections and in the Council's Financial Procedure Rules.
11. In relation to the review of existing charges, there is to be a general presumption that the levels of fees and charges should rise, each year, in line with the prevailing rate of inflation (as measured by the Consumer Price Index), as determined for budget planning purposes within the Council's service and financial planning process.

12. Changes in charges in line with inflation would be approved within the budget setting process. On an exception basis where, following review, changes in fees and charges are proposed other than in line with inflation as determined above, these changes would be subject to approval as set out in the Council's Financial Procedure Rules.
13. Following the implementation of an appropriate charging framework, new information or a change in circumstances may make it appropriate for a charge or fee to be changed substantially in-year. In these situations any changes should be approved in accordance with the Council's Financial Procedure Rules.
14. Income derived from charging will be used to offset the costs of providing the service being charged for, including support service costs. Where a surplus, over budget, is generated from charges is recorded at the end of the financial year, this will be considered as a corporate resource to be used in accordance with the Council's overall priorities. Any consideration of the investment of such surpluses in development of services would be subject to a report to approval of the Executive Board and each proposal will be considered on its own merits at that time and within the general service and financial planning framework.

NEW FEES AND CHARGES

15. Proposals for new fees and charges must be considered within the service and financial planning process or, where necessary, submitted for approval in accordance with the Council's Financial Procedure Rules.
16. Reasonable notice should be given to service users before any new charge is implemented, together with clear advice on any discounts or concessions available.
17. The effects of any new charge on service usage and income generated will be monitored regularly over the first 12 months and reviewed within the framework of the next service and financial planning cycle.

CHARGING FRAMEWORK

18. Within the service and financial planning process, each fee or charge should be identified to one of the categories in the following table and the appropriate charging policy adopted in establishing and reviewing charging rates / levels. This will be subject to approval through the budget process or, for in-year changes, subject to approval in accordance with Financial Procedure Rules. In all cases, in determining an appropriate charging framework, proper consideration should be given to the wider equalities implications which may be involved affecting full accessibility of all groups to Council services.

Charging Framework	Objective
Full commercial	The Council seeks to maximise revenue within an overall objective of generating as large a surplus (or a minimum loss) from this service
Full commercial with discounts	As above, but with discounted concessions being given to enable disadvantaged groups to access the service
Fair charging	The Council seeks to maximise income but subject to a defined policy constraint. This could include a commitment made to potential customers on an appropriate fee structure. Alternatively, a full commercial rate may not be determinable or the Council may be a monopoly supplier of services.
Cost recovery	The Council wishes to make the service generally available, but does not wish to allocate its own resources to the service
Cost recovery with discounts	As above, but the Council is prepared to subsidise the service to ensure disadvantaged groups have access to the service
Subsidised	Council policy is to make the service widely accessible, but believe users of the service should make some contribution from their own resources. Could also be due to the adverse impact a cost recovery or commercial charging policy would have on other council services.
Nominal	The Council wishes the service to be fully available, but sets a charge to discourage frivolous usage.
Free	Council policy is to make the service fully available
Statutory	Charges are set in line with legal obligations

19. In applying the appropriate charging framework, the issues which may need to be considered in setting the level of fee and charge for any particular service include typically those set out below:

Charging Framework	Points for Consideration
Full commercial	<ul style="list-style-type: none"> ▪ Are the charges high enough for the business to be profitable? If not, consider whether we should be providing this service. ▪ Are competitors charging similar prices? ▪ Do we offer any premium in terms of service levels that customers would be prepared to pay more for? ▪ How would changes in pricing structure affect demand for the service and potentially its profitability? ▪ How does the proposed fee structure fit in with the long-term business plan for this service?

Charging Framework	Points for Consideration
Fair charging	<ul style="list-style-type: none"> ▪ How do our charges compare to other providers of similar services? ▪ Has the loss of income from not charging on a full commercial basis been evaluated? ▪ Is the policy constraint justifying this charging policy still valid?
Cost recovery	<ul style="list-style-type: none"> ▪ Do charges recover the full costs, including overheads, capital charges, recharges and cost of collection? ▪ Is it possible to charge on a full commercial basis and if so has the loss of income from not charging on a full commercial basis been evaluated? ▪ Are members aware of the effect on demand for this service from this charging policy? ▪ What would be the effect of changing the policy to a different one e.g. subsidised?
Subsidised	<ul style="list-style-type: none"> ▪ Has the cost of the subsidy been evaluated? ▪ What has been the impact on demand and on service levels from adopting this approach?
Nominal	<ul style="list-style-type: none"> ▪ Does this approach fit in with the requirements of other funding streams ie, grants? ▪ Is this approach legally required?
Free	<ul style="list-style-type: none"> ▪ Is there a problem of frivolous use of the service?
Statutory	<ul style="list-style-type: none"> ▪ Are charges in line with statutory requirements? ▪ Are they set at the maximum permitted levels?

DISCOUNTS AND CONCESSIONS

20. In some circumstances it may be appropriate to consider offering discounts or concessions in relation to particular activities or customer groups on a basis which is consistent with achieving the Council's overall objectives. Specific points to consider when establishing or reviewing the level of any discount or concession offered for a particular service include:

- Are we benefiting local residents?
- Can a discount policy contribute to wider policy objectives aimed at maximising access to services from among disadvantaged groups?
- Is the policy to target specific groups with discounts still valid?
- To what extent is there evidence that the discount policy is successful in benefiting the target groups?
- Are there other groups that should be considered for discounts?

21. It is recognised that in some circumstances discounts may not be appropriate and that, in all cases, it will be necessary to carefully consider the impact on income before introducing discounts or concessions to service areas which do not currently offer them.

REVIEWING FEES AND CHARGES

22. Chief Officers must ensure that appropriate arrangements are in place to consider charging and current levels of charge each year as part of the service and financial planning process. As indicated earlier, the presumption is that the value of fees and charges will be maintained in real terms over time and increased annually in line with inflation as set within the service and financial planning process.
23. In addition, any source of income that is expected to exceed £250,000 per year should be subjected to detailed review annually within the service and financial planning process. Guidance on the matters to be covered in the review is set out in the schedule to this appendix. This provides a template for reporting the outcome of reviews. Sources of income that are expected to be less than £250,000 per year should be subject to detailed review over a three year period as a minimum.
24. If there are any significant changes in the course of a year, such as in costs, market forces or service levels, which materially affect current charges and revenues, then that charge should be reviewed and any change approved by the Executive as an in-year change.

COLLECTION OF FEES AND CHARGES

25. Wherever it is reasonable to do so, fees and charges will be collected either in advance or at the point of service delivery. Where charges are to be collected after service delivery has commenced, invoices will be issued promptly, and as necessary appropriate recovery procedures followed.

RECORDING OF FEES AND CHARGES

26. Each Department should maintain a schedule of fees and charges levied. This schedule should include, but identify separately, those charges where there are national / external procedures or other specific procedures for determining and reviewing rates of charge. In all cases, however, the schedule should indicate: -
 - The nature of the service or supply being charged for;
 - By whom are charges determined;
 - The basis of charge;
 - Current rates of charge;
 - Estimated revenue in current year;

And on review within the service and financial planning process,

- Proposed increase;
- Percentage increase;
- Proposed rate of charge;
- Effective date for increase;
- Estimated revenue in full year.

27. This will facilitate the proper consideration and approval of fees and charges, and subsequent changes, through the service and financial planning cycle and budget setting process.

DRAFT

TEMPLATE FOR REVIEWING FEES AND CHARGES

Charging Policy
The charging objectives must be stated here, together with why this framework (Full Commercial or Fair Charging etc) has been adopted. The intended aims of the charges should also be clearly thought out and explained. Any legal issues should be identified.

Comparative Information
Include here details of comparative information collected from other authorities or competitors etc.

Financial	
Information Required	Description
Level of charge	Recommended or proposed new level of charge
Degree of change	Percentage change compared to existing charge
Start date	Proposed implementation date for new level of charge, although it could be related to a future event
Budgeted income (current)	If forecast income will be significantly different to current budget, then this should be disclosed here
Budget income (after change to charge)	This should use the same assumptions as the current budget however this may not always be possible. If so, a revised forecast should be given and should be clearly identified as a revision
Surplus/deficit as a percentage of cost	The total cost of supplying the service (including recharges and other overheads) should be calculated and deducted from the income generated. This surplus or deficit should then be compared to the total cost as a percentage. Calculating total cost may require the use of judgement and reasonable assumptions. This is acceptable, so long as a clear audit trail of those assumptions is maintained
Surplus/deficit per usage	The difference between income generated and the total cost of providing that service, divided by the expected number of users of that service

Impact Analysis on Users

Any proposals must identify likely impact on the service's users including: who currently benefits from the service, the effects on them of any changes and who will benefit from new exemptions and discounts together with how demand and usage is expected to change. Equality issues must specifically be considered and reported.

Impact on Other Service Areas

The likely consequences in terms of reduced or increased demand for other Blackburn with Darwen Services must be identified here as well as any extra costs to other departments. Equality issues must specifically be considered and reported.

Method of Collection

Proposals for new or revised charges must identify what collection methods will be used. If this is a change in current arrangements it will need to identify the following:

- what the likely impact is on the rate and costs of collection;
- what account has been taken of how low income users can pay; and
- how cost effective will the new methods be?

Alternatives

Explain here the other measures that have been considered instead of, or as well as, the proposed changes to charges (cost cutting, reducing recharges, sponsorship etc).

Consultation

Include here the extent of consultation conducted, which will be dependent upon the impact of the fee and/or charge, and the results of the results of that consultation.

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

Document is Restricted