

Public Document Pack

Executive Board

Thursday, 12 January 2023

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 December 2022 **3 - 13**
3. **Declarations of Interest**
DECLARATIONS OF INTEREST FORM **14**
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

8.1	HAF Grant Allocation	
	HAF Grant Allocation	15 - 19

Environment & Operations

Public Health, Prevention & Wellbeing

Digital & Customer Services

Growth & Development

Finance & Governance

8.2	Business Rate Revaluation	
	Business Rates Revaluation 2023	20 - 23

8.3	Development of the General Fund Budget 2023/24	
	Development of the General Fund Revenue Budget 2023/24 including details of the provisional Local G	24 - 42

9. Corporate Issues

9.1	Digital Solutions for Adult Social Care	
	Digital Solutions for Adult Social Care	43 - 51

10. Matters referred to the Executive Board

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

Date Published: Wednesday, 04 January 2023
Denise Park, Chief Executive

EXECUTIVE BOARD Thursday 8th December 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

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 the Deputy Youth MP.</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The Minutes of the Meeting held on 10th November 2022 were agreed as a correct record.</p>	Agreed
3	<p><u>Declarations of Interest</u></p> <p>Councillor John Slater declared an interest in Agenda Item 8.1 (Teachers Pay Policy) – Deputy Chair of Lower Darwen Primary School as it fell within the LEA, and also Chair of Pay Review body for the School.</p>	
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>	

	Item	Action						
	<table border="1"> <thead> <tr> <th><u>Name of Person asking the Question</u></th> <th><u>Subject Area</u></th> <th><u>Response by</u></th> </tr> </thead> <tbody> <tr> <td>Sean O'Neill</td> <td>Refuse Collection</td> <td>Councillor Jim Smith, Environment and Operations</td> </tr> </tbody> </table> <p>As Mr O'Neill was not in attendance, it was agreed that a written response would be sent to him.</p>	<u>Name of Person asking the Question</u>	<u>Subject Area</u>	<u>Response by</u>	Sean O'Neill	Refuse Collection	Councillor Jim Smith, Environment and Operations	
<u>Name of Person asking the Question</u>	<u>Subject Area</u>	<u>Response by</u>						
Sean O'Neill	Refuse Collection	Councillor Jim Smith, Environment and Operations						
6	<p><u>Questions by Non-Executive Members</u></p> <p>In accordance with Part 4 of the Executive Board Procedure Rules for questions/statements by Non-Executive Members, the following questions/statements had been received, details of which are set out below:-</p> <table border="1"> <thead> <tr> <th>Name of Non-Executive Member asking the Question</th> <th>Subject Area</th> <th>Executive Member and Portfolio</th> </tr> </thead> <tbody> <tr> <td>Councillor Neil Slater</td> <td>Holden Fold Development and effect on infrastructure</td> <td>Councillor Quesir Mahmood, Growth & Development</td> </tr> </tbody> </table> <p>Councillor Mahmood responded to the question and supplementary question, advising that at present there was capacity within Darwen primary schools, although a future need for additional places may be necessary, with a need for secondary school places in the short term. A potential S106 contribution of £1m had also been identified. The Council continued to work with the NHS and other health partners on the needs of residents. Transport enhancements via the Holden Fold proposals would enhance road improvements already delivered.</p>	Name of Non-Executive Member asking the Question	Subject Area	Executive Member and Portfolio	Councillor Neil Slater	Holden Fold Development and effect on infrastructure	Councillor Quesir Mahmood, Growth & Development	
Name of Non-Executive Member asking the Question	Subject Area	Executive Member and Portfolio						
Councillor Neil Slater	Holden Fold Development and effect on infrastructure	Councillor Quesir Mahmood, Growth & Development						
7	<p><u>Youth MPs Update</u></p> <p>The Youth MP verbally reported on recent events and activities including :</p> <ul style="list-style-type: none"> • Attendance at the Remembrance event in Blackburn. • Discussions with fellow Youth MPs in Burnley and Pendle to collaborate on a joint campaign around the transport of 	Noted						

	Item	Action
8.1	<p>students, also conversations had begun with the colleagues in Oldham and Stockport to advise on what solutions could be explored in Greater Manchester and to form a joint campaign on encouraging private sector service providers to consult with Youth MPs.</p> <ul style="list-style-type: none"> • Attendance at the monthly Youthforia event. • Progress of the Young Inspectors programme. • The recent Takeover Challenge event, and Muhammed delivered a presentation on the event, which focussed on Child Food Poverty, and three related key topics, Mental Health, Food Poverty and Resilience. Collaboration and work would continue on progressing some of the key actions. <p>Members discussed the presentation and update and commended the ongoing work of the Youth Forum.</p> <p><u>Leader's Update</u></p> <p>Councillor Phil Riley verbally reported that the Council had been successful in a bid for funding from the Shared Prosperity Fund to the tune of £7m over the next 3 years. News was awaited in relation to Levelling Up funding. The latest Darwen Town Deal Meeting had been held earlier in the day, and progress would be seen soon in the town centre.</p> <p><u>Teachers Pay Policy</u></p> <p>The Executive Board was provided with a report that advised that the School Teacher's Pay and Conditions Document 2022 ("the STPCD") has been issued, and therefore Blackburn with Darwen Borough Council's Teachers' Pay Policy has been updated as required to implement the new STPCD. This policy (attached at Appendix 1) also included the two other appendices attached to the paper (Appendix 2 was Payscale for 2022-23 and Appendix 3 was the Process Flowchart).</p> <p>An amendment to holiday allowances needed to be made due to the Queen's Funeral on 19th September 2022 and the King's Coronation in May 2023.</p> <p>RESOLVED -</p> <p>That the Executive Board note the contents of the Teacher's Pay Policy for 2022-23</p>	Noted

	Item	Action
	<p>commitment to auditing services and training and supporting the workforce.</p> <ul style="list-style-type: none"> • Acknowledges the need to work collaboratively as part of a whole-system response to trauma and to embed Trauma Informed Practice into policy development and service design across the directorate including commissioned services and providers. • Supports the proposed governance structure and the 'Managed Network' model for driving the work forwards. • Approves the Trauma Informed Systems Resilience Framework. 	<p>Noted</p> <p>Approved</p> <p>Approved</p>
<p>8.4</p>	<p><u>Asylum Funding</u></p> <p>The Executive Board received a report advising that Blackburn with Darwen had been a supporter of Asylum seekers for many years. The asylum seekers currently supported primarily came through Asylum Accommodation and Support Contracts (AASC), previously known as 'Compass'. This was now a contract operated by the Home Office through SERCO. SERCO at the instruction of the government were procuring more properties in every area of the UK to include Blackburn with Darwen. The indicative number of concurrent placements in Blackburn with Darwen would rise from just over 350 to approximately 750.</p> <p>Up until 2022, no financial assistance was available, but this had now changed and a retrospective payment of £93,250 had been issued alongside a one off payment of £3500 per additional bed space secured by SERCO, who had already secured an additional 50 bed spaces, with a further payment of £175,000 received in November. Further allocations as additional properties were secured throughout the year were expected.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the funding being made available to Blackburn with Darwen • Approves expenditure against this budget in discharging the requirements of the grant conditions. • Delegate authority to the Strategic Director for Adult & Health in consultation with the Executive Member to make representations to the Home Office with regards the level of funding and sustainability of funding in comparison to other similar asylum schemes. 	<p>Noted</p> <p>Approved</p> <p>Approved</p>

	Item	Action
8.5	<p><u>Additional Funding for Rough Sleepers</u></p> <p>Members received a report advising that the Government published on the 3rd September 2022 their new 'Cross-Government Strategy to End Rough Sleeping'. Alongside a range of government measures, it recognised that Local Authorities play a vital role in delivering the services that both prevent individuals sleeping rough and support off the streets those that do.</p> <p>To complement the strategy the government announced details of successful bidders for local authorities applying for grants under two schemes: The Rough Sleeping Initiative (RSI) and Rough Sleeper Accommodation Programme (RSAP).</p> <p>The Council had been successful with both applications, and had been awarded £802,400 under the RSI scheme and £881,770 under the RSAP scheme which ran to March 2025, and March 2024 respectively.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the funding being made available to Blackburn with Darwen • Gives approval to supplementary revenues estimates for both the Rough Sleeping Initiative and the Rough Sleeper Accommodation Programme as set out in the financial implications over the next 3 years • Gives approval to a supplementary capital estimate of £408,000 to be added to the Council's Capital Programme in 2022/23; • Approves expenditure against this budget in discharging the requirements of the grant conditions. 	<p>Noted</p> <p>Approved</p> <p>Approved</p> <p>Approved</p>
8.6	<p><u>Digital Strategy Update Report</u></p> <p>Members received an update, which reminded Members that In April 2021 the Council's Executive Board approved an updated BwD Digital Strategy 2021-2024, which outlined a number of initiatives across 4 work streams;</p> <ul style="list-style-type: none"> • Digital First for our Services • Enable Transformation for our Staff • Data Driven Organisation • Secure and Resilient Technology 	

	Item	Action
	<p>Blackburn with Darwen had invested in the people, skills and infrastructure to provide 21st century public services, which had enabled the Council and its services to work in new ways. As the Council embarked on its latest vision for digital and technology it was doing so with strong foundations, albeit after a prolonged crisis with the Covid-19 pandemic in which the pace of technological change rapidly increased.</p> <p>Much progress had been made in the first year of delivering the new strategy and the strategy remains dynamic to the changing requirements and priorities of the Council, and the report gave information on progress of the 4 work streams.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> • Notes the activity to date • Supports the continuation of delivery of the digital strategy. 	<p>Noted Approved</p>
<p>8.7</p>	<p><u>Disposal of Land at Holden Fold for residential development</u></p> <p>Members received a report that outlined the outcome of the informal tender exercise for land at Holden Fold, Darwen, and the report sought approval to dispose of the Council's land, which formed part of the site, and outlined the process for the appropriation of the land and disposal of the 'open space'.</p> <p>Councillor John Slater requested that the Minutes reflect that he was against the recommendations in the report.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p> <p>1.1 Approves the sale of the Council owned land to Vistry Partnerships for the agreed purchase price and part deferred payment profile.</p> <p>1.2 Notes Lea Hough & Co and P Wilson & Co, representing the five private landowners, are in agreement to appoint Vistry Partnerships, as preferred bidder.</p> <p>1.3 Notes the land conveyancing process will be coordinated by an external solicitor acting on behalf of all the landowners, including the Council.</p> <p>1.4 Authorises the Deputy Director of Legal and Governance to complete the necessary legal formalities in the disposal process of the Council owned land.</p> <p>1.5 Authorises the Growth Programme Director to finalise and complete the terms of the disposal, including the appointment of</p>	<p>Approved</p> <p>Noted</p> <p>Noted</p> <p>Approved</p> <p>Approved</p>

	Item	Action
	<p>an external conveyancing solicitor.</p> <p>1.6 Authorise the Strategic Director of Growth & Development to appropriate the school land and playing fields at Holden Fold shown edged red on the attached plan, Annex B, from the Resources and Growth & Development portfolios for education to the Growth & Development department for planning purposes pursuant to section 122 Local Government Act 1972.</p> <p>1.7 Notes the former Darwen Moorland playing fields have not been in use since September 2012 and the Deputy Director of Legal and Governance has confirmed the disposal process is in compliance of the School Standards and Framework Act 1998.</p> <p>1.8 Notes the land is generally open space in character then such appropriation must also comply with section 122(2A) of the Local Government Act 1972, and hence authorise the Deputy Director of Legal and Governance to advertise the proposal to appropriate accordingly.</p> <p>1.9 Authorise the Deputy Director of Legal and Governance to advertise the proposal to dispose of 'open space' in accordance with the statutory process under Section 123(2A) of the Local Government Act 1972.</p> <p>1.10 Notes that in authorising the commencement of the appropriation process of the Holden Fold site, the Council has considered the provisions of the Equalities Act 2010 and the Human Rights Act 1998 as set out in this report.</p> <p>1.11 Delegates authority to the Strategic Director of Growth & Development in consultation with the Executive Member for Growth & Development to consider any objections to either the appropriation proposal and/or 'open space' disposal and, if no objections are received then for the appropriation or 'open space' disposal to be deemed approved.</p> <p>1.12 Notes the Council's powers under section 203 – 206 of the Housing and Planning Act 2016 to override any third party rights and easements on the land once planning permission for the planning purpose has been obtained. Where necessary to enable the planning purpose to be achieved, authorise the Strategic Director of Growth & Development to override any said third party rights or easements.</p> <p>1.13 If the appropriation for planning purposes is approved and any third party rights and easements have been overridden, authorise the Strategic Director of Growth & Development for the negotiation and payment of any compensation claims arising from overridden easements/other rights, under section 204 of the Housing and Planning Act 2016.</p> <p>1.14 Authorises the Growth Programme Director to finalise the terms of any settlement payment with Homes England which will be conditional on the Council receiving the payment for the land</p>	<p></p> <p>Approved</p> <p>Noted</p> <p>Noted</p> <p>Approved</p> <p>Noted</p> <p>Approved</p> <p>Noted</p> <p>Approved</p> <p>Approved</p>

	Item	Action
	and will be deducted from the capital receipt.	
8.8	<p><u>Lancashire Pension Fund – Triennial Valuation Results</u></p> <p>A report was submitted providing the Executive Board with details of the outcome of the triennial valuation of the Lancashire Pension Fund and its implications for Blackburn with Darwen Borough Council.</p> <p>RESOLVED -</p> <p>It is recommended that the Executive Board:-</p> <p>a) note the outcome of triennial review of the Lancashire Pension Fund and the implications for Blackburn with Darwen Council; and</p> <p>b) endorse the decision not to pre-pay the Council's employer contributions for the next 3 years given the estimated net cost of doing so.</p>	<p>Noted</p> <p>Approved</p>
9.1	<p><u>Replacement of Children's Play Area – Witton Park</u></p> <p>The Executive Board received a report which advised that the Wits play area opened in 2010 and for the past twelve years it had provided opportunities for children 2-13 years of age to have fun, play independently and safely in a stimulating, exciting and attractive play area.</p> <p>The existing play equipment had deteriorated to a point where some sections of the play area had to be removed for safety reasons. The whole play area would have to be closed within the next twelve months for safety reasons.</p> <p>It was important to provide families and children with the space and opportunity to play in a sociable way. It could provide a range of learning experiences for adults, children and young people alike.</p> <p>The Council was due to receive £350,000 s106 funding as a contribution towards Green Infrastructure / Public Open Space and associated community facilities within the West Blackburn area from the redevelopment of a site at Brokenstone Road for up to 450 residential units, and Witton Country Park was located in the West Blackburn area, therefore the £350,000 s106 funding could be invested in new play facilities at Witton Country Park to replace</p>	

	Item	Action
	<p data-bbox="336 136 491 170">'The Wits'.</p> <p data-bbox="336 210 1289 539">Tendering for the redevelopment of play spaces was a lengthy process and whilst there were a small number of frameworks available for the procurement of approved contractors, this still required a tendering process to be followed for each site. Therefore, to help reduce the timeframe for the redevelopment of sites, but remain within the procurement requirements of the Council, it was proposed to seek a contractor to undertake all play area redevelopment work up to 31 March 2025. This would be part of the contract let for redevelopment of 'The Wits'.</p> <p data-bbox="336 577 1214 792">Councillor John Slater indicated that he felt the use of s106 monies for replacing equipment was against the Council's Constitution and should not be allowed, and requested confirmation of this from the legal representative Asad Laher, Monitoring Officer advised that this was not the case, and Cllr Slater requested confirmation in an e-mail.</p> <p data-bbox="336 831 1281 976">Councillor Jim Smith advised that such a use of s106 funding had previously occurred, and advised that he would forward a related e-mail to Cllr Slater from Martin Kelly, Strategic Director, Growth & Development.</p> <p data-bbox="336 1014 1246 1126">Councillor Slater advised that he would write to the Secretary of State on this matter and asked that the minutes reflect his opposition to the recommendations in the report.</p> <p data-bbox="336 1200 536 1234">RESOLVED -</p> <p data-bbox="336 1272 711 1305">That the Executive Board:</p> <ul data-bbox="384 1384 1286 2154" style="list-style-type: none"> <li data-bbox="384 1384 1286 1608">• Approves the investment of £350,000 s106 funding for Green Infrastructure / Public Open Space detailed in the Planning permission 10/18/1116, Brokenstone Road site, to be invested in a new adventure play area for children aged 8-13 years along with a smaller play area for younger children at Witton Country Park. <li data-bbox="384 1646 1286 1832">• Approves the addition of this scheme to the Council's capital programme and the establishment of a capital budget of £350,000 in the financial year 2021/22 to fund the removal of the existing play equipment and the supply and installation of new play equipment at Witton Country Park. <li data-bbox="384 1906 1286 2154">• Gives approval to the Strategic Director of Environment and Operations, in consultation with the Executive Member for Public Health, Prevention and Wellbeing and the Executive Member for Environment and Operations to award the contract to build the new play area at Witton Country Park following a tendering process, alongside a contract for the redevelopment of any play spaces that have or may have 	<p data-bbox="1337 1384 1489 1417">Approved</p> <p data-bbox="1337 1646 1489 1680">Approved</p> <p data-bbox="1337 1906 1489 1939">Approved</p>

	Item	Action
11.1	<p>funding identified by 31 March 2025.</p> <p>AT THIS STAGE OF THE PROCEEDINGS THE PRESS AND PUBLIC WERE EXCLUDED FROM THE MEETING.</p> <p><u>Disposal of land at Holden Fold for residential development</u></p> <p>Further to the report submitted at Agenda Item 8.7, additional information was submitted for consideration by the Executive Board which was considered commercially sensitive and therefore exempt from publication. The resolutions at 8.7 were unchanged.</p> <p>Councillor John Slater voted against the recommendations in the report.</p> <p>RESOLVED – The Executive Board:</p> <p>Signed at a meeting of the Board on 12th January 2023</p> <p>(being the ensuing meeting on the Board)</p> <p>Chair of the meeting at which the Minutes were confirmed</p>	<p>Approved</p>

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Children, Young People and Education
LEAD OFFICERS:	Acting Director Children's Services and Education
DATE:	Thursday, 12 January 2023

PORTFOLIO/S AFFECTED:	Children, Young People and Education
WARD/S AFFECTED:	(All Wards);
KEY DECISION:	Y

SUBJECT: HAF Grant allocation 2023/2024

1. EXECUTIVE SUMMARY

Since 2018, the Department for Education has funded the holiday activities and food (HAF) programme which has provided support to children in receipt of free school meals through holiday periods. Following successful pilots between 2018 and 2020, the programme was rolled out to all upper tier local authorities in 2021.

Research has shown that the school holidays can be pressure points for some families. For some children this can lead to a holiday experience gap, with children from low-income households being:

- **less likely to access organised out-of-school activities**
- **more likely to experience 'unhealthy holidays' in terms of nutrition and physical health**
- **more likely to experience social isolation**

The HAF programme is a response to this issue, enabling free places at holiday clubs for children who are entitled to free school meals. These clubs provide physical activity, a hot meal and enrichment activities alongside education and support opportunities for parents and carers. Evidence shows that free holiday clubs can have a positive impact on children and young people, and that they work best when they:

- **provide consistent and easily accessible enrichment activities**
- **cover more than just breakfast or lunch**
- **involve children (and parents) in food preparation**
- **use local partnerships and connections, particularly with the voluntary and community organisation sector**

In Blackburn with Darwen, HAF programme alone has enabled us to support 86% of our FSM children and their families throughout the Easter, summer and Christmas school holidays over the past 3 years. In summer 2022, 640 meals were distributed to families. Partners shop locally and 11 local food providers supported the programme. Partnership is our strength and we have 12 partner organisations delivering activity at each holiday. This includes 4 specific SEND groups.

We have received notification from the DfE that the HAF funding will continue for 2023/24 and this paper sets out our intentions for this programme going forwards.

2. RECOMMENDATIONS

That the Executive Board:

Approve:

- The Holiday and Food Activity Fund Spend for 2023/2024 allocation of £737, 760
- The Commission of a VCSF organisation to deliver the programme on the Local Authority behalf

3. BACKGROUND

Aims and objectives of the Holiday Activity and Food programme

The aim of the programme is to make free places available to children eligible for free school meals for the equivalent of at least four hours a day, four days a week and for six weeks in school holidays during 2023/2024.

This covers 1 week at Easter, four weeks in the summer and a week's worth of provision during Christmas. (The same for 2024/2025, this will be subject to DfE agreement and satisfactory performance).

The provision could be via existing holiday clubs that are supported to provide free places for eligible children and young people or it may fund new provision where there are gaps. Holiday clubs can also be made available to any children not eligible for and in receipt of free school meals, who can pay to attend.

The overarching aims of the programme are to enable children and young people:

- a) To eat more healthily over the school holidays.
- b) To be more active during the school holidays.
- c) To take part in engaging and enriching activities which support the development of resilience, character and well-being along with their wider education attainment.
- d) To be safe and not to be socially isolated.
- e) To have greater knowledge of health nutrition.
- f) To be more engaged with school and other local services.

We also want to ensure that the families who participate in this programme:

- develop their understanding of nutrition and food budgeting
- are signposted towards other information and support, for example, health, employment and education.

Expected Outcomes

- To deliver an exciting programme of holiday activities for children and young people

- To ensure that children and families receive a nutritious food offer during the identified holiday periods

Children and families develop their understanding of nutrition and food budgeting as well as being sign posted towards other information and support e.g health, employment and education.

Evidence Base

Evidence suggests that free holiday clubs can have a positive impact on children and young people. It also shows they work best when they provide consistent and easily accessible enrichment activities, when they offer more than just breakfast or lunch, and when they involve children (and parents) in food preparation.

In November 2020 the Department for Education announced a grant to Local Authorities to provide free places at holiday clubs for children who are entitled to free school meals. These clubs will provide physical activity, a hot meal and enrichment activities alongside education and support opportunities for parents and carers.

The current provider is Spring North and they have project managed this work since 2021. Last year Spring North continued to manage the project under a waiver. This was due to timelines and late notification of further funding.

4. KEY ISSUES & RISKS

Service Description

The provider will project manage and coordinate the delivery of Blackburn with Darwen's 2023-2024 of the Holiday activity and Food (HAF) programme in the first instance. Subject to funding and satisfactory performance will also deliver 2024-2025 programme. The provider will work closely with the Council's Childrens and Education Directorate to co-ordinate and manage a high quality, equitable and accessible offer across the borough.

Accessibility, fairness and equity of provision

The HAF programme will comply with the Equality Act 2010 and will be non-stigmatising and non-discriminatory, providing fair and equitable access for all.

It will also work in a way that it does not discriminate against individuals on the grounds of gender, race, disability, sexual orientation, sexual practices, gender reassignment, age, pregnancy or maternity, marriage/civil partnership or belief system and will ensure that all applicable legislation is adhered to.

Essential links to other services / care pathways

The provider will work to ensure that it develops close links with local partners to ensure those most in need are targeted and supported. These partners include but are not limited to:

Children's Centres
Schools
Young People's Services
0-19 Healthy Child Programme
Social Workers
Children in Our Care team
Strategic Youth Alliance
Public Health

5. POLICY IMPLICATIONS

There are no policy implications

6. FINANCIAL IMPLICATIONS

The current contract will end March 2023. The current contract was an Invitation to Quote (ITQ) process as the service was only tendered for 1 year. It was then extended by waiver for the 2nd year due to Covid and the notification of extended funding from the Department for Education.

The Holiday and Food Activity Fund Spend for 2023/2024 allocation is £737, 760.

£55k of this will be awarded to a provider to project manage and coordinate the delivery of Blackburn with Darwen's 2023-2024 Holiday activity and Food (HAF) programme in the first instance. Subject to funding and satisfactory performance they will also deliver the 2024-2025 programme.

The provider will work closely with the Council's Childrens and Education Directorate to co-ordinate and manage a high quality, equitable and accessible offer across the borough. The rest of the funding will be given to delivery partners to provide the Holiday activity and Food (HAF) programme as per DfE guidelines.

As the DfE funding is for two years, the project management apportion of the funding (£55k per year) will exceed the £80K threshold for an ITQ process, it will now have to be re-procured through an Invitation to Tender process.

7. LEGAL IMPLICATIONS

The Tender will be in accordance with the Council's Contract Procurement Procedure Rules.

8. RESOURCE IMPLICATIONS

There are no resource implications.

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

N/A

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:	Maria Nugent, Charlotte Pickles
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DATE:	14/12/2022
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BACKGROUND PAPER:	
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REPORT OF: Executive Member for Finance and Governance

LEAD OFFICER: Director of Finance

DATE: 12th January 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

KEY DECISION: N

TITLE OF REPORT: Business Rates Revaluation 2023

1. PURPOSE

1.1 The purpose of this report is to outline the impact of the 2023 Business Rates Revaluation on Blackburn with Darwen Council's income from business rates.

2. RECOMMENDATIONS

2.1 It is recommended that the Executive Board note the implications of the 2023 Business Rates Revaluation and that further information of the impact of the revaluation will be provided in due course as the budget for 2023/24 is developed.

3. BACKGROUND

3.1 Income from business rates is a key source of funding for local government and has assumed a greater significance since 2013 with the introduction of the Business Rates Retention Scheme. Under this Scheme, Blackburn with Darwen Borough Council, as the Billing Authority for the area, continues to collect business rates, with the income split 50:50 between the Government (the 'central' share) and, collectively forming the 'local' share, Blackburn with Darwen Council (49%) and the Lancashire Fire and Rescue Authority (1%).

3.2 It has been five years since all non-domestic properties were nationally revalued with open market rental value assessed as at April 2015 forming the basis of business rates liability since April 2017.

4. RATIONALE

4.1 A key part of the Council's Growth Strategy is driving growth in the Council's economic base. In turn, this is linked to the Council's Financial Strategy by dint of the growth in rates payable by businesses in the Borough. The payment of business rates is based on the rateable values of properties which, as indicated, are subject to regular revaluations.

5. KEY ISSUES

- 5.1 All rateable values in England and Wales have been revalued by the Valuation Office Agency (an independent body) as part of the 2023 Revaluation (*it should be stressed that Blackburn with Darwen Council has no influence over the rateable values determined by the Valuation Office Agency*). This revaluation has been based on open market rental levels as at 1st April 2021 (known as the Antecedent Valuation Date) and will be the basis of the business rates liability for each eligible business property in the Borough commencing from 1st April 2023.
- 5.2 Following completion of the 2023 Revaluation, the Valuation Office Agency published the draft rating list in November 2022. As shown in Table 1 below, the draft rating list for Blackburn with Darwen details a gross rateable value for 2023 of RV129,112m with 7,040 non-domestic properties:-

Table 1: Business Rates Revaluation 2023: Change in Rateable Values

	Retail	Industry	Office	Other	All Sectors
Properties	1,790	2,460	1,470	1,320	7,040
2017 (RV)	28,518	42,801	12,619	35,173	119,111
2023 (RV)	25,400	51,456	13,621	38,635	129,112
Change (RV)	(3,118)	8,655	1,002	3,462	10,001
Change (%)	(10.9)	20.2	7.9	9.8	8.4

- 5.3 Table 1 also provides the equivalent Rateable Value figures from the 2017 rating list. From this, Councillors will note that the gross rateable value for the Blackburn with Darwen area has increased by RV10,001, an increase of 8.4%.
- 5.4 This increase in RV compares favourably with both the national picture for England which, overall, has seen an increase in RV of 7.3% and the North West where the rateable value on average has increased by 7.4%.

	Retail	Industry	Office	Other	All Sectors
ENGLAND	(10.0)	27.8	10.3	4.4	7.3
North East	(13.9)	19.1	8.6	1.9	2.2
North West	(9.9)	23.2	17.2	5.4	7.4
Yorks/Humber	(14.6)	19.4	7.9	6.1	4.7
East Midlands	(10.6)	23.2	5.5	6.2	8.6
West Midlands	(11.9)	26.7	15.3	4.5	9.0
East	(10.2)	35.1	26.3	9.9	14.4
London	(8.9)	33.1	6.1	(1.1)	3.3
South East	(10.1)	33.5	20.0	6.6	10.9
South West	(4.7)	27.0	14.0	5.9	9.5

- 5.5 At this stage, it is difficult to predict the revaluation impact on the Council's share of income from business rates. Intuitively, an increase in rateable values would ordinarily lead to an increase in the Council's share of business rates income. However, this oversimplifies the position and takes no accounts of:-

- the Government's decision to freeze the rating multipliers for 2023/24, as announced in the Autumn Statement 2022. Ordinarily, the rating multipliers would be adjusted to ensure that revaluation is a revenue neutral exercise so that overall the total rates bill would stay the same at England level in real terms, after allowing for appeals.

- any reliefs or exemptions from rating which may be applicable;
- the impact of appeals against the new rateable values (and the adequacy of provisions held by the Council to meet the cost of successful appeals);
- the impact of any transitional arrangements the Government will implement to phase in the effect of changes in rateable values (*it should be noted that the Government is expected to implement much improved transitional relief arrangements for Revaluation 2023*).
- the adjustment the Government has made to the 'top up' payment (the amount of money we receive because our share of rates retained is not enough to meet our assessed level of funding need).

5.6 On the final point above, the amount of 'top up' payment was announced as part of the provisional Local Government Finance Settlement. However, to understand fully the impact of the revaluation on the Council's financial position requires the Council to undertake its own assessment of business rates income for 2023/24. This work is currently underway and will need to be completed before the end of January 2023 for submission to Government. Once this assessment is complete, the financial impact will be considered as part of the development of the Council's budget for 2023/24.

5.7 As set out in the report, it was resolved that a further update on the Council's Medium Term Financial Plan for 2023/26 be provided to the Executive Board reflecting the latest assumptions and information available to the Council. This report forms that update.

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. However, as indicated, further work is necessary to understand what the impact of the revaluation will be on the Council's share of retained Business Rates. This work has started and will need to be completed before the end of January 2023 when the Council is required to submit its assessment of business rates income to the Government.

7.2 Once the assessment of the Council's share of retained business rates income is known, it can be factored into the development of the General Fund Revenue Budget for 2023/24.

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 The recommendation in this report is made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that it does not result in unlawful expenditure. It is also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendation reflects the core principles of good governance as set out in the Council's Code of Corporate Governance.

Appendices

None

VERSION:	1
CONTACT OFFICER:	Dean Langton – Director of Finance
DATE:	28 th December 2022
BACKGROUND PAPERS:	None



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICER: Director of Finance

DATE: 12th January 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

KEY DECISION: Y

TITLE OF REPORT: Development of the General Fund Revenue Budget 2023/24 (including details of the provisional Local Government Finance Settlement 2023/24)

1. PURPOSE

- 1.1 The purpose of this report is to provide an update on the development of the Council's budget for 2023/24. In particular, an update is provided on the outcome of the provisional Local Government Finance Settlement and what this means for the Council's Medium Term Financial Plan.

2. RECOMMENDATIONS

- 2.1 It is recommended that Executive Board:-
- a) note the outcome of the provisional Local Government Finance Settlement for 2023/24 as set out in the report;
 - b) note the response to the provisional Local Government Finance Settlement for 2023/24 as set out at **Appendix A**;
 - c) note that further work is required to determine the estimate of Business Rates Retained for 2023/24 which will reflect the Council's local knowledge/circumstances and that this work has begun following the release of guidance from Government on this matter;
 - d) acknowledge that the estimates of Council Tax income presented in the report are subject to decision by Finance Council on 27th February 2023 and are, therefore, indicative at this stage;
 - e) note the updated Medium Term Financial Plan 2023/26 and this will be further updated once decisions on the Council's budget are taken at Finance Council on 27th February 2023.

3. BACKGROUND

- 3.1 Annually, the Government provides local authorities with an indication of how much funding it will provide towards the cost of delivering services. Combined with the notional assessment of business rates amounts and referendum limits for the Council, this is referred to as the provisional Local Government Finance Settlement.
- 3.2 This report sets out details of the provisional Local Government Finance Settlement for 2023/24 which was released on 19th December and includes the Council's response to the consultation on this matter. The report also describes what it may mean for the Council's medium term financial position reflecting both the details of the provisional Settlement for 2023/24 and Local Government Finance Policy Statement 2023/24 and 2024/25 which the Government released in early December 2022.
- 3.3 The final Local Government Finance Settlement is not expected until early February 2023. In the meantime, work on the development of the Council's budget will continue and ultimately it is a matter for Finance Council on 27th February 2023 to determine both the budget (revenue and capital) and Council Tax for the next financial year.

4. RATIONALE

- 4.1 The development of the budget is a key element of the Council's financial governance processes. Now that the Government has provisionally provided details of the Council's funding for 2023/24, the Council will need to determine its budget for the year.
- 4.2 As the Executive Board may be aware, as part of the assessment of the Council's Value for Money arrangements, the Council's External Auditors will assess what arrangements the Council has in place to deliver a balanced budget including the adequacy of savings schemes. It is important that the Council has developed a robust and deliverable set of options for achieving a balanced and sustainable budget. This will also avoid any adverse commentary in the Auditor's report on Value for Money.

5. KEY ISSUES

Local Government Finance Policy Statement 2023/24 and 2024/25

- 5.1 During the Summer of 2022, the Secretary of State for the Department of Levelling Up, Housing and Communities outlined his intention to provide Local Government with at least a 2-year funding settlement as part of the of the funding settlement for 2023/24. Despite the changes in Government since then, the Secretary of State has followed through on this intent by providing a Local Government Finance Policy Statement for 2023/24 and 2024/25.
- 5.2 Details of what the Policy Statement means for Councils in 2023/24, and in particular Blackburn with Darwen Council, are set out in the Provisional Local Government Finance Settlement, details of which are provided below. For 2024/25, the Policy Statement provides an indication of the Government's intentions as follows:-
- the core Council Tax Referendum Principles for 2024/25 will be as in 2023/24; that is, the referendum limit for increases in Council Tax will remain at 3% per year and local authorities with social care responsibilities will be allowed to increase the Adult Social Care Precept by 2% (this is now reflected in the Council's Medium Term Financial Plan);

- Major grants (assumed to be the Services Grant) will continue as set out in 2023/24;
- Revenue Support Grant will continue and be uplifted in line with Baseline Funding Levels (although it has become apparent that this uplift is likely to be funded from a reduction in the Services Grant hence no net gain in resources);
- The Social Care Grant and other social care grants will increase 'as set out in the Autumn Statement';
- A new funding stream, subject to the successful delivery of the Extended Producer Responsibility for Packaging (pEPR), will become available for local authority waste disposal authorities.

5.3 Councillors will appreciate that these are broad statements of intent but, whilst providing some indication of the direction of travel, do not provide sufficient detail to make confident predictions about the funding available to the Council.

Provisional Local Government Finance Settlement

5.4 Details of the provisional Local Government Finance Settlement for 2023/24 were announced on 19th December 2022. Releasing the provisional Settlement signals the opening of a period of consultation by the Government on the details of the Settlement for which the deadline for responses is 16th January 2023. Thereafter, the Government normally publishes the final Settlement towards the end of January/early February.

5.5 The provisional Settlement represents the Government's view of the Council's funding position for 2023/24. In particular, the Settlement provides the Government's assessment of the Council's Core Spending Power comprising funding such as Business Rates retained, Revenue Support Grant, Council Tax and other grants payable to the Council (examples include the Social Care Grant and the Improved Better Care Fund).

5.6 For both the Revenue Support Grant and other grants payable to the Council, the amounts given in the provisional Settlement reflect the actual grants that will be paid to the Council. The amount of Business Rates Retained and Council Tax reflect the Government's assessment of what the Council might raise; in both cases, the actual amounts will be subject to determination by the Council according to local assessment and/or decision making (both of which will be influenced by local factors).

5.7 A response to the consultation on the Provisional Settlement has been submitted to the Government as required and is provided at **Appendix A** to this report.

Change in Core Spending Power

5.8 Core Spending Power (CSP) is a measure used by the Government to set out the resources available to a Council to fund service delivery. It combines actual cash grants payable to Councils with estimates of Business Rates and Council Tax receipts that a local authority might receive based on Government assumptions. CSP is used by the Government to make comparisons of the resources available to different Councils. For the reasons set out below, it is not necessarily the actual funding a Council will receive to fund service delivery.

- 5.9 On the basis of the provisional Settlement, the Council's CSP for 2023/24 will increase by 10.2% when compared to CSP in 2022/23 and includes an assumption by Government that Councils will increase their Council Tax by the maximum allowable under the Council Tax Referendum Principles. This is in comparison to the average CSP for all Councils in England of 9.2% (meaning the Council has the 37th highest increase in CSP out of 364 Local Authorities (including Fire Authorities)).

Provisional Settlement compared to Medium Term Financial Plan

- 5.10 The year-on-year change in the CSP provides one measure of the change in the Council's funding position. Of more importance is how the provisional Settlement compares to what the Council has been assuming in its Medium Term Financial Plan.

- 5.11 Table 1 below provides a summary of the Council's funding position as set in the provisional Settlement compared to the position included in the Council's developing Medium Term Financial Plan for 2023/26. The table shows the calculation of the Baseline Funding Assessment, the Settlement Funding Assessment and the Core Spending Power for the Council:-

Table 1: Provisional Settlement 2023/24 (compared to MTFP as at October 2022)

	MTFP *2 2023/24 £000	Provisional Settlement 2023/24 £000	Variance £000	Variance %
Business Rates Retained (IABR*1)	20,306	21,117	811	4.0
Business Rates Top Up	24,761	25,117	356	1.4
Baseline Funding Assessment	45,067	46,234	1,167	2.6
Revenue Support Grant	14,016	15,695	1,679	12.0
Settlement Funding Assessment	59,083	61,928	2,845	4.8
Under-indexing Business Rates	7,140	7,876	736	10.3
Improved Better Care Fund	8,349	8,349	-	-
Social Care Grant	8,813	8,813	-	-
Independent Living Fund	386	386	-	-
Equalisation of 2% ASC Precept	-	995	995	100.0
Additional Adult Social Care Funding	-	3,774	3,774	100.0
Market Sustainability and Fair Funding	-	1,790	1,790	100.0
Discharge Funding	-	1,171	1,171	100.0
New Homes Bonus	-	401	401	100.0
Lower Tier Services Grant	341	-	(341)	(100.0)
Services Grant	3,072	1,731	(1,341)	(43.6)
Grants Rolled into Settlement	233	-	(233)	(100.0)
Total Government Funding	87,417	97,214	9,797	11.2
Council Tax (excl Parish Precepts)	64,695	63,678	(1,017)	(1.6)
Core Spending Power	152,112	160,892	8,780	5.8

*1 – Individual Authority Business Rates Assessment

*2 – As per Medium Term Financial Plan reported to Finance Council in Oct 2022.

- 5.12 As the table indicates, subject to further work on Business Rates Retained, the Council's decisions on the level of Council Tax for 2023/24 and confirmation of the final Settlement, the funding position set out in the Provisional Settlement is £9.8m more than was forecasted. More details of the provisional Settlement are provided below.

Business Rates Retained

- 5.13 At this stage, the estimate of Business Rates Retained is the Government's assessment of the Council's amount of business rates the Council will retain from the net collectable Business Rates generated in the Borough (based on a 49% share, with the balance shared between the Lancashire Fire Authority (1%) and the Government (50%)). This is based on their knowledge of the Business Rates taxbase, exemptions and reliefs.
- 5.14 Work on the Council's own assessment of the estimate of Business Rates Retained will begin in the next fortnight. This will be based on the Council's knowledge of the expected growth/decline in the taxbase, exemptions, reliefs and provision for bad debts and appeals. Ordinarily, this work will conclude during late January 2023. And, as indicated in a report elsewhere on the Agenda for this meeting, it will take into consideration the Revaluation of Business Rates 2023. ***The Business Rates Retained estimate for 2023/24 may therefore change.***

Business Rates Top Up

- 5.15 In simple terms, the Business Rates Top-Up is the amount payable to the Council to reflect the difference in the Council's Baseline Funding Assessment (the assessment of funding needed to deliver services (last undertaken in 2013/14)) and its ability to raise income from Business Rates (the Individual Authority Business Rates Assessment). ***The Business Rates Top-Up is cash amount and is unlikely to change between the provisional and final Settlement.***

Revenue Support Grant

- 5.16 Revenue Support Grant is a general cash grant payable to the Council. ***This is unlikely to change between provisional and final settlement.*** Revenue Support Grant for 2023/24 has increased by £1.679m when compared to 2022/23. This is for two reasons:-
- the Revenue Support Grant has been uplifted by the CPI rate of inflation (10.1%);
 - various grants (including the Local Council Tax Support Administration Grant) have been rolled-into Revenue Support Grant; this is not new funding but simply a consolidation of these grants schemes.

Other Grants

- 5.17 As indicated in the table, the Government includes a number of other cash grants payable to the Council in the calculation of the Core Spending Power.
- ***Under-Indexing of Business Rates*** – this is a cash grant payable to the Council to reflect the Government's decision previously to not increase the national business rates multiplier by inflation (as is normally required by Business Rate legislation). The policy intention was to relieve businesses of the burden of additional business rates costs and the purpose of the grant is to compensate Councils for the loss of income that they would otherwise have received. ***For the purposes of the provisional/final Settlement, this amount is unlikely to change but the actual grant payable to the Council will be based on the performance of business rates during the year;***

- **Funding for Social Care** – these are cash grants payable to the Council for investment in Adult and Children’s Social Care, either directly by the Council or as part of a pooling arrangement with the NHS. **They are unlikely to change between the provisional and final Settlement.** As the Executive Board will be aware, the grants have come in different forms over recent years, as Table 2 below illustrates:-

Table 2: Additional Grant Funding for Social Care (excl Social Care Precept)

	2018/19 £000	2019/20 £000	2020/21 £000	2021/22 £000	2022/23 £000	2023/24 £000
Adult Social Care	478	-	-	-	-	0
Improved Better Care Fund	5,901	7,339	8,104	8,104	8,349	8,349
Social Care Grant	-	-	4,925	6,551	8,813	8,813
Social Care Support Grant	-	1,306	-	-	-	-
Winter Pressures Grants	764	764	-	-	-	-
Market Sust/Fair Funding	-	-	-	-	516	1,790
Independent Living Funding	-	-	-	-	386	386
Equal of 2% ASC Precept	-	-	-	-	-	995
Additional Social Care Grant	-	-	-	-	-	3,774
Discharge Fund	-	-	-	-	-	1,171
Total	7,143	9,409	13,029	14,655	18,064	25,278

- Table 2 above includes an additional £4.769m for Social Care (either Adults or Childrens). There is also £1.790m for Market Sustainability and Improvement and £1.171m for a Discharge Fund; in both cases, the Government has indicated that there are conditions to the use of this funding although details of those conditions have yet to be released. The Independent Living Funding Grant of £386k is the same as in the current year but will be rolled-into the Social Care Grant.

New Homes Bonus

- 5.18 The New Homes Bonus (NHB) is now in its eleventh year as part of the Local Government Finance system. The original policy intention of NHB was to provide a financial incentive to local authorities to encourage the building of new homes and/or bringing empty homes back into use.
- 5.19 Despite consulting on proposals in 2021 to amend the NHB Scheme, the Government has decided again to retain the present scheme for a further financial year. As has become the norm in recent years, allocations are for one year only with no payment of legacy amounts from previous years (as has previously been the case). For 2023/24, the Government will provide NHB to reflect new housing and empty houses brought into use in the year up to October 2022. This amounts to £401k (compared to £1.005m in 2022/23).
- 5.20 It has been assumed that there will be no further NHB payments after 2024/25.

Lower Tier Services Grant

- 5.21 This grant was first paid in the 2021/22 financial year and was, when announced, badged as one-year only. However, whilst the Government did rollover the grant into 2022/23, there will be no grant payable from 2023/24.

Services Grant

- 5.22 The Services Grant was new grant for 2022/23 and the Council received £3.072m (out of total funding of £822m for Local Government). The Government did indicate then that whilst the funding remained for distribution to Local Government, it did not form part of the Settlement.
- 5.23 For 2023/24, the Government has reduced the overall amount of grant funding available to £464m. The reduction in funding is in part because there will no longer be an increase in National Insurance Contributions (due to the withdrawal of the Health and Social Care Levy), therefore the Government proposes not to compensate Local Government for these contributions from 2023/24. In addition, some funding will go to increase the funding for the Supporting Families programme (although it is unclear whether this is new funding) and to pay for other parts of the settlement such as increasing Revenue Support Grant.
- 5.24 The Council will receive £1.731m (out of a total £464m) in 2023/24 with the distribution of the grant based on the Council's Settlement Funding Assessment from 2013/14 (the last time the Council's funding was based on an assessment of its relative needs).

Public Health Grant

- 5.25 At the time of writing, the Government had not released details of the Public Health Grant for 2023/24. If details are released prior to the meeting, a verbal update will be provided as appropriate.

Council Tax

- 5.26 The Government has assumed that the Council will raise £63.678m in Council Tax in 2023/24 as part of their assessment of the Core Spending Power. This is based on the following assumptions:-
- applying the average annual growth in the Council Tax Base between 2018/19 and 2022/23 to project growth in the tax base for 2023/24; and
 - that the Council will increase its Council Tax in line with the maximum allowable level set out by the Council Tax Referendum Principles for 2023/24. That is 2.99% for general Council Tax and 2% for the Adult Social Care Precept.
- 5.27 At this stage, the estimate of Council Tax receipts assumed in the Medium Term Financial Plan (version 3) is based on the following assumptions:-
- a Council Taxbase for 2023/24 of 36,292.8;
 - an increase in the general Council Tax of 2.99% and an increase in the Social Care Precept of 2%. Both of these reflect the maximum allowable levels set out by the Council Tax Referendum Principles for 2023/24.
- 5.28 Whilst the Executive Board should note the assumptions in the MTFP at stage, the decision to increase Council Tax is ultimately a matter for Council to take. ***It is, therefore, possible that the Council Tax yield assumed may change subject to the outcome of that decision.***

Update Medium Term Financial Plan 2023/26

5.29 The Provisional Settlement is one of the key building blocks of the Council's Medium Term Financial Plan (MTFP) 2023/26. Given the release of the Settlement, an opportunity has been taken to update the MTFP. The MTFP has been developed using a range of assumptions, not least those necessary to estimate the amount of funding available to the Council. In the light of the provisional Settlement, it is now possible to update the MTFP with the Council's funding allocations (accepting that both Business Rates Retained and Council Tax amounts are subject to change for the reasons set out above). A summary of the updated MTFP is provided in the Table 3 below:-

Table 3: Medium Term Financial Plan 2023/26 (as at December 2022)

	2022/23 £000	2023/24 £000	2024/25 £000	2025/26 £000
Portfolio Budgets	133,880	143,545	143,200	143,200
Other Corporate I & E	16,123	27,272	35,976	44,442
Net Revenue Expenditure	150,003	170,817	179,176	187,642
Less Core Funding	(82,626)	(95,292)	(96,216)	(97,159)
Less Council Tax	(54,231)	(64,554)	(69,203)	(71,608)
Shortfall before Reserves	13,146	10,971	13,757	18,875
Change in Specific Reserves	(13,146)	(1,388)	(960)	(500)
Change in GF Balance	-	-	-	-
Funding 'Gap'	-	9,583	12,797	18,375
In Year Funding 'Gap'	-	9,583	3,214	5,578

5.30 As the table indicates, the forecast funding gap for the period to 2024/25 is now estimated to be £9.5m. This reflects both the details of the provisional Settlement and also the following matters:-

- all of the additional funding (£7.7m) for Social Care is assumed to be used to meet additional costs of both Adult Social Care (primarily the uplifts given to Social Care Providers) and Children's Social Care (reflecting the pressures on the cost of Permanence (including Out of Borough Placements, Fostering and Adoption), Care Leavers including the Staying Put Scheme and SEN Transport). Indeed, as indicated above, £1.171m of this funding is likely to be pooled as part of the Council's agreement with the NHS on the Better Care Fund. Further work is required on distribution of this funding between these matters and that work is currently underway;
- an additional £1m to provide for inflation on utilities from 2023/24 onwards. As Councillors will be aware, the Council is forecast to overspend by £640k in the current financial year on utilities, a position which is dampened by the Government's cap on utility pricing. There is no indication at this point whether and in what form that cap will continue to operate from April 2023; the assumption at this point is that it is unlikely to be available to the Council. It is hoped that making this provision should prevent the Council having to consider whether to change the operating hours of key operational buildings (as some Councils have already chosen to do so);

- an increase in the provision for the Pay Award. Up to now, the Medium Term Financial Plan has assumed a pay award of 4% in 2023/24, reducing to 3% and 2% respectively in the following financial years. In light of the agreed increase in the National Living Wage for 2023/24 and the forecasts for 2024/25 onwards, and given that this is increasingly a factor in determining the Local Government Pay Award, it is considered necessary to make additional provision for 2023/24.
- funding of £1.120m has also been included in the Medium Term Financial Plan to provide for inflation on Waste Contracts. This is a contingent sum at this stage but given the prevailing rate of inflation, is necessary to meet the additional costs of waste disposal that are expected in 2023/24;
- a reduction in income budgets totalling £828k. This reflects mainly anticipated shortfalls in income from the Mall and Mall Car Park and the Council's own Car Parks which have not returned to pre-Covid-19 levels and which require adjustment as part of the budget process.

5.31 The Executive Board is asked to note these matters.

Other Budget Changes/Policy Decisions

5.32 A review of the robustness of the Council's Base Budget continue. This is with a view to ensuring that any underlying and, arguably, unavoidable budget pressures are reflected properly in the budget and relate more accurately to activity currently being undertaken. Likewise, it is being used to identify any compensating areas of budget surplus. At the same time, a range of policy matters are arising which equally may need consideration as do those issues that are contributing to the Council's forecast overspend in the current financial year. At this stage, further work is required to determine whether any of these matters should feature in the Council's budget.

Next Steps

5.33 As indicated above, this report provides an update on the Provisional Local Government Finance Settlement and the Council's Medium Term Financial Plan. Now that the details of the Settlement, further work will be undertaken on the development of the budget. Subject to confirmation of the final Local Government Finance Settlement, ultimately, it is for the Finance Council on 27th February 2023 to agree the Council's budget for the next financial year.

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 A – Response to the provisional Local Government Finance Settlement 2023/24

VERSION:	1
CONTACT OFFICER:	Dean Langton – Director of Finance
DATE:	28th December 2022
BACKGROUND PAPERS:	None

Date:
Our Ref:
Ask for: Dean Langton
Direct Line:
E-Mail: dean.langton@blackburn.gov.uk

Local Government Finance Settlement Team
MHCLG
2nd Floor, Fry Building
2 Marsham Street
London

Sent via e-mail

Dear Sir,

**Provisional Local Government Finance Settlement 2023/24
Response to Consultation**

I am writing on behalf of Blackburn with Darwen Council in response to your consultation on the Local Government Finance Settlement for 2023/4. Responses to the specific consultation questions are provided at the end of this letter. In the meantime, I would like to make the following comments and suggestions.

I acknowledge these continue to be extraordinary times for all public services albeit not helped by the turmoil in Government and the disastrous impact of the 'mini-budget' announced by the previous Government. Nevertheless, I am disappointed that details of the Provisional Settlement were only released on 19th December 2022. I say this again in the context of the recommendation of the Hudson Review (into Local Government Finance: Review of Governance and Processes) which stated that the provisional settlement should be announced around 5th December each year. As you will appreciate, delays in issuing the provisional settlement have a consequential impact on the development of our budget at a time when, after years of austerity, there is a need to consider carefully and in detail decisions which could have a significant impact on the delivery of critical services.

Returning to the provisional Settlement, we are grateful that the Government has, to some extent, recognised the funding needs of local authorities, particularly in relation to Social Care and general inflationary pressures. We are disappointed, however, that funding increases for Local Government are based on the assumption that Councils will raise their Council Tax by the maximum permissible without a referendum. This leaves Councils like Blackburn with Darwen, with proportionately more people on low incomes than most other Councils, with the difficult choice about whether to increase Council Tax bills to bring in desperately needed funding when we are aware of the significant burden this could place on residents already suffering from a cost of living crisis.

We are also disappointed that the Fair Funding Review and the Business Rates Retention reset continue to be put off. As we have indicated previously, we have long held the view that funding allocations based on the relative needs of local authorities are crucial to ensuring that funding from Government is distributed to those local authorities like Blackburn with Darwen that need it the most. Indeed, as I have indicated previously, it is my view that to the extent that it remains important to the current Government, this needs to be a central tenet of the Government's Levelling Up policy.

On the other matters related to the Provisional Settlement, we have the following comments:-

- *Review of the Funding Regime, Multi-Year Settlements and Adequacy of Funding*

Whilst I acknowledge publication of the Local Government Finance Policy Statement 2023/24 to 2024/25, I am disappointed that the provisional Settlement only includes detailed funding allocations for 2023/24. It is, in essence, another single-year settlement which provides no real basis on which the Council can plan effectively for the medium term.

With the announcement of the Comprehensive Spending Review last year, it remains my view that this presented the best opportunity to provide Local Authorities with a multi-year Settlement that would allow them to plan with certainty. It is disappointing that the Department has not taken this opportunity to provide stability in funding for Local Government.

Combined with the continuing delay to the Fair Funding Review, if indeed that is to happen, changes to the Business Rates Retention System and the proposed reform of the New Homes Bonus Scheme, for which we have still to see the outcome of the consultation conducted in 2021, I remain concerned that these changes will create significant turbulence and uncertainty in the funding system for local government. Each of these changes alone is potentially significant but taken together, with limited useful information on which to model future funding scenarios, the ability of local authorities like Blackburn with Darwen to forecast funding levels with any accuracy from 2024/25 is incredibly difficult, if not impossible.

If the Government presses ahead with these reviews, we ask that consideration is given to the impact on each individual local authority. In particular, if delaying the implementation of one or other of the reviews is not possible, we ask that you consider including transitional arrangements such as 'floors' and 'ceilings' to manage the changes in funding from one year to the next so that no individual authority sees its funding reduce as a result. Indeed, as with the provisional Settlement for 2023/24, we would urge the Government to ensure there is adequate funding in the system to provide all Council's with a minimum funding increase guarantee.

- *Funding based on Needs*

We acknowledge the Government's intention to review the funding regime for local government, although note that this will not now take place until after the next General Election. We have previously commented that the move away from a funding regime based on the relative needs of Councils puts authorities such as Blackburn with Darwen, which has cost pressures arising from areas of high deprivation in parts of our urban areas combined with some degree of sparsity across the rest of the Borough, at a significant disadvantage in comparison to other more affluent areas.

As we have previously set out, despite our best efforts, it has not been possible for Blackburn with Darwen Council to generate sufficient resources locally to counter the cumulative loss of Revenue Support Grant. Aside from the inadequacies of the Council Tax system to do this, this is largely because some of the economic and social issues in Blackburn with Darwen – a difficult housing market, lack of inward investment due to limited connectivity, low skills levels and significant levels of worklessness – are deep seated and, as demonstrated in previous years with programmes such as Housing Market Renewal, Neighbourhood Renewal, require significant funding from Central Government to deliver a necessary step change. That funding has not been made available by Government because the policies employed, as with the New Homes Bonus Scheme, redirect such funding away from Councils like ours.

At the heart of this issue is the absolute disconnect between the Council's Taxbases and any funding received direct from Government in the form of Revenue Support Grant. Previously, Councils with a low taxbase due to the nature of their housing stock, received a higher share of Revenue Support Grant funding to compensate this inability to raise tax locally (a policy known as 'equalisation'). Since 2013/14, that method of equalisation is less prominent in the Funding Settlement and, given the Government's control on Council Tax increases through the Referendum Principles, any ability of the Council to raise Council Tax to compensate for the loss of Revenue Support Grant has been inhibited.

To that end, I urge the Government to consider whether, for those Councils that have long-standing economic and social issues that constrain their ability to be self-financing, the needs-based assessment of funding allocations should adequately reflect these matters to ensure that a basic level of service provision is possible. Given Blackburn with Darwen has a number of areas of high deprivation, this is an issue which needs to be properly factored into any formulaic approach to future funding allocations and the link between a low taxbase and the calculation of Revenue Support Grant needs to be restored.

At the same time, Government needs to provide adequate resources for investment in infrastructure in places like Blackburn with Darwen to make up for the underlying lack of investment experienced over many years that has led to the inability of the local economy to grow and compete with other places. We acknowledge investments such as the Darwen Town Deal and the Community Renewal Fund, we note our Priority 1 designation for the Levelling-Up Fund and, as with the UK Shared Prosperity Fund, we are developing our capacity to bid for these funds to ensure we can receive our fair share of investment. Equally, we support 'Lancashire 2050', a strategic framework for Lancashire which I hope will provide the basis for the devolution of powers and resources that will transform the economy of Lancashire as it has done in other places.

However, again I would urge the Government to move away from the 'hand to mouth' policy of grant funding allocations which, in my view, is too dependent on a competitive bid-based approach for a range of relatively small pots of funding. This fragmentation of the grant funding landscape combined with the high costs of, often, unsuccessful bidding is far from efficient. Given our extensive track record of delivery, the Government should trust Local Government with multi-year funding packages for capital investment covering a range of housing, infrastructure and transport matters.

- *Funding for Social Care*

I welcome the Government's decision to delay the implementation of reforms to the Adult Social Care System. I agree that changes are necessary but given the acute issues in Adult Social Care at present, the delay will afford the opportunity to implement the changes in a more timely and effective way whilst endeavouring to cope with the pressures in the system now.

I also welcome the Government's decision to provide additional funding for Adult Social Care, reflecting the inflationary pressures for both Councils and Social Care Providers. I note this is funding that was to be used to fund the reforms. As this is the case, I would urge the Government to consider what additional funding will be necessary to support the implementation of reforms when they are due rather than relying on the funding Councils will now use to support the Adult Social Care system as it currently operates. In this respect, the Government should consider how the additional funding provided to the NHS should be redirected to both preventative and early help activities to support a more sustainable health and social care system.

On Children's Social Care, I am disappointed that the Government has made no progress in responding to the recommendations of the MacAlister Review and the Competition and Market Authority's investigation into children's social care provision. In many respects, the Children's Social Care system is broken with Council's often held to ransom by Social Care Providers who are demanding extortionate fees for placements. In my view, these two reviews are vital to understanding how best to deliver Children's Social Care and, from the Government's perspective, what funding will be necessary to provide to Local Authorities to ensure they can do so effectively.

- **Public Health Grant**

Once again, it is disappointing that details of the Public Health Grant allocations (for 2023/24) have not been released as part of the provisional Settlement. As we have indicated above, late announcements of grant allocations inhibit our ability to plan the delivery of services particularly at a time when Public Health services are vital to the delivery of services to our localities.

I do hope that the delay in the announcement of the grant allocations is to allow the Government to ensure that funding properly reflects the funding needs of places like Blackburn with Darwen where the extent of structural health inequalities has been long standing and significant. The Covid-19 Pandemic served to exacerbate these inequalities that, combined with the professionalism and dedication of our well-respected public health system, only a sustained real terms increase in funding will help to resolve.

- ***New Homes Bonus***

I appreciate the Government's decision to roll-forward the present New Homes Bonus Scheme for a further year despite indications previously that this would not be the case. However, given the intrinsic unfairness of the New Homes Bonus Scheme, which does nothing other than redistribute what was Revenue Support Grant funding in an inequitable way, notably to the South East, our preference would have been to see the Scheme abolished and the funding distributed to Councils on the basis of their Settlement Funding (even using the current figures from 2013/14).

- ***Council Tax***

I note the Government's relaxation of the referendum principles for 2023/24 (and 2024/25). As I have set out about above, I do take issue with the Government's assumption that funding increases for Local Government are predicated on the maximum permissible increase in Council Tax. This requires difficult decisions from Councils that, after years of austerity, need to raise funding to sustain services but from residents, many of whom are already facing significant hardship due to the cost of living crisis.

Equally, if self-funding is the Government's intended model for Local Government there should also be greater flexibility for Councils to vary council tax discounts for example. In particular, we can see no reason why Councils do not currently have the freedom to vary the level of all discounts according to local circumstances should they wish to do so.

At the same time, of all Unitary Councils, Blackburn with Darwen has one of the highest number of properties in Band A. These make up almost 60% of properties in Blackburn with Darwen and, as a consequence, the Council has a low taxbase relative to other similar Councils. This means that historically, the Council has had to increase its Council Tax by more than the average in order to maintain its tax yield and overall resource level. The corollary to this is that Council Tax is now becoming increasingly unaffordable for many residents, not only those in Band A properties but particularly those who live in larger properties who are on middle incomes. We urge the Government to consider a review of Council Tax at the earliest opportunity to create a more progressive tax system and, if possible, as part of the Fair Funding Review to make it more equitable across the Country.

And to reiterate, increasing Council Tax bills places a significant burden on households at a time when other inflationary pressures have resulted in a cost of living crisis that is affecting significantly some of our most vulnerable residents in a disproportionate way. And, whilst I acknowledge the financial support provided by the Government, these currently appear to be temporary measures of support for inflationary pressures that are continuing unabated.

Finally, our responses to the specific questions set out in the consultation paper follow below and we trust that you will take these and the comments made above into consideration prior to confirming the final settlement for 2023/24.

Yours sincerely

Cllr Vicky McGurk
Executive Member for Finance and Governance
Blackburn with Darwen Council

Responses to Consultation on the Provisional Local Government Finance Settlement

Question 1: Do you agree with the government's proposed methodology for the distribution of Revenue Support Grant in 2023/24?

Yes, in part. We acknowledge the uprating of the Revenue Support Grant for 2023/24 by inflation.

We reiterate our concerns regarding the extent to which relative needs and resources are assessed and taken into account when distributing central resources for local government. Hence, we would argue that the current methodology remains sub-optimal, not least because it is based on out-of-date data.

We acknowledge that the Government is committed to reviewing the assessment of needs and resources for local authorities. That aside, I am deeply disappointed that the implementation of this assessment will not be in the life of the current Parliament when there is an opportunity to deal with it now. Nevertheless, we will be responding to the consultation on this matter in due course given the Government's commitment to engage with the Sector because the present method of allocating Revenue Support Grant is based on outdated information associated with both the relative needs and resources of local authorities which, in our view, is depriving our local area of the resources required to sustain local services.

I remain aggrieved at the Government's response to those Councils that, as a consequence of the formulaic approach to the allocation of Revenue Support Grant, will 'suffer' negative RSG again in 2023/24 (and indeed in previous years). In our view, it is contrary to both the calculation methodology and, in relation to the current year's allocation, the acceptance of the 4-year settlement that the Government has chosen to find funding to compensate these Councils, most of which have:-

- not suffered the extent of reduction in Revenue Support Grant as Blackburn with Darwen yet are being reimbursed funding;
- by virtue of their taxable capacity, have been largely protected from funding reductions;
- received more New Homes Bonus than Blackburn with Darwen given they have functional housing markets and because the Scheme as it presently operates redistributes funding in way that favours areas of housing growth that, without New Homes Bonus funding would arguably experience housing growth in any event.

Fundamentally, it remains unfair.

Question 2: Do you agree with the government's proposals to roll grants into the local government finance settlement in 2023/24?

On the basis that rolling-in grants to the Revenue Support Grant undermines the transparency of these funding allocations, we disagree that they should be combined with the Revenue Support Grant. Our preference is that they remain as separate grant allocations so that the Council can see and understand clearly how they change from one year to the next.

Question 3: Do you agree with the proposed package of council tax referendum principles for 2023/24?

No, we fundamentally disagree with the proposal for a separate Council Tax referendum principle for all Councils. And it is incongruous that the Government is seeking to set referendum limits for Council Tax increases by local authorities yet continuing to allow the Mayoral Combined Authorities to precept without limit.

Equally, if self-funding of local government is the Government's intended model there should also be greater flexibility for Councils to vary council tax discounts for example. In particular, we can see no reason why Councils do not have the freedom to vary the level of all discounts according to local circumstances should they consider it necessary.

At the same time, of all Unitary Councils, Blackburn with Darwen has one of the highest numbers of properties in Band A. These make up almost 60% of properties in Blackburn with Darwen and, as a consequence, the Council has a low taxbase relative to other similar Councils. This means that historically, the Council has had to increase its Council Tax by more than the average in order to maintain its tax yield and overall resource level. The corollary to this is that Council Tax is now becoming increasingly unaffordable for many residents, not only those in Band A properties but particularly those who live in larger properties who are on middle incomes. We urge the Government to consider a review of Council Tax at the earliest opportunity to create a more progressive tax system and, if possible, as part of the Fair Funding Review to make it more equitable across the Country.

We agree that there should not be referendum limits for Council Tax for either Mayoral Combined Authorities or Town and Parish Councils on the basis of our view that referendum principles should not apply to any local authority either. Decisions on Council Tax should be a matter for local politicians to determine.

Question 4: Do you agree with the government's proposals for a new Funding Guarantee?

We agree with the principle of a Funding Guarantee but consider that such a guarantee should have applied throughout the period of austerity to make the distribution of funding much more even handed.

We note that that majority of Council's receiving this funding are Shire District Councils and that it is being funded from the repurposing of the Lower Tier Services Grant. It is our view that the Government should provide new funding for the Funding Guarantee and that the Lower Tier Services Grant allocations should remain unchanged.

Question 5: Do you agree with the government's proposals on funding for social care as part of the local government finance settlement in 2023/24?

We welcome the increase in funding for Social Care, particularly at a time when the demands on both Adult and Children's Social Care are increasing.

However, whilst this additional funding is welcome, we are concerned that it will not be sufficient for the Council to invest in the development of preventative and/or early help services that are necessary to take the pressure off of acute services. Equally, there are continuing concerns about the fragility of the care market and the social care workforce which will inevitably create pressures on Council's social care services.

Whilst we acknowledge further funding has been made available to prepare for the implementation of Social Care reforms in the form of the Market Sustainability and Fair Cost of Care Fund, it is my view that given the use of the new social care funding to deal with current pressures, more funding will be required to ensure the reforms are implemented fully and effectively. Of course, the specific funding requirements will only be known once we have full details of the changes, how they will be implemented and what they might mean for a place like Blackburn with Darwen. Equally, an early understanding of the full funding allocations and how they have been derived, including the funding provided to the NHS, is essential so that we can compare them to our costs estimates once they can be done.

Likewise, I acknowledge that the Government has yet to respond fully to the recommendations of the MacAlister Review of Children's Services. However, it seems inevitable that more funding will be required to support these essential services, particularly focused on early years and prevention and I hope the Government is prepared to make the necessary investment.

Question 6: Do you agree with the government's proposals for New Homes Bonus in 2023/24?

No, it is my view that the Scheme as it stands now is so far removed from its original construct and policy intention that it should be withdrawn and the funding should be added back to the Revenue Support Grant.

I am disappointed that the Government has yet not reformed the New Homes Bonus scheme as set out in the Financial Settlement for Local Government for 2021/22. The Scheme in its present form does nothing to incentivise the delivery of new housing or bringing empty properties back into use and is in need of reform.

I am not in favour of the top-slicing of RSG and allocating it via New Homes Bonus. We feel that the distribution of resources in this way leads to more resources going to those Councils that already have greater spending power/resource capacity whereas the allocation of RSG does at least in some way have regard to the relative needs of councils. In our view, this compounds the unfair allocation of funding.

I am also not in favour of the 0.4% threshold for new housing/empty homes brought back into use, below which no New Homes Bonus is paid. This directly discriminates against areas of low housing growth for no apparent reason other than to distribute funding to places that are experiencing growth for reasons outside the scope of New Homes Bonus.

The Government implemented reforms to the New Homes Bonus regime two years ago as it felt that although the Bonus was successful in encouraging authorities to welcome housing growth, it did not reward those authorities who were the most open to growth. For some authorities it is not a question of being 'open to growth' but rather a reflection of the viability of the local housing market and wider local economy that inhibits the opportunities for housing growth which results in Councils like Blackburn with Darwen being penalised under the Bonus regime.

Question 7: Do you agree with the government's proposals for Rural Services Delivery Grant in 2023/24?

As I have said before, the grant for rural services delivery seems to address a specific factor impacting on needs. In this case it is sparsity and whilst we recognise the additional costs that stem from this it is but only one factor amongst a number that drive funding needs. **Another factor would be deprivation which, in the past consultation on Review of Local Authorities' Relative Needs and Resources, the Government has previously acknowledged as 'an important driver for some specific services'.**

To that end, I am unclear why the Government has chosen to make available increasing amounts of additional funding for this factor but chooses to ignore other factors that impact on the costs of many other local authorities. We would strongly urge the Government to reconsider whether additional funding should be made available for Council areas recognised as being within the upper quartile of deprived areas according to the Index of Multiple Deprivation.

Question 8: Do you agree with the government's proposals for Services Grant in 2023/24?

Yes, I welcome the proposal to pay Services Grant in 2023/24.

However, I would welcome greater transparency on the change in the grant from 2022/23 to 2023/24 as it is unclear exactly what amounts have been deducted from the funding available and how that funding is being used. By way of an example, there is reference to using the grant for Supporting Families funding in 2023/24 but it is unclear whether this is to be new funding or to support allocations already made to Councils.

Question 9: Do you have any comments on the impact of the proposals for the 2023/24 settlement outlined in this consultation document on the aims outlined above? Please provide evidence to support your comments.

None specifically.

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Adults Social Care & Health, Executive Member for Digital and Customer Services
LEAD OFFICERS:	Strategic Director of Adults and Health, Strategic Director of Resources (SIRO)
DATE:	Thursday, 12 January 2023

PORTFOLIO/S AFFECTED:	Adults Social Care & Health
WARD/S AFFECTED:	(All Wards);
KEY DECISION:	N

SUBJECT: Digital solutions for Adults Social Care

1. EXECUTIVE SUMMARY

The purpose of this report is to provide an update to the Executive Members on the digital solutions required to comply with legislative changes in Adults Social Care. Specifically these refer to the governments Build Back Better Policy linking to the introduction of the Health and Care Act 2022. Under the Care Act 2014 the Local Authority also has a legal duty to ensure a sustainable care market is in place to meet assessed needs.

Mosaic (now owned by the Access Group) and its associated architecture has not had significant investment since it was implemented in 2016 and this will now restrict our ability to meet necessary legislation changes if we do nothing.

Work has already commenced to move our Mosaic architecture to the cloud. This will enable us to move to the latest version of Mosaic (version 22 and we are currently on version 4) and we have the option to take additional modules which will enable us to meet legislative requirements around charging and assessment.

The governments cap on care initiative has been the subject of separate reports to Executive Board. In summary the Government have requested that Local Authorities undertake a Fair Cost of Care exercise and submit Market Sustainability plans and the Government intend to introduce a cap on care whereby nobody will pay more than £86k for care in their lifetime. Initial timescales for implementation of the charging reforms which included the care cap and new means testing were set by Government for October 2023 and Local Authorities were required to set up care meters and accounts for everybody who is or maybe entitled to eligible care (including self-funders) from April 2023. However in the recent Autumn budget Statement on 17th November 2022, the Chancellor announced delays to the implementation of the Adult Social Care Reforms stating that the ASC Dilnot reforms would be delayed for a further 2 years.

We await further details on these delays and the exact implications for Local Authorities as it is anticipated that some aspects of the reforms such as Fair Cost of Care will continue. The charging reforms require IT products to ensure that the service has the tools to deliver. Mosaic (Access Group) and other providers have already worked with us to develop a set of products which will

ensure consistency nationally and they are each working to the same standard. The Local Authority expected to purchase new modules which will help overcome significant operational challenges with the system. Despite the delays to reforms announced by the Chancellor the Adults department still need to progress with system developments in order to meet required engagement with our citizens and care providers. There is already significant change involved with our move to the cloud including considerable business testing and the project will also finally allow for the integration with LPRES.

We have been approached by the Access Group with an offer of reduced costs to modernise our current product range and enable additional legislation to be met in relation to the Adult Social Care charging Reforms and this offer remains in place following the Autumn statement however the Adults department now wish to negotiate with Access Group to explore the inter-dependencies and other options for Mosaic modules. In addition there are other digital solutions and systems which require investment to support the department to meet its statutory obligations in respect of managing the care market and delivering the Governments reforms for Fair Cost of Care and Market Sustainability.

2. RECOMMENDATIONS

That the Executive Board:

- Notes the procurement of the PAMMS solution for market management has been progressed and approved via Officer Decision.
- Agree a supplementary capital estimate of £62,000 for the acquisition of additional modules of the Mosaic System, to be funded through an existing government grant;
- Approves the procurement of the Care Cubed Commissioning Toolkit;
- Approves the re-contracting of the current Mosaic system from the 1st April 2023 for a two year period with the option to extend for a further two one-year periods.
- Approves the reallocation of £25k from the earmarked ICT Capital Reserve to fund the move to a new database.
- Notes the proposed increase to the Adults revenue budget of £98k for the 2023/24 financial year rising to £117k from the 2024/25 financial year to meet the additional maintenance costs.

3. BACKGROUND

Following the previous update to Executive Board in August 2022, there is now a need to procure several digital solutions for the changes to Adult Social Care and expiry of current contracts. These are outlined as follows:

1.1 Care Cap and Means Testing

Although delayed by two years the Charging reforms will require Councils to offer and provide new ways of charging and financial assessment. Blackburn with Darwen will ultimately need to have the ability to ensure that eligible individuals can meter towards the care cap and access financial assessment for the extended means test. Self-funders in residential care will also be able to request that the Local Authority arranges their care so new care and financial assessments will be required.

There will be a legal obligation to give all those classed as having eligible needs an individual Care Account that they can access. These will need to be able to interface with the Councils website.

The Access Group are developing a Care Account Portal in line with government specifications and as such we would like to procure this. The options below have not been fully explored in detail but the following have been discussed and evaluated;

- Option 1 – Offer the Minimum Viable Product. The DHSC have been working with providers of Social Care Case Management Systems to develop a minimum viable product which will provide some changes to existing systems to meet the new charging reforms. However as a minimum product there will be significant resource requirements on the LA with assessment activity creating a requirement for manual processes and additional workforce in both social care and finance. Initial analysis undertaken as part of the Newton Review of charging reform suggests additional operational cost of at least £300,000 and we have estimated a requirement of at least four new Social workers and at least 2 new Financial Assessors.
- Option 2 – Access Group Care Account – this will provide 4 new modules for our existing Mosaic system and provide ;as follows;
 - (i) The social care database where purchase of the up to date version is underway
 - (ii) Care Portal
 - (iii) Care Account Hub
 - (iv) On line Financial Assessment
 - (v) On line Needs Assessment

The four modules will enable citizens or someone on their behalf to complete online assessments; monitor their cap and be a single source of information on eligibility and financial status. It will enable social work and Finance staff to seamlessly connect systems to ensure a smooth interface with client needs and charging.

The preference is option 2, however following the Chancellors announcement to delay charging reforms, the Access group are continuing with the modules detailed above. As previous time pressures are now alleviated we propose to enter into more detailed discussion with Access group to understand the inter-dependencies of each module and to explore alternative options to develop the Mosaic system/portal to meet the department's needs. The Department however are still including the approval of this element of the contract within the approvals should discussions progress and the Council decides to take advantage of the discounted package they are offering.

Timescales

Access Group have committed that the portal would be ready to commence implementation in March 2023 in line with initial charging reform implementation. Clearly we now have additional time for that implementation, however it is important that we are able to consider options with Access Group and be at the 'front of the queue' as there are a potential 48 other customers who will also want to progress this work once further clarity on the reforms is received from Central Government.

Costs

The charging model that has been used by the Access Group in terms of costs for this is split by adult population within the local area. A discount has been offered of £77,184 if contracts are signed before 31st January 2023 and Access Group are maintaining this offer. Those Councils that sign up will be served first. Those that don't will need to wait for development updates with no guarantee timelines will be met. If the Government changes policy, Access Group have confirmed there will be no charge as a consequence of signing up.

The total cost over 3 years is £225,766 (includes discount)

Further discussions with the Access Group will determine whether the above offer is revised. Key benefits and risks are still applicable as the Council will seek to continue with the implementation of online assessment tools and citizens access.

Key Benefits

- Online assessment tools allowing citizens to work out their eligibility prior to applying

- Transparency to users
- Comply with legislation
- Not having a portal would lead to increased administrative / officer time
- Enable portability of assessments as and when residents move between different boroughs
- Potential for some government funding support (see risk below)

Risks

- The council having an additional citizen portal may lead to confusion. Future development plans may allow for this to be integrated with the Digital Customer Portal but there is not commitment from Access Group to this at this time.
- The product is still in development.
- The product will not be released until March 2023.
- Some of the cost will be reimbursed by the government however the amount, if any, taking account of the current national political changes is unknown.

1.2 Care Market Management Solution

Under the Care Act 2014 (Section 5(1)), the Council has a legal duty to develop and manage a sustainable care market to ensure eligible needs can be met locally. The digital product used for this is separate to the above. The contract for the current Care Market Management Solution (ADAM) used across Lancashire County Council, Blackpool Council and Blackburn with Darwen Council ends in March 2023 with no option to extend this.

The procurement selection process completed by Lancashire County Council for a replacement has now concluded and resulted in just one viable provider. The new solution recommended is a highly capable, best in class system which is widely used across the country, including in exemplar areas such as the north east ADASS region and Greater Manchester. The Provider Assessment and Market Management Solution (PAMMS) Care Market Management Solution, provided by The Access Group represents a significant upgrade on the existing tool in all areas. Access Group have purchased this product as their business model now embraces this whole area.

This does come at a significant increase in costs and there are a number of options for allocating those costs across the ICB being discussed at the Health and Social Care Partnership Board.

There was a deadline of 27th November to notify the bidder of award, due to changes in the procurement framework being used. We have now confirmed via officer decision that BwD wish to proceed with LCC as the G Cloud commissioning system will be decommissioned at the beginning of November.

1.3 Care Cubed

Care cubed is a commissioning tool which allows Local Authorities to benchmark provider fees and utilise as a means of costing some packages of care, so that commissioning is cost effective. This can also be applied across Children's services. The system also includes training and support in relation to negotiations with providers which is particularly important for the most complex/high cost placements. It is stand alone and does not link to the Access Group offer.

This is currently a very manual process with no clear benchmark of cost. This process is undertaken by the Commissioning Team and is reliant on their judgement of 'reasonable costs' and individual discussion/negotiation with providers on each complex care package. As such the outcome is often determined through those negotiation skills and does not reflect any consistency. Often the negotiations have an imbalance as the business operators as business owners, negotiate hard. Council commissioners negotiate without seeing the real cost incurred and profit margins etc. The

product therefore ensures best value can be evidenced and has the potential to reduce expenditure particularly in high cost, highly complex cases.

Recommendation

We would continue with the above process from within the commissioning team, however given we have finite resources within our complex case team the scope to target our highest cost packages will be limited. Levels of efficiency are difficult to determine but these are our highest cost placements for very complex needs so packages can be in excess of £3k per week. As such, we recommend the implementation of this system as it is likely to pay for itself. In accordance with the council's Contract and Procurement Rules an exemption for a direct contract award has been approved. The exemption will be on grounds of awarding a contract direct to them as a 3 year pilot scheme to fully access the savings that will be made.

Timescales

The price is discounted by 21% until the 31st January 2022.

Costs

£57,250 over 3 years

Carecube - Option 1 - Council Licence - just Adults				
	Year 1	Year 2	Year 3	Total
Software, support & housing	£15,750.00	£15,750.00	£15,750.00	£47,250.00
Premium Implementation	£10,000.00	£0.00	£0.00	£10,000.00
	£25,750.00	£15,750.00	£15,750.00	£57,250.00

Key benefits

- Explore the potential of using this across the ICB to get some consistency around placement / package costs.
- Other Local Authorities already use Care cubed across both Children's and Adults and have made efficiencies in placement costs.

Key risks

- Further revenue pressures

1.4 Imosphere

This is a digitally based personal budget calculation tool that is fully compatible with Mosaic. When a Social Worker completes an assessment, a care plan is produced outlining the eligible needs. Once all therapeutic and rehabilitative programmes have been put in place, a base line is established and care plan produced via the Mosaic system. There is a legal requirement (Care Act 2014) for every care plan to include an indicative budget against eligible needs. That budget is currently costed through an outdated costing tool. The Imosphere system constructs a full database of market costs. Algorithms are then used to populate unit cost and the system then automatically generates the pounds value on the care plan. This results in a consistent, evidenced way to calculate the budget. Councils such as Rochdale and Oldham successfully use this system. Work is underway to cost the purchase which will be in the region of £25,000 per year. The costs have not been included in the paper as yet as work is still ongoing to explore the value in BwD.

1.5 Re-contract of the existing Mosaic system

The current main support contract for the Mosaic system is due to expire on the 31st March 2023, There have been multiple contract amendments during the course of the contract resulting in various elements which no longer end on the same date. A new contract will be established to commence from the 1st April 2023 for a two year period with the option to extend for a further two one-year periods. This will cover all elements of the existing contract and the new requirements. Over recent years government has realised the requirement for Councils to be able to contract for their existing key systems and therefore the contract will be executed through the Crown Commercial Services Data and Application Solutions (DAS) procurement framework, which allows direct award when relating to existing systems. The new contract will include all of the following elements;

- The existing support for the Mosaic system
- The new costs for the Cloud hosting of the Mosaic system
- The new care cap and means testing solution

The existing LPRES and Mini Spine elements aims to establish data interoperability across the health and social care system. Exchanging a range of data, including but not limited to, discharge summaries, PACS images, patient care summaries, medication information and clinical correspondence. With the Mini Spine enabling users to search for and validate NHS numbers. This part of the contract is not yet live but is expected to be implemented following the move of the system to the cloud. As well as this there is a contract with a separate company to provide the connectivity between the Council and the NHS.

The database that the Council currently uses for the Mosaic system will shortly become unsupported by the supplier, as such there is a requirement for the supplier to migrate BwD to a new version to ensure continuity of the service.

4. KEY ISSUES & RISKS

The key issue and risk with the proposed system development is a lack of clarity on the Governments proposals for charging reforms following the delays announced. These announcements change the timescales around implementation of legislation but not the requirement for the local authority to progress with the system developments to assist with compliance.

Risks noted above under each system.

5. POLICY IMPLICATIONS

This will link to the Councils evolving digital strategy and integration work. It will also need to be considered when Children's services consider any changes to liquid Logic.

6. FINANCIAL IMPLICATIONS

Care Cap Package

The estimated cost of purchasing and implementing the additional 4 modules over a 3 year period for the Mosaic System is £226k broken down as;

Full Care Cap Package (Access Group)				
	Year 1	Year 2	Year 3	Total
Software, support & housing	£80,400	£80,400	£80,400	£241,200
Implementation	£61,750			£61,750
Minus Pre-purchase discount	£25,728	£25,728	£25,728	£77,184
	£116,422	£54,672	£54,672	£225,766

As a result, it is recommended that the Executive Members agree a supplementary capital estimate for £62k which will be funded from the additional grant funding that has been received from government. The expected costs from the supplier are currently estimated at £32k for the works however it will be subject to a cap of £62k.

Move to the Cloud and SQL

For the move to the Cloud there will be a new revenue cost per annum of £52k, this will be partly offset by the removal of an existing contract for Oracle licences of £9k resulting in a budget shortfall of £43k per annum.

There will be a one off Capital cost of £25k for the move to the new database, this will be funded from the earmarked ICT Capital Reserve.

LPRES and Mini Spine

The original implementation costs for this and revenue costs to the 31st March 2023 were funded through a grant from the NHS. The ongoing revenue implications for these are listed below;

	Annual Cost
LPRES	£8,000
Mini Spine	£7,000
Connectivity	£4,200
Total	£19,200

Due to the delays in implementation there are still sufficient grant monies to fund this software for the next financial year however a revenue budget increase will be required from the 2024/25 financial year. The total revenue implications are as set out in the table below:-

	2023/24	2024/25 onwards
LPRES & Mini Spine		£19,200
Care Cap package	£54,672	£54,672
Move to the Cloud	£43,000	£43,000
Totals	£97,672	£116,872

This will be funded through growth in the Council budget from the 2023/24 financial year. It should be noted that the revenue costs for the Care Cap package and LPRES will only commence as these

areas are being delivered to the Council so the revenue implications in the 2023/24 are likely to be less.

Overall Expected costs of the new contract with the Access group

The overall maximum contract value of the new contract excluding inflation if both extensions are taken is £653,438 as set out in the table below:-

	Capital Costs	Annual Revenue	Total Contract Value over 4 years
LPRES & Mini Spine		£15,000	£60,000
Care Cap package	£61,750	£54,672	£280,438
Move to the Cloud	£25,000	£52,000	£233,000
Existing Support		£20,000	£80,000
Totals	£86,750	£141,672	£653,438

Care Cubed Package

As indicated above, the cost of Care Cubed is estimated at £57k over 3 years. Funding for Care Cubed will be provided from within the Departments existing budget envelope.

7. LEGAL IMPLICATIONS

Although implementation of some of the charging reforms have been delayed again (e.g. the cap on care costs), the council will be required to comply with all legislative requirements and fulfil our statutory duties under the Care Act 2014 as and when they are brought into force by central government. These recommendations should assist us in working towards reaching that position. The procurement process complies with the regulations of the Council's Contract and Procurement rules and the Public Contract Regulations 2015. All contracts and contract variations will be in a form approved by legal officers in the Commissioning and Procurement team.

8. RESOURCE IMPLICATIONS

Adults Services, Digital and IT, HR, Procurement support all required.

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)*

At this stage the department cannot fully access the equality aspects of the software until this is developed further, prior to any roll out of the software an EIA will be done at this point which will be approved by departmental EIA leads and legal services. The Council will ensure the software will not reduce equality and that this will be part of the development process.

10. CONSULTATIONS

None

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	1
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CONTACT OFFICER:	Laura Crabtree, Peter Hughes
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DATE:	20/12/2022
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BACKGROUND PAPER:	Exec Board Decision 11 th August 2022 – Social Care Reforms
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