

Public Document Pack

Executive Board

Thursday, 9 February 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 January 2023 4 - 8
3. **Declarations of Interest**
DECLARATIONS OF INTEREST FORM 9
4. **Equality Implications**
The Chair will ask Members to confirm that they have considered and understood any Equality Impact Assessments associated with reports on this agenda ahead of making any decisions.
5. **Public Forum**
To receive written questions or statements submitted by members of the public no later than 4pm on the day prior to the meeting.
6. **Questions by Non-Executive Members**
To receive written questions submitted by Non-Executive Members no later than 4pm on the day prior to the meeting.
7. **Youth MPs Update**
To receive an update from the Youth MPs along with any issues they would like to raise.
8. **Executive Member Reports**
Verbal updates may be given by each Executive Member.

Leader

Adults, Social Care & Health

8.1	Homelessness Prevention Grant Homelessness Prevention Grant	10 - 13
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Children, Young People & Education

8.2	Creation of New Specialist School Places EB Creation of new specialist school places Appendix 1 for EB Creation of new specialist school places Appendix 2 for EB Creation of new specialist school places	14 - 36
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Environment & Operations

Public Health, Prevention & Wellbeing

Digital & Customer Services

Growth & Development

Finance & Governance

8.3	Corporate Revenue Budget Monitoring Quarter 3 2022-23 RevenueMonitoringQtr3FINAL Copy of App 1 - Revenue Monitoring Quarter 3 2022-23 FINAL a App2RevenueMonitoringQuarter3202223FINAL App3RevenueMonitoringQuarter3202223FINAL	37 - 52
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8.4	Corporate Capital Budget Monitoring Quarter 3 2022-23 EB Corporate Capital Budget Monitoring Quarter 3 2022-23 Appendix 1 for EB Corporate Capital Budget Monitoring Quarter 3 2022-23 Appendix 2 for EB Corporate Capital Budget Monitoring Quarter 3 2022-23 Appendix 3 for EB Corporate Capital Budget Monitoring Quarter 3 2022-23	53 - 67
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9. Corporate Issues

9.1	Listed Mill Aquisition to support Employment Growth Listed Mill P1 Annex1ImperialMillSitePlan	68 - 74
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10. Matters referred to the Executive Board

10.1 Petition: Junction 5 Strategic Employment Site

Junction 5 Petition

75 - 78

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

11.1 Listed Mill Acquisition to support Employment Growth

Listed Mill P2

79 - 84

Date Published: Wednesday, 01 February 2023
Denise Park, Chief Executive

EXECUTIVE BOARD Thursday 12th January 2023

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
Kazim Shah

Youth MP
Deputy Youth MP

	Item	Action
1	<p><u>Welcome and Apologies</u></p> <p>The Leader of the Council, Councillor Phil Riley, welcomed all to the meeting. No apologies were received.</p>	
2	<p><u>Minutes of the Previous Meeting</u></p> <p>The Minutes of the Meeting held on 8th December 2022 were agreed as a correct record.</p>	Agreed
3	<p><u>Declarations of Interest</u></p> <p>No Declarations of Interest were received.</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>No questions had been submitted by members of the public.</p>	
6	<p><u>Questions by Non-Executive Members</u></p> <p>No questions had been submitted by Non-Executive Members.</p>	

	Item	Action
7	<p><u>Youth MPs Update</u></p> <p>The Youth MPs verbally reported on recent events and activities including :</p> <ul style="list-style-type: none"> • Visits to youth centres and sites to discuss the Youth Investment Fund Bid. • The second pilot inspection of the Young Inspectors Project. • Work on the Climate Jury, including thoughts on how the Borough can tackle the climate change crisis and work towards being carbon neutral. • Involvement in the recruitment event for Children’s Services. <p>Members discussed the presentation and update and commended the ongoing work of the Youth Forum. Councillor Mustafa Desai invited the Youth MPs to meet with the Strategic Director for Adults and Health and himself to discuss the approach to services that supported the transition of children to adults.</p>	<p>Noted</p>
8.1	<p><u>HAF Grant Allocation</u></p> <p>The Executive Board was provided with a report that advised that the DfE had indicated that the HAF funding would continue for 2023/24 and the report set out the intentions for the programme going forwards.</p> <p>Since 2018, the Department for Education had funded the holiday activities and food (HAF) programme which had 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.</p> <p>Research had shown that the school holidays could be pressure points for some families. The HAF programme was a response to this issue, enabling free places at holiday clubs for children who were entitled to free school meals. These clubs provided physical activity, a hot meal and enrichment activities alongside education and support opportunities for parents and carers. Evidence showed that free holiday clubs could have a positive impact on children and young people.</p> <p>RESOLVED -</p> <p>That the Executive Board:</p> <p>Approve:</p> <ul style="list-style-type: none"> • The Holiday and Food Activity Fund Spend for 2023/2024 allocation of £737, 760 • The Commission of a VCSE organisation to deliver the 	<p>Approved</p> <p>Approved</p>

	Item	Action
	programme on the Local Authority behalf.	
8.2	<p><u>Business Rates Revaluation 2023</u></p> <p>A report was submitted which outlined the impact of the 2023 Business Rates Revaluation on the Council's income from business rates.</p> <p>Following completion of the 2023 Revaluation, the Valuation Office Agency published the draft rating list in November 2022. At this stage, it was difficult to predict the revaluation impact on the Council's share of income from business rates as there were a number of other factors to take into consideration.</p> <p>Work would be undertaken by the Council to assess the business rates income for 2023/24 and needed to be completed before the end of January 2023 for submission to the Government. Once this assessment was complete, the financial impact would be considered as part of the development of the Council's budget for 2023/24.</p> <p>RESOLVED –</p> <p>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.</p>	Noted
8.3	<p><u>Development of the General Fund Revenue Budget 2023/24 (including details of the provisional Local Government Finance Settlement 2023/24)</u></p> <p>Members received a report which provided an update on the development of the Council's budget for 2023/24, and in particular, an update on the outcome of the provisional Local Government Finance Settlement and the implications for the Council's Medium Term Financial Plan.</p> <p>On the basis of the provisional Settlement, the Council's Core Spending Power would increase by 10.2%, which included an assumption by the Government that Councils would increase Council Tax by the maximum allowable. The funding position set out in the Provisional Settlement was £9.8m more than forecasted.</p> <p>The Medium Term Financial Plan (MTFP) had been updated accordingly, but a funding gap for the period to 2024/25 of £9.5m was estimated, as outlined in the report.</p> <p>Further work would be undertaken on the development of the budget, and once the final Local Government Finance Settlement had been confirmed, it would be for the Finance Council to agree the budget for 2023/24.</p>	

	Item	Action
	<p>RESOLVED- That the Executive Board:</p> <p>a) note the outcome of the provisional Local Government Finance Settlement for 2023/24 as set out in the report;</p> <p>b) note the response to the provisional Local Government Finance Settlement for 2023/24 as set out at Appendix A;</p> <p>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;</p> <p>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;</p> <p>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.</p>	<p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p> <p>Noted</p>
<p>8.4</p>	<p><u>Digital Solutions for Adult Social Care</u></p> <p>The Executive Board received a report which provided an update to Members on the digital solutions required to comply with legislative changes in Adults Social Care. Specifically these referred 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 had a legal duty to ensure a sustainable care market was in place to meet assessed needs.</p> <p>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.</p> <p>Whilst the Council awaited further details on these delays and the exact implications for Local Authorities, it was anticipated that some aspects of the reforms such as Fair Cost of Care would continue. The charging reforms required IT products to ensure that the service had the tools to deliver. Mosaic (Access Group) and other providers had already worked with government to develop a set of products which would ensure consistency nationally and they were each working to the same standard.</p> <p>The Local Authority expected to purchase new modules which would help overcome significant operational challenges with the system. Despite the delays to reforms announced by the Chancellor, the Adults department still needed to progress with system developments in order to meet required engagement with citizens and care providers, as outlined in detail in the report.</p> <p>RESOLVED –</p> <p>That the Executive Board:</p>	

	Item	Action
	<ul style="list-style-type: none"> • 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. <p style="text-align: center;">Signed at a meeting of the Board</p> <p style="text-align: center;">on 9th February 2023</p> <p style="text-align: center;">(being the ensuing meeting on the Board)</p> <p style="text-align: center;">Chair of the meeting at which the Minutes were confirmed</p>	<p>Noted</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Approved</p> <p>Noted</p>

DECLARATIONS OF INTEREST IN ITEMS ON THIS AGENDA

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

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

MEETING: **EXECUTIVE BOARD**

DATE: **9th FEBRUARY 2023**

AGENDA ITEM NO.:

DESCRIPTION (BRIEF):

NATURE OF INTEREST:

DISCLOSABLE PECUNIARY/OTHER (delete as appropriate)

SIGNED :

PRINT NAME:

(Paragraphs 8 to 17 of the Code of Conduct for Members of the Council refer)



REPORT OF:	Executive Member for Public Health, Prevention & Wellbeing
LEAD OFFICERS:	Strategic Director of Adults and Health
DATE:	Thursday, 9 February 2023

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

SUBJECT: Homelessness Prevention Grant

1. EXECUTIVE SUMMARY

The Government has allocated £682,962 to Blackburn with Darwen over the next 2 years (April 2023 to March 2025) under the Homelessness Prevention Grant programme. The allocation includes additional funding in support of the expansion of priority need to those who are homeless as a result of domestic abuse. This came into force as part of the Domestic Abuse Act (2021).

Blackburn with Darwen have received an allocation from this programme in previous years. This is however the first multi-year commitment and represents a circa 10% increase on the 22/23 allocation, and more than double that of 2020/21.

The funding is used on a range of prevention and intervention measures as part of our overall approach to tackling homelessness and rough sleeping in the borough.

2. RECOMMENDATIONS

That the Executive Board:

- Notes the funding being made available to Blackburn with Darwen.
- Gives approval to supplementary revenues estimates for the homelessness prevention grant as set out in the financial implications over the next 2 years.
- Approves expenditure against this budget in discharging the requirements of the grant conditions.

3. BACKGROUND

The Government has made commitments to reducing rough sleeping and preventing homelessness, asking council's to work with the voluntary, faith and community sectors to intervene swiftly when someone is at risk of homelessness or already sleeping rough. As part

of this commitment the Department for Levelling Up Housing and Communities has made available a range of grants for Councils to apply for, and invest in local services to help achieve their commitment of “ending rough sleeping for good”.

Whereas some of the grants require application, this grant is an allocation using a formula that predicts demand for homelessness prevention and rough sleeper services. This formula has been updated meaning a moderate increase for Blackburn with Darwen over the next 2 years. This includes an allocation of approximately 5% of the total in support of discharging additional duties on the local authority under the 2021 Domestic Abuse Act.

As part of the councils suite of support services, this specific grant funds:

- Provision of Temporary accommodation – The council sub-lets a number of properties from Registered Social Landlords to provide support for vulnerable individuals and families that would otherwise be homeless while longer term accommodation is secured. The majority of these properties are used by individuals or families at risk of domestic abuse as an alternative to refuge where that is not the best alternative.
- Deposits – For individuals who are unable to secure accommodation due to their personal financial circumstances and they are at risk of homelessness as a result. This can include where additional deposits or security is required to accommodate those in need of extra support and who in the eyes of landlords carry additional risk.
- Specialist support staff – Direct outreach support through the councils housing needs team for those developing their skills in being able to manage and maintain a tenancy. This can include young parents, refugees, as well as individuals with wider needs around their mental health and substance misuse.

4. KEY ISSUES & RISKS

Blackburn with Darwen has been in receipt of this grant in previous years. A two year commitment over previous annual agreements is welcomed, and will allow us to plan and consolidate what is already a positive and pro-active response. That said, this is a long term systemic issue that requires a sustained response as part of our broader homelessness strategy. Should Government not provide similar funding beyond 2025 there would be a significant drop off in our support capabilities risking the significant progress we have made to date.

While small changes will be made as we look to continually improve our offer, as much of the infrastructure is already in place there is a low risk of deviation from the grant in terms of either under or over spend.

5. POLICY IMPLICATIONS

The council has been in receipt of funding for the grant in previous years and fits well with our current strategy and wider policies.

6. FINANCIAL IMPLICATIONS:

Blackburn with Darwen will receive £332,350 for 2023-24 and £350,612 for 2024-25 in respect of Homelessness Prevention Grant.

7. LEGAL IMPLICATIONS

Government Ministers are empowered to give grants to local authorities under s31 of the Local Government Act 2003 and such grants are paid on such conditions as the person paying it may determine. This authority must therefore ensure it complies fully with any applicable conditions in this instance.

Part 7 of the Housing Act 1996 recently amended by Homelessness Reduction Act 2017 gives to local authorities a duty to secure permanent accommodation for unintentionally homeless people in priority need. Local authorities, since 2017, have had a duty to prevent homelessness for all eligible applicants threatened with homelessness; and a duty to relieve homelessness for all eligible homeless applicants. In addition there is also a duty to provide or secure the provision of advice and information about homelessness and the prevention of homelessness, free of charge. This advice and assistance must be made available to any person in the authority's area "including people who are not eligible for further homelessness services as a result of their immigration status."

The programme of initiatives set out in this report is being undertaken in accordance with these powers and duties.

8. RESOURCE IMPLICATIONS

Resources required of the Homelessness offer available in the borough will be funded through a range of grants. Planning for the use of this funding is underway with the vast majority of the resources already in place from previous allocations and in expectation of this grant allocation. Any amendments will be approved through an executive member decisions when developed.

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

Consultation was undertaken with members, the councils housing needs team, alongside wider departments, service users, the local community and 3rd sector organisations directly in developing our homelessness offer. Regular consultation with beneficiaries of the programme will be undertaken throughout delivery.

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:	Mark Aspin
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DATE:	
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BACKGROUND PAPER:	
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EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Children, Young People and Education
LEAD OFFICERS:	Acting Director of Childrens Services and Education (DCS)
DATE:	Thursday, 9 February 2023

PORTFOLIO/S AFFECTED:	Children, Young People and Education
WARD/S AFFECTED:	Blackburn Central; Blackburn South East; Darwen West;
KEY DECISION:	Y

SUBJECT: EB Creation of new specialist school places

1. EXECUTIVE SUMMARY

Proposal to increase the capacity of specialist school places in Blackburn with Darwen to support current and forecasted demand.

2. RECOMMENDATIONS

That the Executive Board:

- Approves the detailed projects and associated expenditure (**Appendix 1**);
- Gives approval for the funding for academy schools to be delegated to the associated Trust so as to enable the agreed works to be directly managed by the Trust;
- Gives approval for the Council to enter into a legal agreement with each Trust by way of a Funding Agreement (**Appendix 2**).

3. BACKGROUND

Blackburn with Darwen has seen an increase in demand for specialist school places resulting in a number of children that require more specialised placements being offered places out of borough and/or putting additional pressures on existing in Borough Special Schools to accommodate more pupils within their existing estate.

Using existing data and information, a recently commissioned analysis of current and future demand shows:

- *Over the historical period (2019-20 to 2021-22), the number of pupils with SEN in Blackburn with Darwen has continued to grow, with total growth of +107 pupils since 2019-20 (12%)*
- *Whilst the annual rate of growth in SEN pupils is projected to reduce over the forecast period from the current rate, the SEN forecast indicates continued overall growth in the total number of SEN pupils over the forecast period. By 2031-32, the total number of SEN pupils, Years R-14, is estimated to be +335 higher than its 2021-22 total.*

In the 3 year period from 2019/20 the number of pupils accessing Out of Borough placements has increased year on year from 4.9% to 6.4% of the total number of pupils requiring a Specialist School place. Given the forecasted increase in the overall number of pupils requiring a Specialist School place, the number of Out of Borough placements is also likely to continue to increase.

Whilst there will always be a demand for some out of borough specialist provision for those pupils who have a complexity of need that cannot be managed in borough, the percentage of pupils accessing specialist provision out of borough could be reduced if capacity of places was increased across Blackburn with Darwen.

Feasibilities and initial designs have been completed at two of the Borough's existing specialist schools, and both have potential to accommodate expansions by means of extensions/reconfigurations of existing premises:

- Newfield School – option to extend at each end of the existing complex needs school to provide 6 newly formed class teaching spaces, creating up to an additional 60 pupil places for pupils aged 4 – 16 years.
- Crosshill School –option to reconfigure and refurbish the existing modular building adjoined to the main school (former Sunnyhurst Centre), or, to reconfigure and refurbish the former sports hall to create 3 newly formed class teaching spaces, creating an additional 30 pupil places for pupils aged 11 – 16 years.

In addition to the above, feasibilities and initial designs have been completed for the creation of a new primary specialist school in the former Stansfeld Centre, Blackburn. An initial budget allocation of £500,000 was allocated to establish the project on the Schools Capital Programme pending full feasibilities which was approved by the Executive Board on 10 March 2022. These premises were previously declared surplus by Adult Social Care Services. They have been well maintained but require some minor reconfigurations of rooms/spaces and a full refurbishment to bring them back into operation as a small specialist school with up to 6 newly formed class/teaching spaces creating up to 60 new places (dependent on complexity of need).

Direction is being sought currently from the Department for Education on how the proposed new primary places will be established in school organisation terms, which might be either:

- by the primary provision being affiliated to an existing established local specialist school operating on a split site model, or,
- by the establishment of a new special free primary school

Information will be reported to Executive Board with regards to this at a later date.

Costs associated to each of these projects are detailed at **Appendix 1**.

4. KEY ISSUES & RISKS

Doing nothing will result in:

- a year on year increase in the number of pupils being placed in Out of Borough Specialist schools costing significantly more than providing similar places in borough. Typically an In Borough provision will cost circa £30k per year compared to the average Out of Borough place being £70k
- pupils having to travel greater distances to access a specialist place, often having journeys of an hour or more to get to and from school each day
- The potential for an increase in parental complaints and/or cases moving to tribunal.
- Children having to remain in mainstream provision for long periods when the LA has identified that this is not suitable and that they require specialist provision.
- Children being without a school place for longer periods, particularly those who move into the area and need specialist provision
- Increased pressure on the High Needs Budget – potential to move to a deficit budget position
- Increased pressure on the Specialist **Page 15** transport budget

Whilst there is potential for the places proposed from the project at Crosshill Special School to be available by Sept 2023, the projects proposed for Newfield Special School and the proposed new primary specialist school at the former Stansfeld Centre will not be available until later in the 2023/24 academic year and possibly not before the start of the 2024 academic year. In order to cater for some immediate demand pressures and reduce the need for additional out of borough placement, it is proposed to locate a temporary modular classroom structure on the grounds of Newfield School for the period of the proposed extensions works so that 30 of the proposed 60 additional school places could be available for the start of the 2023 academic year.

Mainstream schools are under increasing pressure to retain pupils for longer periods where the LA has identified that their needs can only be met in specialist provision. This impacts upon the provision of an efficient education not only for the child, but also for their peers, as the child is not able to cope with the mainstream environment.

Projects for academies will be managed directly by the Academy/Trust and will therefore require for the associated funding to be delegated to that Trust. Delegating the capital funding directly to the Schools/Trusts with a legally agreed funding agreement will offer assurance to the LA that each school/trust will be responsible for managing their agreed project directly including holding full budget responsibility with no recourse to the LA should any project overspend. The delegation of funding will be staged in line with agreed project milestones.

5. POLICY IMPLICATIONS

None

6. FINANCIAL IMPLICATIONS

The total value of funding requested to support increased pupil place capacity is set out below:-

1. Newfield: Creation of six new classrooms, demolition of main entrance lobby and remodel to main build. Provision of three temporary classrooms from Sept 2023 for the duration of the construction project.
Approximate project cost including all fees: £2,300,000,
2. Remodel Stansfeld Centre to create 6 new classrooms.
Approximate cost £1,000,000, with a required variation of £500,000,
3. Contribution to expansion project at Crosshill School
Project cost £900,000,

There is existing 500k allocated to the Stansfeld Centre approved previously from the High Needs Provision Budget.

The total budget request of £3,700,000 required to secure the above detailed projects will be funded using School Basic Need funding of £576,900 and High Needs Provision capital funding of £3,123,100 as detailed at **Appendix 1**.

7. LEGAL IMPLICATIONS

A funding agreement (**Appendix 2**) will be entered into for any projects being directly managed by Schools/Trusts to ensure that all agreed capital expenditure is spent appropriately and that the number of new places to be created are delivered in a timely manner and with no financial recourse to the LA should any project overspend.

The LA is seeking advice on the project at the former Stansfeld Centre and whether this provision/school will be able to be affiliated to an existing established local specialist school operating on a split site model or if the school would need to be established as a new special free school.

The LA/Academy Trusts must act in accordance with relevant guidance when exercising functions under *The School Organisation (Prescribed Alterations to Maintained Schools (England) Regulations 2013* – e.g. by expanding a school. Detailed requirements and processes for making these prescribed alterations to maintained schools (including extending an existing school onto split sites) are set out in the statutory guidance documents which are both hyperlinked in Section 10 below. If the decision is taken to establish an entirely new primary special school then other legal considerations will arise as different guidance and processes apply when opening a new school. Direction is awaited from the Department for Education in respect of this issue and further information will be reported to Executive Board as necessary.

8. RESOURCE IMPLICATIONS

Leadership of the projects will be met from existing Education resource with support required from the Council's Legal, Finance and Building Consultancy Teams

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

In line with statutory guidance, both Newfield and Crosshill schools will be required to follow due process with regards to the expansion of a special school which includes a period of consultation with all key stakeholders:

[Making significant changes \('prescribed alterations'\) to maintained schools \(publishing.service.gov.uk\)](https://publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/61111/making-significant-changes-to-maintained-schools.pdf)
[Academies: making significant changes or closure by agreement - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/61111/academies-making-significant-changes-or-closure-by-agreement.pdf)

Consultation processes for the additional primary provision will be determined by the direction given from the Department for Education in respect of how these new places will be provided (i.e. either as expanded provision in an existing school operating on a split site, or as a new school). Information will be reported to Executive Board with regards to this at a later date.

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION: 1

CONTACT OFFICER:	Carol Grimshaw, Head of Service, School System Support
DATE:	20 January 2023
BACKGROUND PAPER:	Appendix 1: Education Capital Programme 22-23 Variation Report 1 Appendix 2: Sample funding agreement

Schools and Education Capital Programme 2022 - 2023

LIVE PROJECTS

Project	Officer	Delivery	Description	Funding Source	Spend Profile 2022-23							Total £
					Basic Need £	Schools Condition £	Two Year Old Places £	Special Provision Fund (SEND) £	High Needs Provision £	Section 106 Funding £	DFC/School Cont £	
Lammack Primary School	CA	In House	Extension and remodel (additional places in line with housing growth)	s106	550,000					1,119,888		1,669,888
St Barnabas and St Pauls CE	WP	In House	New build and extension to provide extra places	Basic Need	135,083							135,083
Avondale Primary School	RV	In House	Kitchen extension, remodel and refurbishment	SCA / DFC		29,917						29,917
Shadsworth Infant School	RN	In House	Heating scheme	SCA / DFC		221,843					25,000	246,843
BCHS/Crosshill	School led	School led	Refurbishment of Sunnyside Centre (Phase 1)	SPF (SEND) / Basic Need	41,927							41,927
Darwen East			Additional places in line with housing growth	s106					3,250,000			3,250,000
Longshaw Nursery			Relocation	s106 / Basic Need / 2 Year Old	224,700		165,000			362,840		752,540
Lower Darwen Primary School	RN	In House	Disability Access adaptations	SCA		26,367						26,367
Brunel Nursery School	CA	In House	External fencing	SCA / DFC		11,453					3,000	14,453
Feniscowles Primary School (Junior Building)	MO	In House	Disability Access adaptations	SCA		69,433						69,433
Shadsworth Infant School	RN	In House	Extension and remodel (SEND)	SPF (SEND) / SCA / Basic Need	250,000	19,600		201,956				471,556
Ashleigh		In House	Heating and Ventilation	SCA / DFC		31,500					3,500	35,000
Ashworth Nursery		In House	Perimeter Fencing	SCA / DFC		18,000					2,000	20,000
Audley Infants (Nursery)		In House	Upgrade Fire Alarm	SCA / DFC		22,500					2,500	25,000
Audley Infants		In House	Resurfacing Pathways	SCA / DFC		18,000					2,000	20,000
Audley Infants		In House	Replacement of Fascias & Soffits	SCA		55,000						55,000
Audley Infants & Juniors		In House	Replacing Windows & upstandings to lean-to roof structure	SCA / DFC		54,000					6,000	60,000
Avondale		In House	Resurface Playground	SCA / DFC		126,000					14,000	140,000
Belmont		In House	Replace Fire Alarm System	SCA / DFC		27,000					3,000	30,000
Brookhouse Primary (Nursery)	In House (Management)		Replace Roof System	SCA / DFC		67,500					7,500	75,000
Brookhouse Primary	In House (Management)		Replace Boilers	SCA / DFC		36,000					4,000	40,000
Intack Primary	In House		Replacement of external doors	SCA / DFC		16,200					1,800	18,000
Longshaw Juniors	In House		Replace Fire Alarm System	SCA / DFC		36,000					4,000	40,000
Lower Darwen Primary	In House		Heating scheme	SCA / DFC		189,000					21,000	210,000
Roe Lee	In House		Roofing, upstandings and windows	SCA / DFC		175,500					19,500	195,000
Roe Lee	In House		Repairs to service road, external areas & automated gates	SCA / DFC		99,728						99,728
Shadsworth Juniors	In House (Management)		Replacement of boilers	SCA / DFC		36,000					4,000	40,000
Turton & Edgworth	In House (Management)		Upgrade Fire Alarm	SCA / DFC		27,000					3,000	30,000
Meadowhead Infants	In House		Drainage installations	SCA / DFC		18,000					2,000	20,000
Lower Darwen Primary School	In House		Partial replacement of Fire Alarm System	SCA		15,900						15,900
Stansfield Centre / St Thomas Centre			Refurbishment to create additional alternative school provision capacity	High Needs					500,000			500,000
Newfield School			Repairs to the roof of the complex needs building	SCA / DFC		225,000					25,000	250,000
Brookhouse School			Repairs to the MUGA pitch	SCA		20,000						20,000
Belmont Primary School			Replacement of boiler	SCA / DFC		31,500					3,500	35,000
Longshaw Junior School			Replacement of water main	SCA / DFC		22,500					2,500	25,000
Audley Infants			Culvert severe water leak when heavy rain occurs. Effecting neighbours on backstreet.	SCA / DFC		18,000					2,000	20,000
Audley Infants			Dining Room floor cover lifting in places & gas meter / boiler works.	SCA / DFC		27,000					3,000	30,000
Audley Junior			Ventilation & heat recovery work	SCA / DFC		9,100					900	10,000
Avondale			Rebuild steps	SCA / DFC		9,100					900	10,000
Belmont			Restate Roof Including All Lead Work To Numerous Valleys Flashings and Bell Tower	SCA / DFC		30,000					3,000	33,000
Brookhouse Main School			Upgrade lighting	SCA / DFC		34,200					3,800	38,000
Brookhouse Main School			Kitchen upgrades	SCA / DFC		45,000					5,000	50,000
Brookhouse Main School			Replace windows and doors	SCA / DFC		9,000					1,000	10,000
Daisyfield Primary			Replace External doors	SCA / DFC		13,500					1,500	15,000
Daisyfield Primary			SEND works - DDA Compliance	SCA / DFC		30,000					3,000	33,000
Feniscowles Juniors			Upgrade windows	SCA / DFC		27,000					3,000	30,000
Lammack Primary			Security Fencing & electronic gates around perimeter of school.	SCA / DFC		200,000					20,000	220,000
Lammack Primary			Mentioned in SIP & Safeguarding Audit	SCA / DFC		36,000					4,000	40,000
Lower Darwen Primary			Resurface playground	SCA / DFC		36,000					4,000	40,000
Lower Darwen Primary			SEND works - DDA Compliance	SCA / DFC		36,000					4,000	40,000
Lower Darwen Primary			Fire Risk Assessment works	SCA / DFC		22,500					2,500	25,000
Lower Darwen Primary			Perimeter fencing - Repair/Replace	SCA / DFC		9,000					1,000	10,000
Meadowhead Infants			Replace external rubber flooring	SCA / DFC		9,000					1,000	10,000
Meadowhead Juniors			Replace floor covering to hall	SCA / DFC		18,000					2,000	20,000
Meadowhead Juniors			Replace doors and roller shutters	SCA / DFC		13,500					1,500	15,000
Meadowhead Juniors			External path works	SCA / DFC		45,000					5,000	50,000
Meadowhead Juniors			Fire Risk Assessment ceiling works	SCA / DFC		18,000					2,000	20,000
Roe Lee Park Primary			Toilet works	SCA / DFC		18,000					2,000	20,000
Shadsworth Juniors			SEND works - DDA Compliance	SCA / DFC		51,300					5,700	57,000
St Michael With St John CE Primary			Roofing works	SCA / DFC		135,000					15,000	150,000
Project Management Fee				Various	25,000	25,000						50,000
Contingency budget	RA		For emergency H&S, Compliance and safeguarding works)	SCA		100,000						100,000
Total					1,226,710	2,734,641	165,000	201,956	500,000	4,732,528	251,600	9,812,435
TOTAL LIVE PROJECTS					1,226,710	2,734,641	165,000	201,956	500,000	4,732,528	251,600	9,812,435

NEW PROJECTS & VARIATIONS TO EXISTING PROJECTS

Project	Officer	Delivery	Description	Funding Source	Spend Profile 2023-2024							Total £
					Basic Need £	Schools Condition £	Two Year Old Places £	Special Provision Fund (SEND) £	High Needs Provision £	Section 106 Funding £	DFC/School Cont £	
Variations to existing schemes												
Stansfield Centre / St Thomas Centre			Refurbishment to create additional alternative school provision capacity	Basic Needs / High Needs	276,900				223,100			500,000
New schemes - specialist school place creation												
Newfield				Basic Needs / High Needs	300,000				2,000,000			2,300,000
Crosshill				High Needs					900,000			900,000
TOTAL NEW PROJECTS					576,900	0	0	0	3,123,100	0	0	3,700,000
UNALLOCATED GRANTS REMAINING					2,324,505	833,467	49,000	0	0	0	461,041	3,668,013
CONFIRMED FUTURE YEARS ALLOCATIONS					0	0	0	0	13	0	0	13
TOTAL BUDGET					4,128,115	3,568,108	214,000	201,956	3,623,113	4,732,528	712,641	17,180,461

DATED

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GRANT AGREEMENT

RELATING TO

[REDACTED]

between

BLACKBURN WITH DARWEN BOROUGH COUNCIL

and

[REDACTED]

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PARTIES

- (1) **Blackburn with Darwen Borough Council**, Town Hall, King William Street, Blackburn, BB1 7DY (**Funder**).
- (2) [REDACTED], of [REDACTED] (**Recipient**).

BACKGROUND

- (A) The Funder has agreed to pay the Grant to the Recipient to assist it in carrying out the Project as detailed in Schedule 1
- (B) This Agreement sets out the terms and conditions on which the Grant is made by the Funder to the Recipient.
- (C) These terms and conditions are intended to ensure that the Grant is used for the purpose for which it is awarded.
- (D) Nothing in this agreement will lead to the creation of a contract for services.

AGREED TERMS

1. DEFINITIONS

In this Agreement the following terms shall have the following meanings:

Bribery Act: the Bribery Act 2010 and any subordinate legislation made under that Act from time to time together with any guidance or codes of practice issued by the relevant government department concerning the legislation.

Commencement Date: [REDACTED].

Data Protection Legislation: The Recipient shall (and shall procure that any of its staff involved in connection with the activities under the Agreement shall) comply with any notification requirements under the Data Protection Act 2018 (as amended) (DPA) and both Parties will duly observe all their obligations under the DPA, the Regulation of Investigatory Powers Act 2000, the Telecommunications (Lawful Business Practice) (Interception of Communications) Regulations 2000 (SI 2000/2699), the Electronic Communications Data Protection Directive 2002/58/EC, the Privacy and Electronic Communications (EC Directive) Regulations 2003 and all applicable laws and regulations relating to processing of personal data and privacy, including where applicable the guidance and codes of practice issued by the Information Commissioner and as any may be amended from time to time, which arise in connection with the Agreement.

Grant: the sums as detailed in Schedule 2 to be paid to the Recipient in accordance with this Agreement.

Grant Period: the period for which the Grant is awarded starting on the Commencement Date and ending on the [REDACTED].

Intellectual Property Rights: all patents, copyrights and design rights (whether registered or not) and all applications for any of the foregoing and all rights of confidence and Know-How however arising for their full term and any renewals and extensions.

Know-How: information, data, know-how or experience whether patentable or not and including but not limited to any technical and commercial information relating to research, design, development, manufacture, use or sale.

Prohibited Act: means:

- (a) offering, giving or agreeing to give to any servant of the Funder any gift or consideration of any kind as an inducement or reward for:
 - (i) doing or not doing (or for having done or not having done) any act in relation to the obtaining or performance of this Agreement or any other contract with the Funder; or
 - (ii) showing or not showing favour or disfavour to any person in relation to this Agreement or any other contract with the Funder;
- (b) entering into this Agreement or any other contract with the Funder where a commission has been paid or has been agreed to be paid by the Recipient or on its behalf, or to its knowledge, unless before the relevant agreement is entered into particulars of any such commission and of the terms and conditions of any such agreement for the payment thereof have been disclosed in writing to the Funder;
- (c) committing any offence:
 - (i) under the Bribery Act;
 - (ii) under legislation creating offences in respect of fraudulent acts; or
 - (iii) at common law in respect of fraudulent acts in relation to this Agreement or any other agreement with the Funder; or
- (d) defrauding or attempting to defraud or conspiring to defraud the Funder.

Project: the project described in Schedule 1.

Project Manager: the individual who has been nominated to represent the Funder for the purposes of this Agreement.

2. PURPOSE OF GRANT

- 2.1 The Recipient shall use the Grant only for the delivery of the Project and in accordance with the terms and conditions set out in this Agreement. The Grant shall not be used for any other purpose without the prior written agreement of the Funder.

2.2 The Recipient shall not make any significant change to the Project without the Funder's prior written agreement.

2.3 Where the Recipient intends to apply to a third party for other funding for the Project, it will notify the Funder in advance of its intention to do so and, where such funding is obtained, it will provide the Funder with details of the amount and purpose of that funding. The Recipient agrees and accepts that it shall not apply for duplicate funding in respect of any part of the Project or any related administration costs that the Funder is funding in full under this Agreement.

3. PAYMENT OF GRANT

3.1 The Funder shall pay the Grant to the Recipient in one instalment in accordance with Schedule 2.

3.2 No Grant shall be paid unless and until the Funder is satisfied that such payment will be used for proper expenditure in the delivery of the Project.

3.3 The amount of the Grant shall not be increased in the event of any overspend by the Recipient in its delivery of the Project.

3.4 The Recipient shall promptly repay to the Funder any money incorrectly paid to it either as a result of an administrative error or otherwise. This includes (without limitation) situations where either an incorrect sum of money has been paid or where Grant monies have been paid in error before all conditions attaching to the Grant have been complied with by the Recipient.

4. USE OF GRANT

4.1 The Grant shall be used by the Recipient for the delivery of the Project in accordance with this Agreement.

4.2 Should any part of the Grant remain unspent at the end of the Grant Period, the Recipient shall ensure that any unspent monies are returned to the Funder.

5. ACCOUNTS AND RECORDS

5.1 The Recipient shall keep separate, accurate and up-to-date accounts and records of the receipt and expenditure of the Grant monies received by it.

5.2 The Recipient shall keep all invoices, receipts, and accounts and any other relevant documents relating to the expenditure of the Grant for a period of at least six years following receipt of any Grant monies to which they relate. The Funder shall have

the right to review, at the Funder's reasonable request, the Recipient's accounts and records that relate to the expenditure of the Grant and shall have the right to take copies of such accounts and records.

- 5.3 The Recipient shall comply and facilitate the Funder's compliance with all statutory requirements as regards accounts, audit or examination of accounts, annual reports and annual returns applicable to itself and the Funder.

6. MONITORING AND REPORTING

- 6.1 The Recipient shall closely monitor the delivery and success of the Project throughout the Grant Period to ensure that the aims and objectives of the Project are being met and that this Agreement is being adhered to.

- 6.2 Where the Recipient has obtained funding from a third party for its delivery of part of the Project, the Recipient shall include the amount of such funding in its financial reports together with details of what that funding has been used for and inform the Funder.

- 6.3 The Recipient shall on request provide the Funder with such further information, explanations and documents as the Funder may reasonably require in order for it to establish that the Grant has been used properly in accordance with this Agreement.

- 6.4 The Recipient shall provide the Funder with a final report on completion of the Grant Period which shall confirm whether the Project has been successfully and properly completed.

7. ACKNOWLEDGMENT AND PUBLICITY

- 7.1 The Recipient agrees to participate in and co-operate with promotional activities relating to the Project that may be instigated and/or organised by the Funder.

- 7.2 The Funder may acknowledge the Recipient's involvement in the Project as appropriate without prior notice.

- 7.3 The Recipient shall comply with all reasonable requests from the Funder that will assist the Funder in its promotional and fundraising activities relating to the Project.

8. INTELLECTUAL PROPERTY RIGHTS

8.1 The Funder and the Recipient agree that all rights, title and interest in or to any information, data, reports, documents, procedures, forecasts, technology, Know-How and any other Intellectual Property Rights whatsoever owned by either the Funder or the Recipient before the Commencement Date or developed by either party during the Grant Period, shall remain the property of that party.

9. CONFIDENTIALITY

9.1 Subject to clause 10 (Freedom of Information), each party shall during the term of this Agreement and thereafter keep secret and confidential all Intellectual Property Rights or Know-How or other business, technical or commercial information disclosed to it as a result of the Agreement and shall not disclose the same to any person save to the extent necessary to perform its obligations in accordance with the terms of this Agreement or save as expressly authorised in writing by the other party.

9.2 The obligation of confidentiality contained in this clause shall not apply or shall cease to apply to any Intellectual Property Rights, Know-How or other business, technical or commercial information which:

- (a) at the time of its disclosure by the disclosing party is already in the public domain or which subsequently enters the public domain other than by breach of the terms of this Agreement by the receiving party;
- (b) is already known to the receiving party as evidenced by written records at the time of its disclosure by the disclosing party and was not otherwise acquired by the receiving party from the disclosing party under any obligations of confidence; or
- (c) is at any time after the date of this Agreement acquired by the receiving party from a third party having the right to disclose the same to the receiving party without breach of the obligations owed by that party to the disclosing party.

10. FREEDOM OF INFORMATION

10.1 The Recipient acknowledges that the Funder is subject to the requirements of the Freedom of Information Act 2000 (**FOIA**) and the Environmental Information Regulations 2004 (**EIRs**).

10.2 The Recipient shall:

- (d) provide all necessary assistance and cooperation as reasonably requested by the Funder to enable the Funder to comply with its obligations under the FOIA and EIRs;

- (e) transfer to the Funder all requests for information relating to this Agreement that it receives as soon as practicable and in any event within 2 working days of receipt;
- (f) provide the Funder with a copy of all information belonging to the Funder requested in the request for information which is in its possession or control in the form that the Funder requires within 5 working days (or such other period as the Funder may reasonably specify) of the Funder's request for such information; and
- (g) not respond directly to a request for information unless authorised in writing to do so by the Funder.

10.3 The Recipient acknowledges that the Funder may be required under the FOIA and EIRs to disclose information without consulting or obtaining consent from the Recipient. The Funder shall take reasonable steps to notify the Recipient of a request for information (in accordance with the Secretary of State's section 45 Code of Practice on the Discharge of the Functions of Public Authorities under Part 1 of the FOIA) to the extent that it is permissible and reasonably practical for it to do so but (notwithstanding any other provision in this agreement) the Funder shall be responsible for determining in its absolute discretion whether any information is exempt from disclosure in accordance with the FOIA and/or the EIRs.

11. DATA PROTECTION

The Recipient shall (and shall procure that any of its staff and/or third parties involved in connection with the activities under this Agreement shall) comply with the Data Protection Legislation and will duly observe all their obligations under the Data Protection Legislation which arise in connection with the Agreement.

12. WITHHOLDING, SUSPENDING AND REPAYMENT OF GRANT

12.1 The Funder's intention is that the Grant will be paid to the Recipient in full. However, without prejudice to the Funder's other rights and remedies, the Funder may at its discretion withhold or suspend payment of the Grant and/or require repayment of all or part of the Grant if:

- (h) the Recipient uses the Grant for purposes other than those for which it has been awarded;
- (i) the Funder considers that the Recipient has not made satisfactory progress with the delivery of the Project;
- (j) the Recipient is, in the reasonable opinion of the Funder, delivering the Project in a negligent manner;
- (k) the Recipient obtains duplicate funding from a third party for the Project;

- (l) the Recipient obtains funding from a third party which, in the reasonable opinion of the Funder, undertakes activities that are likely to bring the reputation of the Project or the Funder into disrepute;
- (m) the Recipient provides the Funder with any materially misleading or inaccurate information;
- (n) the Recipient commits or committed a Prohibited Act;
- (o) any elected member, employee or volunteer of the Recipient has (a) acted dishonestly or negligently at any time and directly or indirectly to the detriment of the Project or (b) taken any actions which, in the reasonable opinion of the Funder, bring or are likely to bring the Funder's name or reputation into disrepute;
- (p) the Recipient ceases to operate for any reason, or it passes a resolution (or any court of competent jurisdiction makes an order) that it be wound up or dissolved (other than for the purpose of a bona fide and solvent reconstruction or amalgamation);
- (q) the Recipient becomes insolvent, or it is declared bankrupt, or it is placed into receivership, administration or liquidation, or a petition has been presented for its winding up, or it enters into any arrangement or composition for the benefit of its creditors, or it is unable to pay its debts as they fall due; or
- (r) the Recipient fails to comply with any of the terms and conditions set out in this Agreement and fails to rectify any such failure within 30 days of receiving written notice detailing the failure.

12.2 The Funder may retain or set off any sums owed to it by the Recipient which have fallen due and payable against any sums due to the Recipient under this agreement or any other agreement pursuant to which the Recipient provides goods or services to the Funder.

12.3 The Recipient shall make any payments due to the Funder without any deduction whether by way of set-off, counterclaim, discount, abatement or otherwise.

12.4 Should the Recipient be subject to financial or other difficulties which are capable of having a material impact on its effective delivery of the Project or compliance with this Agreement it will notify the Funder as soon as possible so that, if possible, and without creating any legal obligation, the Funder will have an opportunity to provide assistance in resolving the problem or to take action to protect the Funder and the Grant monies.

13. ANTI-SLAVERY

Each Party will, in connection with the Project:

- Comply with all laws, statutes and regulations which apply to it or its activities and which relate to anti-slavery and human trafficking, including Modern Slavery Act 2015;
- Not do anything which would constitute an offence under section 1, 2 or 4 Modern Slavery Act 2015 if it has been carried out in the United Kingdom;
- Have and maintain its own policies and procedures to ensure compliance with the Modern Slavery Act 2015 and follow and enforce them;
- Include in its contracts with any sub Recipients and suppliers anti-slavery and human trafficking provisions which are at least as onerous as those set out in this clause;
- Promptly report to the other Party any breach of this clause of which it becomes aware;
- Provide such evidence of compliance with this clause as the other Party may reasonably request from time to time;
- Keep accurate and up to date records to trace the supply chain of all goods and materials supplied by it in connection with this Agreement and the Project and the steps taken by it to comply with this clause. (Those records must be sufficient to allow the other Party to verify compliance with this clause);
- On request during normal working hours, allow the other Party access to and to copy the records referred to in this clause and to meet with its personnel to verify compliance with this clause.

14. COUNTER-TERRORISM AND SECURITY ACT (CTSA)

- 14.1 The parties shall comply with all applicable laws, statutes, regulations, codes and internal policies relating to anti-bribery and anti-corruption including but not limited to the Bribery Act 2010 and not engage in any activity, practice or conduct which would constitute an offence under the Bribery Act 2010 if such activity, practice or conduct had been carried out in the United Kingdom.

- 14.2 Each party is subject to the CTSA which places an obligation on a party to have due regard to the need to prevent people from being drawn into terrorism. The obligations extend to all persons who come into contact with a party whether students, staff, Recipients, speakers, volunteers or otherwise.
- 14.3 Each party shall comply with the CTSA (as amended from time to time) insofar as it is applicable to them under this Agreement and in any event, shall not put the other party in breach of their obligations under the CTSA.
- 14.4 For the avoidance of doubt, each Party shall
- Promptly report to the other party and/or Police any suspicions or concerns under the CTSA.
 - Ensure that any person associated with it who is performing services and/or providing goods in connection with this Agreement does so only on the basis of a written contract which imposes on and secures from such person terms equivalent to those imposed on the Parties in this clause.
 - Ensure that all staff are made aware of the CTSA and their appropriate policy for offering support and sharing information.
 - Any breach of this clause shall be deemed a material breach of this Agreement entitling the other Parties to terminate this Agreement immediately.

15. ANTI-DISCRIMINATION

- 15.1 The Recipient shall not unlawfully discriminate within the meaning and scope of any law, enactment, order, or regulation relating to discrimination (whether in race, gender, religion, disability, sexual orientation, age or otherwise) in employment.
- 15.2 The Recipient shall take all reasonable steps to secure the observance of clause 15.1 by all servants, employees or agents of the Recipient and all suppliers and sub-contractors engaged on the Project.

16. HUMAN RIGHTS

- 16.1 The Recipient shall (and shall use its reasonable endeavours to procure that its staff shall) at all times comply with the provisions of the Human Rights Act 1998 in the performance of this Agreement.
- 16.2 The Recipient shall undertake, or refrain from undertaking, such acts as the Funder requests so as to enable the Funder to comply with its obligations under the Human Rights Act 1998.

17. LIMITATION OF LIABILITY

- 17.1 The Funder accepts no liability for any consequences, whether direct or indirect, that may come about from the Recipient running the Project, the use of the Grant or from withdrawal of the Grant. The Recipient shall indemnify and hold harmless the Funder, its employees, agents, officers or sub-contractors with respect to all claims, demands, actions, costs, expenses, losses, damages and all other liabilities arising from or incurred by reason of the actions and/or omissions of the Recipient in relation to the Project, the non-fulfilment of obligations of the Recipient under this Agreement or its obligations to third parties.
- 17.2 Subject to clause 17.1, the Funder's liability under this Agreement is limited to the payment of the Grant.

18. WARRANTIES

The Recipient warrants, undertakes and agrees that:

- a) it has all necessary resources and expertise to deliver the Project (assuming due receipt of the Grant);
- b) it has not committed, nor shall it commit, any Prohibited Act;
- c) it shall at all times comply with all relevant legislation and all applicable codes of practice and other similar codes or recommendations, and shall notify the Funder immediately of any significant departure from such legislation, codes or recommendations;
- d) it shall comply with the requirements of the Health and Safety at Work etc. Act 1974 and any other acts, orders, regulations and codes of practice relating to health and safety, which may apply to employees and other persons working on the Project;
- e) it has and shall keep in place adequate procedures for dealing with any conflicts of interest;
- f) it has and shall keep in place systems to deal with the prevention of fraud and/or administrative malfunction;
- g) all financial and other information concerning the Recipient which has been disclosed to the Funder is to the best of its knowledge and belief, true and accurate;
- i) it is not subject to any contractual or other restriction imposed by its own or any other organisation's rules or regulations or otherwise which may prevent or materially impede it from meeting its obligations in connection with the Grant;
- j) it is not aware of anything in its own affairs, which it has not disclosed to the Funder or any of the Funder's advisers, which might reasonably have

influenced the decision of the Funder to make the Grant on the terms contained in this Agreement; and

- k) since the date of its last accounts there has been no material change in its financial position or prospects.

19. INSURANCE

- 19.1 The Recipient shall effect and maintain with a reputable insurance company a policy or policies in respect of all risks which may be incurred by the Recipient, arising out of the Recipient's performance of the Agreement.

The Recipient shall (on request) supply to the Funder a copy of such insurance policies and evidence that the relevant premiums have been paid.

20. DURATION

- 20.1 Except where otherwise specified, the terms of this Agreement shall apply from the date of this Agreement until for so long as any Grant monies remain unspent by the Recipient.
- 20.2 Any obligations under this Agreement that remain unfulfilled following the expiry or termination of the Agreement shall survive such expiry or termination and continue in full force and effect until they have been fulfilled.

21. TERMINATION

The Funder may terminate this Agreement and any Grant payments on giving the Recipient written notice should it be required to do so by financial restraints or for any other reason.

22. ASSIGNMENT

The Recipient may not, without the prior written consent of the Funder, assign, transfer, or in any other way make over to any third party the benefit and/or the burden of this Agreement.

23. WAIVER

No failure or delay by either party to exercise any right or remedy under this Agreement shall be construed as a waiver of any other right or remedy.

24. NOTICES

All notices and other communications in relation to this Agreement shall be in writing and shall be deemed to have been duly given if personally delivered, or sent by prepaid post to the address of the relevant party, as referred to above or otherwise notified in writing. If personally delivered all such communications shall be deemed to have been given when received (except that if received on a non-working day or after 5.00pm on any working day they shall be deemed received on the next working day) and if sent by post all such communications shall be deemed to have been given and received on the third working day following such mailing.

25. DISPUTE RESOLUTION

25.1 In the event of any complaint or dispute (which does not relate to the Funder's right to withhold funds or terminate) arising between the parties to this Agreement in relation to this Agreement the matter shall be referred for resolution to the Project Manager or any other individual nominated by the Funder from time to time.

26. NO PARTNERSHIP OR AGENCY

This Agreement shall not create any partnership or joint venture between the Funder and the Recipient, nor any relationship of principal and agent, nor authorise any party to make or enter into any commitments for or on behalf of the other party.

27. JOINT AND SEVERAL LIABILITY

Where the Recipient is not a company nor an incorporated entity with a distinct legal personality of its own, the individuals who enter into and sign this Agreement on behalf of the Recipient shall be jointly and severally liable for the Recipient's obligations and liabilities arising under this Agreement.

28. CONTRACTS (RIGHTS OF THIRD PARTIES) ACT 1999

This Agreement does not and is not intended to confer any contractual benefit on any person pursuant to the terms of the Contracts (Rights of Third Parties) Act 1999.

29. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the law of England and the parties irrevocably submit to the exclusive jurisdiction of the English courts.

This document has been executed as a deed and is delivered and takes effect on the date stated at the beginning of it.

EXECUTED as a DEED
by the affixing of the **COMMON SEAL** of
BLACKBURN WITH DARWEN BOROUGH COUNCIL
in the presence of

.....
Authorised Signatory

EXECUTED as a deed by [] in)
the presence of:)
)
)

Signature

Name (block capitals)

Witness signature

Witness name (block capitals)

Witness address
.....
.....

Schedule 1

The purpose of the funding is to create additional secondary school age pupil capacity across the mainstream school sector.

The [] have agreed to a minimum increase in pupil capacity of:

- [] additional mainstream places, based on:
 - [] Year 7, by []
 - [] Year 8, by []
 - [] Year 9, by []
 - [] Year 10, by []
 - [] Year 11, by []

Schedule 2 - Payment Schedule

Amount of Grant Payable	Date of Payment
	On completion of the Grant Agreement
	On completion of the Grant Agreement

EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICER: Director of Finance

DATE: 9th February 2023

PORTFOLIOS AFFECTED: All

WARDS AFFECTED: All

KEY DECISION: Y

TITLE OF REPORT: Corporate Revenue Budget Monitoring 2022/23 – Quarter 3

1. EXECUTIVE SUMMARY

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

2. RECOMMENDATIONS

2.1 It is recommended that Executive Board:-

- a) give approval to the Portfolio Cash Limit Adjustments as outlined in Appendix 1;
- b) note the General Fund Budget Summary position as at 31st December 2022;
- c) in view of the forecast overspend of £5.670m, the Executive Board request Portfolio Holders to review their budgets for the remainder of 2022/23 with a view to addressing the issues identified and limiting the amount of monies that would be required to be taken from reserves at financial year end;
- d) note the Earmarked Reserves and General Fund Balance position as at 31st December 2022.

3. BACKGROUND

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

4. RATIONALE

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

5. KEY ISSUES

Portfolio Cash Limits - Adjustments

- 5.1 At the meeting of Council on 28th February 2022, the Council agreed the General Fund Revenue Budget for 2022/23.
- 5.2 As Councillors will be aware, the budget is subject to changes for a range of reasons as the financial year progresses. **Appendix 1** provides a detailed analysis of those budget adjustments that have occurred during the period to 31st December 2022. The impact of these adjustments on the Council's Budget for 2022/23 is summarised in Table 1 below:-

Table 1: Working Budget 2022/23 (as at 31st December 2022)

	Working Budget at 30 th Sept 2022 £000	Adjustments*1 £000	Working Budget at 31st Dec 2022 £000
Portfolio Budgets	136,703	2,830	139,533
Other Corporate Income and Expenditure	(8,368)	(4,041)	(12,409)
Net Revenue Expenditure	128,335	(1,211)	127,124
Less Core Funding	(50,373)	-	(50,373)
Less Council Tax	(60,335)	-	(60,335)
Shortfall before Reserves	17,627	(1,211)	16,416
Change in Specific Reserves	(17,627)	1,211	(16,416)
Change in GF Balance	-	-	-
Funding 'Gap'	-	-	-

*1 – See Appendix 1

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

Performance against Controllable Budgets

- 5.4 Table 2 below provides a summary of the forecast outturn position on the Council's General Fund Revenue Budget for 2022/23 compared to the Working Budget referred to in Table 1 above. As the table indicates, on the basis of the Quarter 3 budget monitoring position there is a forecast overspend of £5.670m (compared to £6.149m at September 2022). A more detailed analysis is provided at **Appendix 2:-**

Table 2: Forecast Performance against Controllable Budgets

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Portfolio Budgets	139,533	144,006	4,473
Other Corporate I & E	(12,409)	(11,212)	1,197
Net Revenue Expenditure	127,124	132,794	5,670
Less Core Funding	(50,373)	(50,373)	-
Less Council Tax	(60,335)	(60,335)	-
Shortfall before Reserves	16,416	22,086	5,670
Change in Specific Reserves	(16,416)	(20,368)	(3,952)
Change in GF Balance	-	(1,718)	(1,718)
Funding 'Gap'	-	-	-

*1 – See Appendix 2

- 5.5 Councillors should note that this is a forecast outturn position for the year based on the Quarter 3 monitoring position. Further budget monitoring exercises will be undertaken during the final quarter of the year and the outcome of these will be reported to the Executive accordingly.

Portfolio Budgets

- 5.6 As indicated in Table 2 above, the forecast outturn position on the Portfolio Budgets is an overspend of £4.473m (compared to £4.450m at 30th September). An analysis of this position by Portfolio is shown in the Table 3 below:-

Table 3: Portfolio Forecast Performance against Controllable Budgets

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Adults Social Care and Health	61,000	59,749	(1,251)
Children, Young People and Education	35,700	39,388	3,688
Public Health, Prevention and Wellbeing	3,533	3,886	353
Environment and Operations	13,872	14,614	742
Growth and Development	6,438	7,811	1,373
Finance and Governance	13,467	13,115	(352)
Digital and Customer Services	6,464	6,368	(96)
Schools and Education (DSG)	(941)	(941)	-
Portfolio Budgets	139,533	144,006	4,473

*1 – As per Portfolio Budgets in Table 1

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

Adult Social Care and Health

- 5.8 The forecast outturn position for Adult Social Care and Health is an underspend of £1.251m. This is summarised in the table below

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

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Independent Sector Other	910	1,084	174
Independent Sector	46,631	45,594	(1,038)
ASC and Social Work	2,498	2,751	254
Day Services	866	848	(18)
In House Residential	-	10	10
Independent Living	1,921	1,677	(243)
Integrated Commissioning	2,437	2,449	12
Mental Health	1,505	1,118	(386)
Safeguarding	814	943	130
Shared Lives	630	591	(39)
Strat Gov & Bus Support	538	391	(146)
Supporting People	1,069	1,157	88
Transport	313	256	(56)
Prevention, Neighbourhoods & Learning	549	574	25
Social Integration	321	321	(0)
Community Assets	-	(16)	(16)
Adult Social Care and Health	61,000	59,749	(1,251)

5.9 The key variances to note include:-

- on the basis of current levels of demand and information presently available, the portfolio is predicted to underspend by £1.251m.
- the current underspend on commissioning includes the release of winter demand pressures provision of approx. £300k. This has been made possible due to the maximisation of the Discharge Funding of £641k that was announced in December 2022 enabling some winter pressures to be funded via the grant rather than using our provision. A contingency of £500k has been retained as it is anticipated some winter pressures could still materialise for December/January due to timings of transactions coming through our systems and processes;
- the increased demand pressures in Extra Care and Domiciliary Care as well as the cost of individual care packages due to acuity of needs should be noted. Pressures in year are beginning to escalate and are likely to impact on the 2022/23 budget as one off income streams for hospital discharge received in the last financial year may no longer be available on a recurring basis, and the impact of the current cost of living crisis is felt by our service users. It is possible that this may be contained within our provision for winter pressures highlighted above;
- In the Autumn Statement, the Government announced that Social Care Charging Reforms have been delayed by two years. The Care Cap and the New Means Test which were due to be implemented in October 2023 have been delayed until October 2025. However, further information is anticipated in respect of DHSC requirements for the Fair Cost of Care (FCoC) outcome and Market Sustainability plans;

- the FCoC work is being scaled back, however the market intelligence gathered from the FCoC exercise will be factored into the work required to negotiate provider fees for 2023/24. This work is ongoing and will likely result in significant increased costs for 23/24 which are to be determined. The Government have announced an extension on some of the Reforms funding and we await further announcement with more detail;
- challenges faced by all Local Authorities in recruiting and retaining care staff workforce is documented nationally and this equally applies to this Council. Detailed reviews of staffing budgets is continuing and the monitoring position set out here will be updated over the course of future months reporting as required;
- Neighbourhoods and Prevention Services are expected to achieve a break even position at financial year end.

Children, Young People and Education

5.10 The forecast outturn position for Children, Young People and Education is an overspend of £3.688m. This is summarised in the table below:-

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

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Strategic Social Work	6,303	6,294	(9)
Permanence	18,693	22,577	3,884
Adolescent Services	3,822	3,422	(400)
Strategy, Policy and Performance	380	428	47
Education	3,197	3,353	156
Early Years	835	962	126
Directorate	2,469	2,352	(117)
Children, Young People and Education	35,700	39,388	3,688

5.11 The key variances to note include:-

- significant pressures on the commissioned placement budget which is currently forecasting an overspend of £3.315m (and is part of the overspend on Permanence). This is due mainly to an increase in the number of Children subject to Out of Borough Placements;
- the other significant forecast overspends relate to Fostering and Adoption services, Education Transport and the Children’s Centre Network. These pressures are currently being offset to some degree by underspends elsewhere, the largest being Assessment and Safeguarding, Leaving Care and Pupil Support team;
- the projected overspend includes an estimated £265k of income from Blackburn with Darwen CCG in relation to the joint funding of externally commissioned placements. This figure covers agreed cases for the period from April to June 2022. Following the structural changes with the Health Service, with the creation of the Lancashire and South Cumbria Integrated Care Board, from July onwards a Joint Commissioning Panel has operated using a different model and all currently approved cases are being taken back to the Panel for a funding review. In view of this, no income has been assumed beyond 30th June;

- the budget increase associated with the post Ofsted inspection improvement plan has been allocated against the relevant budgets. For certain elements of the plan the assumption is that they will be spent in full, however this is not the case for those elements associated with the Leaving Care service, and this explains the majority of the underspend currently reported.

Public Health, Prevention and Wellbeing

5.12 The forecast outturn position for Public Health, Prevention and Wellbeing is an overspend of £353k. This is summarised in the table below:-

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

	Working Budget at 31st Dec 2022 £000	Forecast Outturn £000	Variation £000
Leisure Services	518	1,128	610
Parks and Open Spaces	32	28	(4)
Healthy Lifestyle	200	(36)	(236)
Public Health	1,172	1,172	-
Community Asset Management (incl CCTV)	829	867	37
Housing Needs	430	381	(49)
Directorate	351	346	(5)
Public Health, Prevention and Wellbeing	3,533	3,886	353

5.13 The key variances to note include:-

- the portfolio is predicting an overspend of £353k at the end of December 2022. In the main, the forecast overspend for the year is in respect of the provision of leisure services which, in the last two years, have been significantly impacted by Covid-19 restrictions and closures. Income generation has seen unprecedented losses and these were partially mitigated by the allocation of Covid grants in 2021/22 which are no longer available;
- the impact of Covid has continued into this financial year; however, the cost of living crisis is also starting to impact on disposable incomes leading to pressure on memberships/attendances at Leisure Centres. The extent to which this will continue to impact will depend largely on the Government’s continuing response to the crisis;
- the overspend in Leisure Services has reduced from £840k to £609k after a detailed review of the budgets with Budget Holders. Included in the overspend is a predicted additional cost of £287k for energy costs at the Leisure Centres and Witton Arena. Housekeeping measures to reduce this are being considered but without drastic measures, for example reducing the operating hours of the Centres, there are unlikely to impact on the overspend significantly;
- the increase to the fees and charges from the 1st January along with a review of the school swimming will result in additional income in the service. Once agreed, these will be included in the forecasts and should reduce the overspend further in the Leisure Centres. Equally, the new year is likely to see an increase in new members signing up in the new year which again we expect to give us an injection of income;

- Meetings are continuing with Budget Holders to gain an understanding of their budget assumptions and expected performance for the remainder of the year. The current forecast for the year includes estimated increases in energy costs based on the best information available at this time. Work is continuing with Blackburn College to try and reduce energy costs in Blackburn Leisure centre – the contract for utilities is with the College so the Council has limited options for this;
- Public Health budgets are forecasting a break even position for the year.
- Community Safety and Housing Services are expected to be managed through the year to achieve a break even position at financial year end.

Environment and Operations

5.14 The forecast outturn position for Environment and Operations is an overspend of £742k. This is summarised in the table below:-

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

	Working Budget at 31st Dec 2022 £000	Forecast Outturn £000	Variation £000
Corporate Property	2,688	2,773	84
Markets	950	936	(14)
Business/Enterprise Centres	(110)	(37)	73
Housing Services	84	124	40
Management Overhead	1,447	1,371	(76)
Grounds Maintenance	318	353	35
Neighbourhood Health	265	244	(21)
Transport	(399)	(396)	3
Cleansing Services	3,258	3,468	211
Parking Services	(1,054)	(750)	304
Waste Disposal	6,147	6,112	(34)
Public Protection Service	128	237	109
Witton Park Cafe	(48)	(19)	29
s106 Agreements (Expenditure)	199	199	-
Environment and Operations	13,872	14,614	742

5.15 The key variances to note include:-

- the continuing impact of the pandemic and the emerging effects of the cost of living crisis which are manifested in reduced income from services such as the Witton Park Cafe, Taxi Licensing and Car Parks, particularly as footfall continues to be below pre-pandemic levels.
- The pressures on Cleansing services arising from increases in fuel costs and a shortfall on Trade Waste income.

Growth and Development

5.16 The forecast outturn position for Growth and Development is an overspend of £1.373m. This is summarised in the table below:-

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

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Corporate Property	(1,061)	(1,166)	(105)
Commercial Investment/Tenanted Estate	(1,351)	(824)	527
Highways Maintenance	3,173	3,676	503
Strategic Transport/Co-ordination	2,315	2,360	45
Directorate/Growth Team	3,072	3,072	-
Building Control	118	118	-
Development Control/Planning	(427)	(201)	226
Town Centre Regeneration	80	171	91
RPL Office Accommodation	132	132	-
Parks and Open Spaces	(67)	(38)	29
Halls and Entertainment	221	195	(26)
Library Services	1,257	1,295	38
Museum Services	329	373	44
Arts Services	30	30	-
s106 Agreements (Income)	(1,383)	(1,383)	-
Growth and Development	6,438	7,811	1,373

5.17 The key variances to note include:-

- as with the Environment and Operations Portfolio, the impact of the Covid-19 pandemic and the cost of living crisis continue to have a significant impact on the Council's income streams. Indeed, income has still to return to pre-pandemic levels. Services impacted include the Mall, and the Mall Car Park;
- Increasing energy costs on Street Lights and Traffic Signals in particular represent almost half of the forecast overspend on the Highways budgets;
- the pressure on the Development Control Service of £226k represents an anticipated shortfall in income. The pipeline of developments generated by the Growth team continue across the Borough but the timing of major planning applications and therefore receipt of significant income can impact on in year forecasts.

Finance and Governance

5.18 The forecast outturn position for Finance and Governance is an underspend of £352k. This is summarised in the table below:-

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

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Financial Support Services	6,391	5,976	(115)
Democratic Services	1,250	1,142	(108)
Legal Support Services	1,890	1,931	41
Chief Executive, Policy and Support	799	772	(27)
Human Resources and Training	2,058	1,955	(103)
Other Non Distributable Costs	1,079	1,039	(40)
Finance and Governance	13,467	13,115	(352)

5.19 The key variances to note are:-

- the forecast underspend of £115k in Financial Support Services and £103k on Human Resources is due in part to vacancy management;
- a shortfall in grant income on Conducting Elections of £110k (as previously reported) where it was assumed the Council would receive grant income but for which no grant income is receivable;
- an overspend on the Legal Support Services which is mainly due to additional Childcare Legal Costs.

Digital and Customer Services

5.20 The forecast outturn position for Digital and Customer Services is an underspend of £96k. This is summarised in the table below:-

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

	Working Budget at 31 st Dec 2022 £000	Forecast Outturn £000	Variation £000
Coroners Services	295	312	17
IT Management and Governance	6,169	6,055	(114)
Digital and Customer Services	6,464	6,368	(96)

5.21 The key variances to note are:-

- a forecast overspend of £17k reflecting an expected additional cost of the Council's contribution to the Coroners Services; and
- an underspend of £114k on the IT Management and Governance Service reflecting primarily the impact of vacancy management in the service.

Schools and Education (DSG)

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

Other Corporate Income and Expenditure Budgets

5.23 The forecast outturn position for Other Corporate Income and Expenditure Budgets is an overspend of £1.197m. This is summarised in the table below

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

	Working Budget at 31st Dec 2022 £000	Forecast Outturn £000	Variation £000
RCCO	3,819	3,819	-
School Contribution to Capital	(333)	(333)	-
Contingencies	4,711	7,851	3,140
Debt Charges			-
<i>Interest and Investment Income</i>	(25)	(937)	(912)
<i>Debt interest payable</i>	12,590	11,720	(870)
<i>MRP</i>	6,422	6,261	(161)
Other Non-Ringfenced Grants	(39,786)	(39,786)	-
Town and Parish Council Precepts	192	192	-
Other Corporate Income and Expenditure	(12,410)	(11,213)	1,197

5.24 The key variance to note (as previously reported) are:-

- an additional estimated cost of £3.5m for the national pay offer made to the Local Government workforce. On average, the pay award is equivalent of a pay increase of around 7% whereas the budgeted provision for the pay award is 2.0%. The Council does have a contingency of £1m for unforeseen costs which, when applied to the pay offer, leaves a residual cost of £2.5m;
- In addition, given the significant pressure on utility prices associated with both the global demand for energy and the impact of the war in Ukraine, estimated energy costs are expected to be around £640k more than the £1m contingency set aside for energy inflation. The Council's procurement strategy for energy has been reviewed to ensure the Council is best placed to manage the impact of volatile energy prices; despite this, the cost of energy continues to increase hence the estimated variance here.
- estimated savings of £1.943m on the Council's Debt Charges (including additional income from investments). This is primarily due to the graduated increase in interest rates during the year combined with higher than expected cash balances leading to increased investment income.

Savings Agreed for 2022/23 – Progress on Implementation

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

Table 12: Achievement of Savings Agreed for 2022/23

	Working Budget at 30 th Sept 2022 £000	Forecast Outturn £000	Variation £000
Adult Social Care and Health	750	750	-
Children, Young People and Education	320	54	(266)
Environment and Operations	205	205	-
Digital and Customer Services	100	100	-
Finance and Governance	690	690	-
Total Savings	2,065	1,799	(266)

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

Reserves and Balances

- 5.27 At the start of the financial year, the Council has Reserves and Balances totalling of £76.901m. This includes a General Reserve of £7.718m (which includes the Minimum Working Balance of £6.000m). In view of the forecast overspend report above, £1.718m of the General Reserve is expected to be used to support the budget. This would reduce the General Reserve to the level of the Minimum Working Balance.
- 5.28 The balance of the forecast overspend totalling £3.952m will be met from Specific Reserves.
- 5.29 Taking into account the various adjustments referred to in this report, and the forecast use of reserves to deal with the forecast overspend, the estimate of Balances and Reserves as at 31st December 2022 is £67.450m. A detailed analysis of these changes is provided at **Appendix 3**.

6. POLICY IMPLICATIONS

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

7. FINANCIAL IMPLICATIONS

- 7.1 The financial implications are as given in the report.

8. LEGAL IMPLICATIONS

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

9. RESOURCE IMPLICATIONS

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

10. EQUALITY AND HEALTH IMPLICATIONS

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

11. CONSULTATIONS

11.1 None arising from the contents of this report.

12. STATEMENT OF COMPLIANCE

12.1 None arising from the contents of this report.

Appendices

Appendix 1 – Portfolio Cash Limit Adjustments as at 31st December 2022

Appendix 2 – Summary General Fund Revenue Account – Forecast Outturn Position at 31st December 2022

Appendix 3 – Earmarked Reserves and General Fund Balance – Position as at 31st December 2022

VERSION:	1
CONTACT OFFICER:	Dean Langton
DATE:	February 2023
BACKGROUND PAPERS:	None

SCHEDULE OF BUDGET ADJUSTMENTS REQUESTED - QUARTER 3 - 2022/23

	Adults Social Care & Health	Public Health, Prevention & Wellbeing	Children, Young People & Education	Environment & Operations	Growth & Development	Digital & Customer Services	Finance & Governance	Schools & Education (DSG)	TOTAL
	£	£	£	£	£	£	£	£	£
Controllable Budgets as at 30 September 2022 (approved at Executive Board November 2022)	61,116,193	3,417,545	35,537,916	13,844,031	6,437,834	6,474,370	10,815,601	(941,000)	136,702,490
Transfers between portfolios									
Virement from financial services to Coroners to re-align budgets						35,000	(35,000)		0
Virement to reflect new portfolio responsibilities	(115,923)	115,923							0
									0
									0
Other transfers (to)/from earmarked reserves									
Utilise developers (S106) contributions - Feniscowles & Pleasington War Memorial Recreation Ground improvements				27,500					27,500
Budget increase for the costs of Early Retirement / Voluntary Redundancy			162,000						162,000
Budget increase for the costs of COVID							2,685,991		2,685,991
									0
Transfers (to)/from unallocated reserves									
									0
Transfers (to)/from contingency									
									0
Carry forward of grants, contributions and other budgets from 2021/22									
									0
Other budget adjustments									
Utilise revenue budget to finance capital expenditure - Adult Social Care software system transition to the Cloud						(45,000)			(45,000)
Other budget adjustments									
									0
Revised Controllable Budget as at 31st December 2022	61,000,270	3,533,468	35,699,916	13,871,531	6,437,834	6,464,370	13,466,592	(941,000)	139,532,981

Corporate Budget Monitoring - Quarter 3

	Quarter 2 Budget 2022/23 £000	Variations £000	Quarter 3 Budget 2022/23 £000	Forecast Outturn £000	Variation £000
Adult Social Care & Health	61,116	(116)	61,000	59,765	(1,235)
Public Health, Prevention and Wellbeing	3,418	116	3,534	3,887	353
Children, Young People and Education	35,538	162	35,700	39,388	3,688
Environment and Operations	13,844	27	13,871	14,613	742
Growth and Development	6,438	-	6,438	7,811	1,373
Digital and Customer Services	6,474	(10)	6,464	6,368	(96)
Finance and Governance	10,816	2,651	13,467	13,115	(352)
Schools and Education DSG	(941)	-	(941)	(941)	-
Net Cost of Services	136,703	2,830	139,533	144,006	4,473
Corporate Income and Expenditure					
RCCO	7,860	(4,041)	3,819	3,819	-
School Contribution to Capital	(333)	-	(333)	(333)	-
Contingencies	4,711	-	4,711	7,851	3,140
<i>Debt Charges</i>					
<i>Interest and Investment Income</i>	(25)	-	(25)	(937)	(912)
<i>Debt interest payable</i>	12,590	-	12,590	11,720	(870)
MRP	6,422	-	6,422	6,261	(161)
Other Non-Ringfenced Grants	(39,786)	-	(39,786)	(39,786)	-
Town and Parish Council Precepts	192	-	192	192	-
Net Revenue Expenditure	128,334	(1,211)	127,123	132,793	5,670
Contribution to/(from) Reserves	(17,627)	1,211	(16,416)	(20,368)	(3,952)
General Fund Working Balance	-	-	-	(1,718)	(1,718)
Net Expenditure	110,707	-	110,707	110,707	-
Business Rates - Top Up Grant	(24,275)	-	(24,275)	(24,275)	-
Retained Business Rates	(18,185)	-	(18,185)	(18,185)	-
Revenue Support Grant	(14,016)	-	(14,016)	(14,016)	-
Collection Fund - NNDR (Surplus)/Deficit	6,858	-	6,858	6,858	-
Collection Fund - Council Tax (Surplus)/Deficit	(755)	-	(755)	(755)	-
Council Tax Income	(60,335)	-	(60,335)	(60,335)	-
Total Income	(110,708)	-	(110,708)	(110,708)	-

DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

	Balance at 30 September 2022	Requested Transfers to/(from) earmarked reserves in Qtr 1		Balance at 31 December 2022	Forecast Use of Reserves	Forecast Balance at 31st March 2023
	Quarter 2 2022/23 - As reported to Exec Board Nov 2022 £000	Release of grants and other budgets b fwd from 2021/22 £000	Other transfers to/(from) reserves £000	Quarter 3 2022/23 £000		
Welfare, council tax and business rates reforms						
Welfare and council tax reforms	1,492			1,492		1,492
Section 31 Grant - Compensation for lost Business Rates income	3,191			3,191		3,191
Investment in assets and infrastructure						
Office Accommodation and property improvements	363		526	889		889
Highways winter maintenance	551			551		551
Support for the Local Plan	73			73		73
Flood Defence	77			77		77
St John's Reinstatement	3,090			3,090		3,090
Support for Other Resources and Transformation projects						
Legal Advice Reserve	105			105		105
Partnerships & Transformation	78			78		78
Insurance risk investment fund	43			43		43
Brexit Preparation Funding	149			149		149
Support for People Services						
Schools Improvement (SSIF)	517			517		517
Supporting Families / Targetted Youth Support	224			224		224
Youth Justice	306			306		306
Music Services	117			117		117
Disabled Facilities Grants	289			289		289
Future Demand Pressures	1,799			1,799	(1,000)	799
Better Care Fund	316			316		316
Support for Place Services						
Investment to support business rates growth	520			520		520
Place Shaping Investment Reserve	400			400		400
Contingent sums to support future downsizing and transformation programmes						
Support for future redundancy costs	1,998		(162)	1,836		1,836
Support for part year effect of future savings plans	1,187			1,187	(1,187)	-
Digital Transformation	340		530	870		870
Transition to the Cloud	447			447		447
Response and Recovery Reserve	2,500			2,500	(1,500)	1,000
Budget Support Reserve	3,679			3,679		3,679
Invest to Save Reserve	4,336		230	4,566		4,566
Amounts b/fwd from previous year(s) in respect of unspent grants and contributions						
Transformation Challenge Award	64			64		64
SEN / SEND Reform Grant /SEND Prep for Empl	25			25		25
Transforming Lives	37			37		37
One Public Estate grant	474			474		474
Electoral Grant	57			57		57
DCLG Transparency Code New Burdens	13			13		13
Adult PSS - Local Reform and Community Voices	108			108		108
Adult PSS - War Pensions Disregard	30			30		30
Flexible Homelessness Support Grant (FHSG)	68			68		68
Social Integration funding	185			185		185
NHS Funding for LPRES integration with Mosaic and spine mini services	29			29		29
COVID-19 Funding from MHCLG	6,656		(2,686)	3,970	(265)	3,705
Combined Authority Grant	48			48		48
Burdens Fund monies	3			3		3
Custom build Grant	15			15		15
Museum & Arts Project	20			20		20
Museum & Schools Grant	52			52		52
Social Prescribing Link Workers Monies	11			11		11
More Positive Together monies	-			-		-
Community Champion Funding	85			85		85
Virtual School Grant	96			96		96
Clinically Extremely Vulnerable COVID Funding	290			290		290
Supported Families Funding	152			152		152
DLUHC Domestic Abuse Support to Victims Funding	-			-		-

DETAILS OF GENERAL FUND EARMARKED RESERVES FOR USE BY THE COUNCIL

	Balance at 30 September 2022	Requested Transfers to/(from) earmarked reserves in Qtr 1		Balance at 31 December 2022	Forecast Use of Reserves	Forecast Balance at 31st March 2023
	Quarter 2 2022/23 - As reported to Exec Board Nov 2022 £000	Release of grants and other budgets b fwd from 2021/22 £000	Other transfers to/(from) reserves £000	Quarter 3 2022/23 £000		
Amounts c/fwd to future year(s) in respect of unspent grants and contributions						-
Arts Regeneration	26			26		26
Community Development Management	10			10		10
Safer Streets Fund - CCTV monitoring & Maintenance	60			60		60
HMLR Funding	20			20		20
Amounts committed in future year budgets/MTFS						
Budget carry over for implementation of Concerto (Property system)	20			20		20
Budget carry over for Intack Depot driveway	10			10		10
CCTV Hub carry forward	163			163		163
Development Investment Fund (Capital)	1			1		1
Strengthening Communities Volunteering in Lancashire (SCVL)	109			109		109
Community Support Unit - request to carry forward specific budget underspends	77			77		77
Funding for Care Quality Commission (CQC) Inspection	600			600		600
Reserves held for specified purposes						
Developers Contributions (S106 Income)	(159)		2,773	2,614		2,614
Future Maintenance of Wainwright Bridge	27			27		27
Future Maintenance of Witton Park 3G Pitches	175			175		175
Leisure Equipment Pay-back	90			90		90
Future remediation costs in respect of former landfill sites	400			400		400
Highways claims anticipated for years up to current year but not yet received	300			300		300
Art Acquisitions Fund	19			19		19
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20			20		20
Allowance for contingent liabilities (e.g. MMI)	250			250		250
TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE	38,923	-	1,211	40,134	(3,952)	36,182
'Other Earmarked' Reserves						
Reserves held in respect of joint arrangements and charitable bodies						
Darwen Market Traders Association	2			2		2
Joint Building Control Account	124			124		124
Turton Tower Charity	81			81		81
LSCB Safeguarding Partners Fund	41			41		41
Reserves held in relation to schools						
Dedicated Schools Grant - Surplus	4,247			4,247		4,247
LMS Schools Balances	8,139			8,139		8,139
TOTAL 'OTHER EARMARKED' RESERVES	12,634	-	-	12,634	-	12,634
TOTAL EARMARKED RESERVES	51,557	-	1,211	52,768	(3,952)	48,816
UNALLOCATED RESERVES	7,718	-	-	7,718	(1,718)	6,000

EXECUTIVE BOARD DECISION



REPORT OF: Executive Member for Finance and Governance

LEAD OFFICERS: Director of Finance

DATE: 9 February 2022

PORTFOLIO/S AFFECTED: All

WARD/S AFFECTED: All

KEY DECISION: YES NO

SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2022/23 – Quarter 3 as at 31st December 2022

1. EXECUTIVE SUMMARY

To report the overall financial position of the Council in respect of the capital programme as at 31st December 2022, highlighting key issues and explaining variations in the first 9 months of the year.

2. RECOMMENDATIONS

The Executive Board is asked;

- to approve the revised capital programme as per Appendix 1,
- to approve the variations to the programme shown in Appendix 2,
- to approve the slippage requests detailed in Appendix 3

3. BACKGROUND

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

4. KEY ISSUES & RISKS

- a) The total cost of the Council's capital investment programme for 2022/23 has now decreased from £52.931 million, as approved by Executive Board on 10th November 2022, to £28.606 million at 31st December 2022. The net variation of £24.325 million (detailed in Appendix 2) reflects;
- increases of £1.744 million made to reflect the approval of schemes during the third quarter of the year (£0.956 million of which are funded from reallocation of budgets within the existing 2022/23 programme)
 - further variations during the third quarter of the year, for which approval is requested (£0.443 million)
 - slippage and re-profiling of budgets during the third quarter of the year (£25.556 million).
- b) As at 31st December 2022, the capital expenditure across the portfolios was £8.358 million (representing 29.22% of the current, revised projected capital spend).

- c) The estimated value of capital receipts expected in 2022/23 is £4.833 million; this has increased from the estimated £3.445 million included in the capital programme, as £3.750 million has been received in the first nine months of the year.

5. POLICY IMPLICATIONS

The information contained within the report accords with the capital strategy and the three year budget forecast within the Medium Term Financial Strategy 2022-25, as approved at Finance Council on 28th February 2022.

6. FINANCIAL IMPLICATIONS

6.1 CAPITAL PROGRAMME

The capital programme for 2022/23 has decreased by £24.325 million in the third quarter of the year.

The variations in actual spend and resource availability for 2022/23 are summarised by portfolio in Appendix 1, scheme level variations in spending are set out in Appendix 2, and slippage requests are detailed in Appendix 3.

The main points to note are as follows:

6.1.1 New Approved Capital Schemes

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

Scheme	Amount 2022/23	Amount Future Years	Approved By	Date Approved
Adults and Prevention				
Rough Sleeping Accommodation Programme	£437,585	£182,577	Executive Board	8-Dec-22
Children, Young People and Education				
Various Schools and Education projects funded from existing School Condition and Devolved Formula Capital allocations	£956,000	-	Executive Board	10-Nov-22
Environmental Services				
Replacement of Children's Play Area at Witton Park	£350,000	-	Executive Board	8-Dec-22
Total	£1,743,585	£182,577		

6.1.2 Growth Team Housing Schemes

Capital receipts of £130,600 and £47,000 have been recycled back into the Neighbourhood Intervention Fund and Equity Loans Fund respectively, and approval is requested to increase the schemes by these values.

In addition, funding of £220,000 was secured from the Brownfield Land Release Fund which will be used to prepare the Longshaw Nursery Site for development, and the budget for this scheme has therefore been increased by this amount.

Scheme	Q3 Variations £
Neighbourhood Intervention Fund	130,600
Equity Loans	47,000
Land Release Fund	220,000
Total	397,600

6.1.3 Other Variations

Adult Social Care software system

A request is made to add a scheme to the capital programme for the Adult Social Care software system transition to the Cloud. The cost of this scheme is £45,000, to be funded by a revenue contribution, and a budget has been added for this amount.

6.1.4 Slippage

There are a number of requests for the approval of slippage in respect of schemes that are now not expected to be completed within the current financial year. These are detailed in Appendix 3.

6.2 CAPITAL RECEIPTS

Actual capital receipts at the end of December 2022 were £3.750 million. All of these receipts will be utilised in support of the Minimum Revenue Provision.

6.3 BALANCE SHEET POSITION

6.3.1 Overview

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

6.3.2 Non-current Assets

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

6.3.3 Borrowing and Investments

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

No long-term borrowing has been taken so far this year, and it is not anticipated that any new borrowing will be required before the financial year-end.

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

Both short and long term borrowing interest rates and investment interest rates have increased over the quarter, this is due to a number of factors including global issues, the 'mini-budget' and increases in the Bank of England Bank Rate from 2.25% at the start of the period to 3.50% by the end.

Changes to the income and debt repayment revenue budget forecasts are as follows:

- Interest and investment income is now forecast to be £0.912 million higher than the original budget. This is as a result of the increasing interest rates;
- Debt interest payable is forecast to be £0.870 million lower than the original budget. The Council has not had to undertake any borrowing during the year, mainly due to capital scheme slippage;
- MRP is forecast to be £0.161 million lower than the original budget due to reduced capital spend being incurred in the previous year.

Interest and Debt Repayments Revenue Budget

	Original Budget £	Forecast at Quarter 2 £	Movement Quarter 3 £	Forecast at Quarter 3 £
Interest and investment income	(25,000)	(505,000)	(432,000)	(937,000)
Debt interest payable	12,590,000	11,890,000	(170,000)	11,720,000
MRP	6,422,000	6,261,000	-	6,261,000
Total	18,987,000	17,646,000	(602,000)	17,044,000

The current borrowing and investment position is as follows:

	Amounts at 31/12/2021 £000	Amounts at 31/12/2022 £000
Short term borrowing	20,000	5,000
Long term borrowing	143,564	139,776
Transferred debt re Local Government Reorganisation	13,175	12,768
Recognition of debt re PFI arrangements	60,209	58,082
TOTAL BORROWING	236,948	215,626
Investments made by the Council	53,100	63,052

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

6.3.4 Debtors

The Council has a corporate debt policy, as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas at 31st December 2022. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position at 31/12/2021	Position at 31/12/2022
Council tax		
Current year balance (£000)	15,915	15,574
Previous year arrears (£000)	11,795	12,917
Total Council tax balances	27,710	28,491
Collection rates	77.8%	79.2%
Business rates		
Current year balance (£000)	8,769	7,811
Previous year arrears (£000)	2,812	3,224
Total Business rates balances	11,581	11,035
Collection rates	77.2%	82.1%
Housing Benefit		
Overpayments balances (£000)	2,463	2,160

The table below shows the level of trade debtors as at 31st December 2022, net of the provision for doubtful debts, and the corresponding level of debt at the same point in the last financial year.

	Position at 31/12/2021	Position at 31/12/2022
Trade Debtors (£000)	8,817	6,941

7. LEGAL IMPLICATIONS

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

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

8. RESOURCE IMPLICATIONS

None.

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

None

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION:	V1.0
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CONTACT OFFICER:	Jenny Bradley (Ext 267681) Julie Jewson (Ext 585893)
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DATE:	January 2023
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BACKGROUND PAPER:	N/A
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Overall Capital Monitoring 2022/23					
	Current Year 2022/23				
	Budget Approved by Finance Council on 28 Feb 2022	Revised Budget at Qtr 2	Virement / New Scheme Approvals	Slippage	Revised Budget at Qtr 3
	£ 000	£ 000	£ 000	£ 000	£ 000
Costs					
Adults and Prevention Services	2,890	3,597	438	(1,232)	2,803
Children, Young People and Education	6,827	14,390	-	(5,055)	9,335
Environmental Services	609	849	350	(100)	1,099
Public Health and Wellbeing	-	-	-	-	-
Growth and Development	17,092	25,052	398	(14,199)	11,251
Digital and Customer Services	2,623	3,005	45	(2,118)	932
Finance and Governance	900	1,586	-	(831)	755
Portfolios Total	30,941	48,479	1,231	(23,535)	26,175
Earmarked Schemes	3,250	3,158	-	(727)	2,431
Contingent Schemes	1,500	1,294	-	(1,294)	-
Total Spend	35,691	52,931	1,231	(25,556)	28,606
Financing					
Department for Education	3,353	10,606		(2,505)	8,101
Department for Transport	-	4,987		(22)	4,965
Disabled Facilities Grant	3,413	3,753		(1,632)	2,121
Department for Levelling Up, Housing and Communities	7,295	7,820	658	(7,661)	817
Department for Business, Energy and Industrial Strategy	-	565			565
Environment Agency	-	412		(27)	385
Heritage Lottery	1,099	1,029		(882)	147
Forrestry Commission	-	85			85
Arts Council	-	365		(365)	-
Home Office	-	381			381
Total Grants	15,160	30,003	658	(13,094)	17,567
External Contributions	202	244	178	(226)	196
Revenue Contributions	6,351	7,860	395	(4,436)	3,819
Unsupported Borrowing	13,978	14,824		(7,800)	7,024
Total Financing	35,691	52,931	1,231	(25,556)	28,606

Scheme Variations to 2022/23 Capital Programme

Current Year 2022/23									
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Revised 2022/23 Budget at Q2 2022/23 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Qtr 3 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Adults and Prevention Services									
Disabled Facilities Grant	2,650	2,893		(1,192)	1,701	729	(972)	1,701	-
Telecare Project	240	280		(40)	240	44	(196)	240	-
Safer Streets Fund	-	381			381	122	(259)	381	-
CCTV Hub Upgrade	-	43			43	51	8	51	8
Rough Sleeping Accommodation Programme	-	-	438		438	73	(365)	438	-
	2,890	3,597	438	(1,232)	2,803	1,019	(1,784)	2,811	8
Children, Young People & Education									
Disabled Facilities Grant	663	720		(400)	320	112	(208)	320	-
Two Year Old Grant	-	49		(49)	-	-	-	-	-
Education - Free School Meals Module	36	36			36	-	(36)	36	-
Liquid Logic - New Data Production	-	45			45	-	(45)	45	-
Schools capital programme									
Capital allocations	1,116	6,433	(956)		5,477	-	(5,477)	5,477	-
St Barnabas & St Pauls	135	135		(135)	-	-	-	-	-
Audley Infants & Juniors Heating System		-			-	(20)	(20)	-	-
Roe Lee Park Ventilation & New Flooring		-			-	(3)	(3)	-	-
Avondale Kitchen		30			30	14	(16)	30	-
Shadsworth Infants - Heating	247	247			247	237	(10)	247	-
St Cuthberts SEND		6			6	6	-	6	-
Meadowhead Infants External Works		-			-	(9)	(9)	-	-
BCHS/Crosshill SEN		42			42	38	(4)	42	-
Lammack Extension	1,550	1,670		(450)	1,220	864	(356)	1,220	-
Darwen - Additional School Places	1,500	1,500		(1,500)	-	-	-	-	-
Longshaw Nursery Relocation	500	753		(200)	553	260	(293)	553	-
Lower Darwen Disability Access Adaptations		26			26	-	(26)	26	-
Brunel Nursery External Fencing		14			14	5	(9)	14	-
Feniscowles Disability Access Adaptations		69			69	-	(69)	69	-
Shadsworth Infants Extension and Remodel	200	472			472	2	(470)	472	-
Ashleigh Heating and Ventilation	26	35		(35)	-	-	-	-	-
Ashworth Nursery Perimeter Fencing	15	20			20	17	(3)	20	-
Audley infants (Nursery) Upgrade Fire Alarm	19	29			29	29	-	29	-
Audley Infants Resurfacing Pathways	15	23			23	23	-	23	-
Audley Infants Replacement of Fascias & Soffits	41	55		(55)	-	-	-	-	-
Audley Inf & Jnr Replace windows & upstands to lean to roof	45	60		(60)	-	-	-	-	-
Avondale Resurface Playground	105	140		(125)	15	2	(13)	15	-
Belmont Replace Fire Alarm System	23	30			30	24	(6)	30	-
Brookhouse Primary (Nursery) Replace Roof System	56	75		(75)	-	-	-	-	-
Brookhouse Primary Replace Boilers	30	40		(40)	-	-	-	-	-
Intack Primary Replacement of External Doors	13	18			18	1	(17)	18	-
Longshaw Juniors Replace Fire Alarm System	30	40		(40)	-	-	-	-	-
Lower Darwen Primary Heating Scheme	158	210			210	149	(61)	210	-
Roe Lee Roofing, Upstandings & Windows	146	195		(180)	15	4	(11)	15	-
Roe Lee Repairs to Service Road, Ext Areas & Auto Gates	78	100		(85)	15	1	(14)	15	-
Shadsworth Juniors Replacement of Boilers	30	40		(40)	-	-	-	-	-
Turton & Edgworth Upgrade Fire Alarm	23	30			30	29	(1)	30	-

Scheme Variations to 2022/23 Capital Programme

	Current Year 2022/23								
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Revised 2022/23 Budget at Q2 2022/23 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Qtr 3 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Meadowhead Infants Drainage Installations	15	20			20	15	(5)	20	-
Lower Darwen Primary Sch Partial Replace Fire Alarm System	12	16			16	-	(16)	16	-
Stansfeld Centre / St Thomas Centre Refurbishment		500		(470)	30	-	(30)	30	-
Newfield Roof Repairs		250		(220)	30	-	(30)	30	-
Brookhouse MUGA Pitch Repairs		20			20	9	(11)	20	-
Belmont Primary Boiler Replacement		35		(35)	-	-	-	-	-
Longshaw Juniors Replacement of Water Main		25			25	22	(3)	25	-
Contingency		87			87	4	(83)	87	-
Project Management Fee		50			50	-	(50)	50	-
Audley Infant Culvert Works			20	(18)	2	-	(2)	2	-
Audley Infant Dining Room Floor/gas meter/boiler			30	(27)	3	-	(3)	3	-
Audley Junior Ventilation & Heating works			10	(9)	1	-	(1)	1	-
Avondale Rebuild Steps			10	(9)	1	-	(1)	1	-
Belmont Reslate Roof inc Lead work to valleys & bell tower			33	(30)	3	-	(3)	3	-
Brookhouse Upgrade Lighting			38	(34)	4	-	(4)	4	-
Brookhouse Kitchen Upgrade			50	(45)	5	-	(5)	5	-
Brookhouse Replace Windows & Doors			10	(9)	1	-	(1)	1	-
Daisyfield Replace External Doors			15	(13)	2	-	(2)	2	-
Daisyfield SEND Works DDA Compliance			33	(30)	3	-	(3)	3	-
Feniscowles Juniors Upgrade Windows			30	(27)	3	-	(3)	3	-
Lammack Security Fencing & Electronic Gates			220	(198)	22	-	(22)	22	-
Lammack Resurface Playground			40	(36)	4	-	(4)	4	-
Lower Darwen Send Works DDA Compliance			40	(36)	4	-	(4)	4	-
Lower Darwen Fire Risk Assessment Works			25	(23)	2	-	(2)	2	-
Lower Darwen Perimeter Fencing Repair/Replace			10	(9)	1	-	(1)	1	-
Meadowhead Infant Replace External Rubber Flooring			10	(9)	1	-	(1)	1	-
Meadowhead Junior Replace Floor Covering to Hall			20	(18)	2	-	(2)	2	-
Meadowhead Junior Replace doors & RollerShutters			15	(14)	1	-	(1)	1	-
Meadowhead Junior External Path Works			50	(45)	5	-	(5)	5	-
Meadowhead Junior Fire Risk Assessment Ceiling Works			20	(18)	2	-	(2)	2	-
Roe Lee Park Toilet Works			20	(18)	2	-	(2)	2	-
Shadsworth Juniors Send Works DDA Compliance			57	(51)	6	-	(6)	6	-
St Michael with St John Roofing Works			150	(135)	15	-	(15)	15	-
	6,827	14,390	-	(5,055)	9,335	1,835	(7,500)	9,335	-
Environmental Services									
Land Remediation Scheme	104	104			104	-	(104)	104	-
Blakewater Car Park	230	230			230	-	(230)	230	-
Prayer Shelter at Pleasington Cemetery	275	515		(100)	415	19	(396)	415	-
Childrens Play Area Witton Park	-	-	350		350	-	(350)	350	-
	609	849	350	(100)	1,099	19	(1,080)	1,099	-
Public Health & Wellbeing									
Replacement Gym Equipment	-	-	-	-	-	(125)	(125)	-	-
	-	-	-	-	-	(125)	(125)	-	-

Scheme Variations to 2022/23 Capital Programme

	Current Year 2022/23								
	Budget Approved by Finance Council on 28 Feb 2022 £ 000	Revised 2022/23 Budget at Q2 2022/23 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Qtr 3 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Growth & Development									
Bank Top and Griffin Clearance	150	186		(186)	-	-	-	-	-
Neighbourhood Intervention Fund	1,805	1,582	131	(1,613)	100	74	(26)	100	-
Equity Loans	100	188	47	(235)	-	-	-	-	-
Empty Homes Cluster	360	360		(360)	-	-	-	-	-
Other Acquisition costs	-	10		(10)	-	-	-	-	-
Development Investment Fund	500	523		(240)	283	163	(120)	283	-
Land Release Fund	759	793	220	(934)	79	9	(70)	79	-
Assistance to Industry	150	257		(100)	157	104	(53)	157	-
Blakey Moor	2,302	2,826		(1,210)	1,616	777	(839)	1,616	-
Cathedral Quarter Office Block Fit Out	-	30			30	30	-	30	-
Local Transport Plan	979	6,831			6,831	2,306	(4,525)	6,831	-
Reel Cinema	-	39		(22)	17	16	(1)	17	-
Bury Fold Brook	-	14		(14)	-	-	-	-	-
Pottery Farm Alleviation	-	10		(10)	-	-	-	-	-
Waterfall Study	-	123			123	31	(92)	123	-
Grimshaw Park FAS Blackburn	-	3		(3)	-	-	-	-	-
Brecon Road Drainage	-	66			66	29	(37)	66	-
Corporation Park Drainage	-	13			13	8	(5)	13	-
Aqueduct Road Drainage	-	175			175	123	(52)	175	-
Quick Win Fund (Hope Street)	-	8			8	-	(8)	8	-
Affordable Warmth Grants	-	6			6	-	(6)	6	-
Darwen Tower	108	102			102	102	-	102	-
Darwen Towns Fund - Accelerated Funds	-	-			-	-	-	-	-
Darwen Towns Fund - 5% Early Payment	-	598			598	461	(137)	598	-
Darwen Towns Fund	6,778	6,778		(6,276)	502	250	(252)	502	-
Thwaites SPV	245	245		(145)	100	100	-	100	-
Carbon Management Plan	67	67			67	-	(67)	67	-
Greenfields CC and Mill Hill Juniors FC Grants	-	50		(48)	2	2	-	2	-
St Johns Refurbishment	450	411		(100)	311	191	(120)	311	-
Griffin Lodge /Coach House	200	200		(200)	-	-	-	-	-
St Johns Quarter	500	500		(500)	-	-	-	-	-
SE Blackburn (Junction 5 & Growth Corridor) Intervention Works	1,639	1,593		(1,593)	-	-	-	-	-
Blackburn Museum & Art Gallery Roof Replacement	-	465		(400)	65	3	(62)	65	-
	17,092	25,052	398	(14,199)	11,251	4,779	(6,472)	11,251	-
Digital & Customer Services									
Corporate ICT - Finance System	20	38			38	20	(18)	38	-
Corporate ICT - Core Infrastructure Programme	100	136		(71)	65	35	(30)	65	-
Corporate ICT - Legal Services Case Management System	-	32		(28)	4	-	(4)	4	-
Corporate ICT - Corporate Website	26	30			30	28	(2)	30	-
Corporate ICT - Town Hall IT Infrastructure Upgrade	100	144		(143)	1	1	-	1	-
Corporate ICT - Digital Customer Portal	240	313		(80)	233	4	(229)	233	-
Corporate ICT - Round Management System	4	16		(13)	3	-	(3)	3	-
Corporate ICT - Microsoft Licence Agreement Server and Database	126	126			126	-	(126)	126	-
Corporate ICT - Replacement HR and Payroll System	306	393		(273)	120	(22)	(142)	120	-
Corporate ICT - Implementation Liquidlogic Group Work Module	-	11			11	12	1	12	1

Scheme Variations to 2022/23 Capital Programme

	Current Year 2022/23								
	Budget	Revised 2022/23	Virement / New		Revised Budget	Actual Spend to	Variance	Forecast	Variance After
	Approved by Finance Council on 28 Feb 2022 £ 000	Budget at Q2 2022/23 £ 000	Scheme Approvals £ 000	Slippage £000	at Qtr 3 £ 000	Date £ 000	£ 000	£ 000	Slippage £ 000
Coporate ICT - Microsoft 365 and Unified Comms	570	625		(550)	75	7	(68)	75	-
Coporate ICT - Transition to the Cloud	112	122		(92)	30	25	(5)	30	-
Coporate ICT - Helpdesk for Everything	108	108		(108)	-	-	-	-	-
Coporate ICT - Digital Customer Portal (Phase 2)	240	240		(150)	90	-	(90)	90	-
Coporate ICT - Core Network Upgrade	581	581		(530)	51	39	(12)	51	-
Coporate ICT - Intranet/iTrent	90	90		(80)	10	-	(10)	10	-
ASC software transition to the Cloud			45		45	-	(45)	45	-
	2,623	3,005	45	(2,118)	932	149	(783)	933	1
Finance & Governance									
Public Sector Decarbonisation Scheme	-	565			565	514	(51)	565	-
Corporate Accommodation Strategy Phase 2	850	856		(831)	25	11	(14)	25	-
Darwen Town Hall Reroofing	-	-			-	(6)	(6)	-	-
Witton 3G Changing Room Roof	-	-			-	(7)	(7)	-	-
Mill Hill Community Centre Roof	50	80			80	73	(7)	80	-
Treescaping Fund	-	85			85	65	(20)	85	-
	900	1,586	-	(831)	755	650	(105)	755	-
Portfolio Total	30,941	48,479	1,231	(23,535)	26,175	8,326	(17,849)	26,184	9
Earmarked schemes:									
Corporate IT	-	28			28	-	(28)	28	-
Corporate Property Investment	1,950	1,577		(727)	850	-	(850)	850	-
Vehicles (funded from capital or leased)	1,300	1,553			1,553	32	(1,521)	1,553	-
Total	3,250	3,158	-	(727)	2,431	32	(2,399)	2,431	-
Contingent schemes:									
Asset Management Strategy	1,500	1,294		(1,294)	-	-	-	-	-
Total	1,500	1,294	-	(1,294)	-	-	-	-	-
Totals	35,691	52,931	1,231	(25,556)	28,606	8,358	(20,248)	28,615	9

Capital Programme slippage**1. Adults and Prevention Services**Disabled Facilities Grant & Telecare Project

Approval is sought to reprofile £1.192 million on the Disabled Facilities Grant scheme and £40,000 on the Telecare Project scheme into 2023/24.

2. Children's Young People & EducationDisabled Facilities Grant

Approval is sought to reprofile £400,000 on the Disabled Facilities Grant scheme into 2023/24.

Schools Capital Schemes

Approval is sought to slip the following into 2023/24, as these schemes are not expected to be completed in the current financial year. This includes £0.861 million in respect of new schemes that were approved in November 2022:

Scheme	Slippage Requested £
Two Year Old Grant	49,000
St Barnabas & St Pauls	135,000
Lammack Extension	450,000
Darwen - Additional School Places	1,500,000
Longshaw Nursery Relocation	200,000
Ashleigh Heating and Ventilation	35,000
Audley Infants Replacement of Fascias & Soffits	55,000
Audley Inf & Jnr Replace windows & upstands to lean to roof	60,000
Avondale Resurface Playground	125,000
Brookhouse Primary (Nursery) Replace Roof System	75,000
Brookhouse Primary Replace Boilers	40,000
Longshaw Juniors Replace Fire Alarm System	40,000
Roe Lee Roofing, Upstandings & Windows	180,000
Roe Lee Repairs to Service Road, Ext Areas & Auto Gates	85,000
Shadsworth Juniors Replacement of Boilers	40,000
Stansfeld Centre / St Thomas Centre Refurbishment	470,000
Newfield Roof Repairs	220,000
Belmont Primary Boiler Replacement	35,000
Audley Infant Culvert Works	18,000
Audley Infant Dining Room Floor/gas meter/boiler	27,000
Audley Junior Ventilation & Heating works	9,000
Avondale Rebuild Steps	9,000
Belmont Reslate Roof inc Lead work to valleys & bell tower	30,000
Brookhouse Upgrade Lighting	34,000
Brookhouse Kitchen Upgrade	45,000
Brookhouse Replace Windows & Doors	9,000
Daisyfield Replace External Doors	13,000
Daisyfield SEND Works DDA Compliance	30,000
Feniscowles Juniors Upgrade Windows	27,000
Lammack Security Fencing & Electronic Gates	198,000
Lammack Resurface Playground	36,000
Lower Darwen Send Works DDA Compliance	36,000
Lower Darwen Fire Risk Assessment Works	23,000

Lower Darwen Perimeter Fencing Repair/Replace	9,000
Meadowhead Infant Replace External Rubber Flooring	9,000
Meadowhead Junior Replace Floor Covering to Hall	18,000
Meadowhead Junior Replace doors & RollerShutters	14,000
Meadowhead Junior External Path Works	45,000
Meadowhead Junior Fire Risk Assessment Ceiling Works	18,000
Roe Lee Park Toilet Works	18,000
Shadsworth Juniors Send Works DDA Compliance	51,000
St Michael with St John Roofing Works	135,000
Total Slippage	4,655,000

3. Environmental Services

Prayer Shelter at Pleasington Cemetery

Approval is requested to slip £100,000 into 2023/24 as these works are not expected to be completed in 2022/23. The estimated completion date is now April 2023.

4. Growth and Development

Approval is sought to slip / reprofile the following amounts into 2023/24 or, where indicated in the notes, remove them from the capital programme altogether:

Scheme	Slippage Requested £	Notes
Bank Top and Griffin Clearance	186,000	Remaining purchases currently under negotiation.
Neighbourhood Intervention Fund	1,613,000	Project ongoing.
Equity Loans	235,000	Project ongoing.
Empty Homes Cluster	360,000	Project ongoing.
Other Acquisition costs	10,000	Relates to property in Whalley Range with an outstanding dispute on final purchase price.
Development Investment Fund	240,000	Project ongoing.
Land Release Fund	934,000	Project ongoing.
Assistance to Industry	100,000	Recent grant offers being completed in the next financial year.
Blakey Moor	1,210,000	Project ongoing.
Reel Cinema	22,000	Slippage will cover any latent defects that need addressing next year.
Bury Fold Brook	14,000	Ongoing Legal issue.
Pottery Farm Alleviation	10,000	Land issue so can't progress with these works - project close – remove from programme.
Grimshaw Park FAS Blackburn	3,000	Project completed – underspend – remove from programme.
Darwen Towns Fund	6,276,000	In Q3 of 2022/23, the detailed business cases for all 9 Town Deal projects were approved by government and the first payment of the grant has now been received. Although there are some early wins with smaller projects such as J4 Skatepark improvements and Darwen Cricket Club well underway, a significant amount of expenditure will now fall into future years; work is starting at pace on the major projects to develop detailed designs and the delivery strategies

Thwaites SPV	145,000	
Greenfields CC and Mill Hill Juniors FC Grants	48,000	Grants to be allocated when capital receipt comes in.
St Johns Refurbishment	100,000	Project ongoing.
Griffin Lodge /Coach House	200,000	Was new scheme in 2022/23 - project ongoing.
St Johns Quarter	500,000	Contribution to LUF scheme – bid unsuccessful.
SE Blackburn (Junction 5 & Growth Corridor) Intervention Works	1,593,000	Contribution to LUF scheme – bid successful – new profile for match funding built into the 2023/26 capital programme.
Blackburn Museum & Art Gallery Roof Replacement	400,000	Project ongoing.
Total Slippage	14,199,000	

5. Digital and Customer Services

A request is made to approve the re-profiling of the following Corporate ICT scheme budgets into 2023/24 for schemes not expected to be completed during the current financial year:

Scheme	Slippage Requested £
Core Infrastructure Programme	71,000
Legal Services Case Management System	28,000
Town Hall IT Infrastructure Upgrade	143,000
Digital Customer Portal	80,000
Round Management System	13,000
Replacement HR and Payroll System	273,000
Microsoft 365 and Unified Comms	550,000
Transition to the Cloud	92,000
Helpdesk for Everything	108,000
Digital Customer Portal (Phase 2)	150,000
Core Network Upgrade	530,000
Intranet / iTrent	80,000
Total Slippage	2,118,000

6. Finance and Governance

Approval is sought to slip the following into 2023/24, as these schemes are not expected to be completed in this year:

Scheme	Slippage Requested £
Corporate Accommodation Strategy Phase 2	831,000
Total Slippage	831,000

7. Earmarked and Contingent Schemes

Corporate Property Investment Earmarked Scheme

Approval is sought to slip £0.727 million of this Earmarked Scheme allocation from the 2022/23 programme to meet costs in future years. This will be utilised to help the Council fulfil its future growth and development plans.

Asset Management Strategy Contingent Scheme

Approval is requested to slip £1.294 million of this Contingent Scheme allocation from the 2022/23 programme to meet costs in future years. This will be utilised to help the Council fulfil its future asset management plans.

EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Growth & Development Executive Member for Finance & Governance
LEAD OFFICERS:	Strategic Director of Growth & Development Director of Finance
DATE:	Thursday, 12 January 2023

PORTFOLIO/S AFFECTED:	Growth and Development; Finance and Governance
WARD/S AFFECTED:	Little Harwood
KEY DECISION:	Y

SUBJECT: EB Listed Mill Acquisition to support Employment Growth

1. EXECUTIVE SUMMARY

The report sets out the background and rationale to the Council acquiring Imperial Mill, including the Gatehouse and adjoining site. The current owners, a manufacturing business, occupy the first floor of the Mill. The owner is prepared to sell this building to a public body. The restoration and reuse of Imperial Mill represents an important long-term opportunity to create a new, sustainable future for the site that delivers new employment and cultural opportunities, as part of the Council's growth plans for the strategic corridor linking Blackburn Town Centre, Linear Park and commercial developments at Carl Fogarty Way, Greenbank and J6 M65 – a key corridor within the Council's Blackburn Growth Axis.

2. RECOMMENDATIONS

That the Executive Board:

1. Approves the acquisition of Imperial Mill, which includes the Grade II listed Mill, the Gatehouse, adjoining car park and approximately 1.5 Hectares of land to the rear, as highlighted on the plan set out at Annex 1;
2. Notes that this acquisition and the necessary remedial works will be funded from the Asset Management Fund budget allocation in the Council's Capital Programme (net of the UKSPF funding below);
3. Note and approve the lease back of first floor and loading bay to Lancashire Saw Company Limited, the current business owner of Imperial Mill, for 15-years to continue manufacturing from Imperial Mill and safeguard 35 local jobs.
4. Approves the early investment to make the property safe, wind and watertight and develop a delivery strategy as set out in the Council's Capital Programme for 2023/24;
5. Note Government has confirmed the Council's UK Shared Prosperity Funding (UKSPF) allocation of c£6 million with £250,000 set aside in 2023/24 to support and contribute to the Council's early investment and feasibility work for Imperial Mill, as part of the Borough's 3-year UKSPF Investment Plan; and

5. Agree to delegate the conclusion of legal and commercial arrangements, consistent with the draft terms set out in this report, to secure the Council's ownership of Imperial Mill to the Strategic Director for Growth & Development, Director of Finance and Deputy Director, Legal & Governance , in consultation with the Executive Members for Growth & Development and Finance & Governance .

3. BACKGROUND

The M65, J6 corridor through to Blackburn Town Centre has seen a recent acceleration in investment, linked to major infrastructure improvements, including large scale commercial development, most notably Frontier Park by Eurogarages, the Council's development of Carl Fogarty Way and new growth opportunities at Greenbank, and our work with the Super Slow Way initiative to develop the adjacent Leeds-Liverpool Canal as a new Linear Park.

Imperial Mill is an iconic and important building, centrally located along the growth corridor linking the Town Centre and J6 M65, and forms one of the key growth corridors of the Blackburn Growth Axis, our new growth framework for Blackburn, and one of 6 strategic priorities in our new Local Plan 2021-37. This route combines with corridor linking the Town Centre to the National Cyber Force HQ and Enterprise Zone at Samlesbury, and the corridor linking the Town Centre with growth opportunities along Haslingden Road and at J5 M65. The project will support the developing Growth Axis framework and Cultural Investment Strategy, as part of the delivery of the new Local Plan and wider transformation of the borough and Pennine Lancashire.

Imperial Mill, is a Grade II listed spinning mill dating back to the early 1900s and adjacent to the Leeds-Liverpool Canal. The property is currently owned and the Mill partially used for manufacturing by the Lancashire Saw Company Limited on the first floor with the upper 2 floors mostly vacant and in need of repair. There is also a basement suitable for storage use with the Mill offering c. 160,000ft² of space. The Gatehouse is part of the property and is currently let to a printing company who have recently taken a 3-year lease. The building has had a visual inspection and judged to be in good order.

Lancashire Saw Company are a successful manufacturing business and are keen to remain operating in the building. However, they have recognised that they are not in a position to safeguard the future of the building and it is timely to sell the site to an owner who will develop and implement a longer-term restoration and development strategy for this strategic site. Upon acquisition, the proposal is for the business to leaseback their current demise on the first floor of the Mill with an agreed number of parking spaces.

The restoration and reuse of Imperial Mill creates the opportunity to bring significant and unique employment space back into use, both within the Mill and into the land at the rear which adjoins the Council's land. In addition, there is the opportunity to build on the unique character of the Canal corridor, derived from the Canal setting and the heritage assets that sit within it. The economic, cultural and physical legacy of the Canal remains a great source of local distinctiveness, identity and industrial heritage. The potential to make improvements to the cultural offer, community amenity and benefit in the spaces around the Mill making full use of the canal corridor and natural environment surrounding it, will bring lasting benefits to the area, the residents, employers and visitors.

Further place-making opportunities are afforded by Super Slow Way's Linear Park development which has started to frame these benefits and they are working with regional and national partners to bring forward this opportunity. The Linear Park development identifies Imperial Mill and its surrounding environment as prime for development and one of four proposed 'cultural hubs' – a 'string of pearls' - on the Leeds-Liverpool Canal running through Pennine Lancashire. The

development of our creative and cultural industries, accelerated by the recent announcement of four new National Portfolio Organisations (NPOs) by the Arts Council – namely, National Festival of Making, British Textile Biennial, Culturapedia and the Council’s own Museum and Art Gallery – highlights the growing importance of our cultural economy and the potential of Imperial Mill to generate further cultural opportunities.

In addition to the funds for acquisition of the site, there are prudent repairs required to make the building wind and watertight and address some structural issues identified in initial surveys as well as case making for further investment.

4. KEY ISSUES & RISKS

An independent valuation of Imperial Mill, the Gatehouse and land adjoining that form the property, and the leaseback to Lancashire Saw Company Limited, has been carried out and draft terms have been agreed for both the acquisition and the leaseback of the first floor and loading bay. The draft terms are:

Acquisition of the Imperial Mill, includes the freehold of Imperial Mill and Gatehouse building and adjoining site.

The terms for the leaseback to Lancashire Saw Company Limited are a 15-year lease with a tenant annual rolling break on a stepped rent schedule. The lease will be internal repairing and insuring and subject to a service charge and reflects the condition of the building and the potential disruption while works take place during the period. The rental has been independently assessed and valued.

Alongside the acquisition of Imperial Mill, initial survey work commissioned has identified the need for works to make safe and wind and water tight while carrying out intrusive surveys to inform feasibility studies on its future use. The request for Council funding includes both the acquisition of the Mill complex and support for the necessary works and feasibility studies is up to March 2026. It is proposed that a contribution of £250,000 earmarked in the Council’s UKSPF Investment Fund for Imperial Mill will contribute to these costs. These works will include the removal of asbestos and some structural works prior to the development of a long-term programme of work.

The cost of acquisition and the costs of the above initial work are detailed in the financial implications of the report and have been independently assessed.

5. POLICY IMPLICATIONS

The acquisition and development of Imperial Mill will support the following corporate priorities

- Connected communities
- Strong economy to enable social mobility
- Supporting our town centres and businesses
- Safe, clean environment
- Reducing health inequalities and improving health outcomes

Imperial Mill is an iconic and important building, centrally located along the growth corridor linking the Town Centre and J6 M65, and forms one of the key growth corridors of the Blackburn Growth Axis, our new growth framework for Blackburn, and one of 6 strategic priorities in our new Local Plan 2021-37. This route combines with corridor linking the Town Centre to the National Cyber Force HQ and Enterprise Zone at Samlesbury, and the corridor linking the Town Centre with growth opportunities along Haslingden Road and at J5 M65. The project will support the developing Growth Axis

framework and Cultural Investment Strategy, as part of the delivery of the new Local Plan and wider transformation of the borough and Pennine Lancashire.

The acquisition and restoration and repurposing of the Mill also supports and contributes to the new 'Lancashire 2050', Strategic Framework for Lancashire as well as the Pennine Lancashire Linear Park development.

The project supports the Council's Climate Change Action Plan promoting more sustainable use of resources including improving and encouraging more use of, the natural environment.

Sub-regional, regional and national strategies and policies set out in the Levelling Up White Paper support the project with the focus on building resilient economies and places, place-making and improving pride in place and improving the natural environment.

6. FINANCIAL IMPLICATIONS

The acquisition of the site and emergency works will be funded from the Asset Management Fund budget allocation in the Council's Capital Programme. It will be supplemented with the UKSPF funding to support feasibility and other intrusive studies.

Funding for the future restoration and redevelopment of the site will be subject of future bids for investment.

There will be some revenue implications for holding costs relating to the site. These include building insurance, share of maintenance, rental of the substation, alarm monitoring and BID Levy. These are estimated to be in the order of £10,000 - £15,000 pa although this is still to be determined.

It is expected that as the building's two upper floors return to a condition suitable for letting, the revenue from rental will increase in line with market expectations given there is outstanding demand for both manufacturers and new sectors, including film and broadcast media, requiring this size of floorplate in the borough and beyond. There is also a basement that will be suitable for some storage facilities and feasibility will be explored in more detail once the building is acquired. There is land at the rear of the Mill which is part of the acquisition and this will have a both a development and amenity value in the future linked to the Council's land ownerships adjacent.

7. LEGAL IMPLICATIONS

Heads of Terms have been agreed with Lancashire Saw Company Limited for both the acquisition and the lease back of the first floor and loading bay for their continued use and these contracts will be completed as soon as is feasible, subject to Executive Board approval. Given the nature and condition of the Property, it is expected that the lease to the Lancashire Saw Company will require substantial negotiation and discussion. The rent profile reflects the potential disruption in the early years of the lease and has been independently validated by an independent surveyor taking all circumstances into account. It reflects what is considered the market rent at years 14 and 15 although the annual tenant break clause does not provide the Council with any guarantees this will be achieved. The purchase will be subject to SDLT which is included in the financial implications. The Council, by virtue of buying the site will become the landlord to the printing company in the Gatehouse which has a 3-year lease .

It is expected that further leases to the upper floors will be completed once they are back in satisfactory condition to do so. The land at the back of the Mill will also be part of further development plans.

8. RESOURCE IMPLICATIONS

Council Officers in the Growth and Development, Finance and Legal Teams will be needed to support the acquisition and leaseback the Mill. Subject to approval, external resources will need to be procured for early works and further studies and development work. Costs of these are set out in the financial implications. A project team will be established to steer the work going forward..

9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

10. CONSULTATIONS

Consultations with relevant Executive Members and the owners of the building have taken place.

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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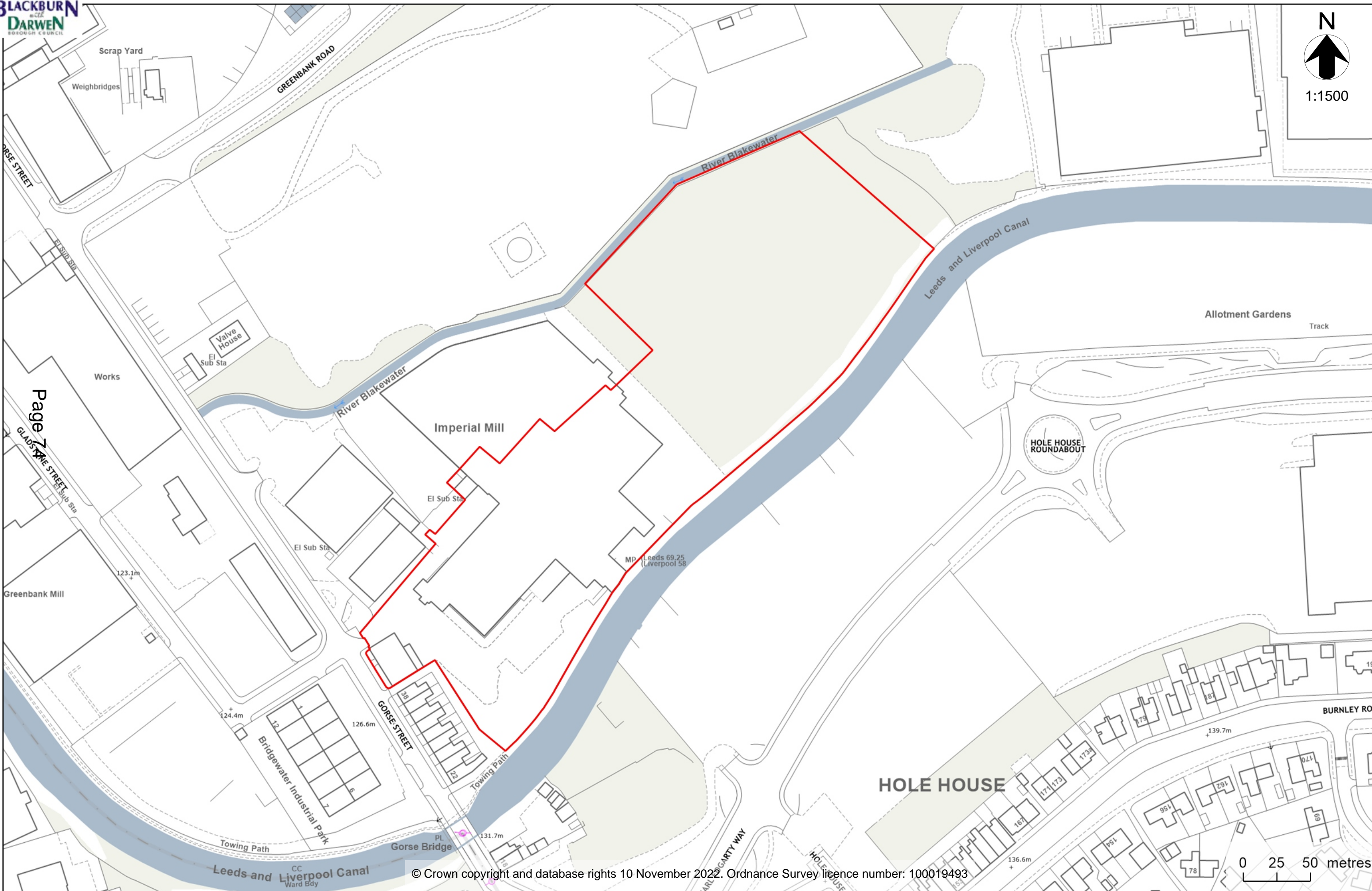
CONTACT OFFICER:	Clare Turner
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DATE:	15/12/2022
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BACKGROUND PAPER:	
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1:1500



EXECUTIVE BOARD DECISION



REPORT OF:	Executive Member for Growth and Development
LEAD OFFICERS:	Strategic Director of Growth & Development
DATE:	Thursday, 9 February 2023

PORTFOLIO/S AFFECTED:	Growth and Development
WARD/S AFFECTED:	Blackburn South East; West Pennine;
KEY DECISION:	N

SUBJECT: Junction 5 Strategic Employment Site Petition

1. EXECUTIVE SUMMARY

- 1.1 A petition signed by 1,525 members of the public, who reside within and outside of the borough, has been submitted to the Council requesting the following:
- *“Summary: BwD Council want to release greenbelt in order to build industrial units as identified in their local plan.*
 - *Action: we want the green belt area of Belthorn and Guide removing from the plan”.*

2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Notes the petition.
- 2.2 Requests that officers notify the lead petitioner that the draft Local Plan was submitted to the Planning Inspectorate on Friday 5th August 2022 and is currently undergoing examination. The matter of potential Green Belt release will be considered through the examination, with Public Inquiry commencing on 31st January.

3. BACKGROUND

- 3.1 The Council's emerging new Local Plan proposes to allocate 22 Hectares of land close to Junction 5 of the M65 as suitable for employment development, and a further 16 Hectares of

land adjacent is proposed to be safeguarded for longer-term future employment development. The total of 38 hectares is currently designated as Green Belt (2015 Local Plan).

- 3.2 As outlined in Policy CP10: The Economy (and Growth Site Allocation E179) of the emerging new [Local Plan](#), this strategic site is allocated for development to enable the Borough's identified employment requirements to be met in full over the plan period, and represents a key part of the employment strategy of the Plan. It also creates opportunity for inward investment and vital job creation.
- 3.3 The Council has consulted on draft proposals at several stages over the past 4 years, through a mixture of direct mailings, public events, advertising, social media and exhibitions; with the site in question highlighted as one of the 'big six' schemes within the new Local Plan. Furthermore, the emerging Local Plan is based on extensive evidence, with a clear focus on the significance of potential removal of Green Belt land and therefore sets out an equally significant rationale, having considered all reasonable alternatives.
- 3.4 At this stage of the Local Plan preparation process, the Planning Inspectors are not able to accept a petition. However, the lead petitioner is already registered as a participant for the forthcoming Public Inquiry and will have opportunity to put the case of residents forward at the relevant hearing session.

4. KEY ISSUES & RISKS

4.1 The Council will continue to participate in the Local Plan Examination to ensure that an up-to-date plan can be adopted in due course, providing a positive vision and balanced growth strategy for the future of the area. Residents' concerns are acknowledged, and it should be noted that if the allocation is adopted following examination, there is also a suggested requirement within the policy for compensatory improvements to the environmental quality and accessibility of remaining Green Belt land. This should contribute to offsetting any impact of removal of the site from the Green Belt.

5. POLICY IMPLICATIONS

5.1 None.

6. FINANCIAL IMPLICATIONS

6.1 None.

7. LEGAL IMPLICATIONS

7.1 This is an ordinary petition as defined in the Council's constitution as being one signed by at least 50 people and submitted by people who live, work or study in the Borough. Part 7 of the Constitution outlines the possible mechanisms for petitions and this report is one such type of valid response.

8. RESOURCE IMPLICATIONS

8.1 None.

9. EQUALITY AND HEALTH IMPLICATIONS

Please select one of the options below.

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

Option 2 In determining this matter the Executive Member needs to consider the EIA associated with this item in advance of making the decision.

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

10. CONSULTATIONS

A range of consultation and engagement regarding the new Local Plan has taken place since 2018, which has helped to shape the emerging new Plan through its various stages up to submission. The consultation and engagement undertaken has been carried out in line with the Council's Statement of Community Involvement and requirements set out within the Town and Country Planning (Local Planning) (England) Regulations 2012. Details are set out within the Local Plan [Consultation Statement](#).

11. STATEMENT OF COMPLIANCE

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

12. DECLARATION OF INTEREST

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

VERSION: 1

CONTACT OFFICER: Helen Holland

DATE:	February 2023
BACKGROUND PAPER:	

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

Document is Restricted