

# Public Document Pack

## Executive Board

Thursday, 9 March 2023

Time: 6.00 pm

Venue: Meeting Room A

Address: Blackburn Town Hall

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### AGENDA

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

1. **Welcome and Apologies**
2. **Minutes of the Previous Meeting**  
**Executive Board Minutes Feb 2023** **4 - 10**
3. **Declarations of Interest**  
**DECLARATIONS OF INTEREST FORM** **11**
4. **Equality Implications**  
The Chair will ask Members to confirm that they have considered and understood any Equality Impact Assessments associated with reports on this agenda ahead of making any decisions.
5. **Public Forum**  
To receive written questions or statements submitted by members of the public no later than 4pm on the day prior to the meeting.
6. **Questions by Non-Executive Members**  
To receive written questions submitted by Non-Executive Members no later than 4pm on the day prior to the meeting.
7. **Youth MPs Update**  
To receive an update from the Youth MPs along with any issues they would like to raise.
8. **Executive Member Reports**  
Verbal updates may be given by each Executive Member.

**Leader**

**Adult Social Care & Health**

8.1	<b>Lifting Contracts</b>	
	<b>Lifting Contracts</b>	<b>12 - 16</b>

8.2	<b>Provider Uplift</b>	
	<b>Provider Uplift</b>	<b>17 - 25</b>

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

8.3	<b>Fostering Update Quarter 3 2022/23</b>	
	<b>Fostering Qtr 3</b>	<b>26 - 41</b>
	<b>Fostering Appendix 1</b>	

8.4	<b>Creation of New Secondary School Places</b>	
	<b>P1 Creation of new secondary school places</b>	<b>42 - 66</b>
	<b>Appendix1 for Creation of new secondary school places</b>	
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	<b>Appendix 4 for Creation of new secondary school places</b>	

## **Environment & Operations**

### **Public Health, Prevention & Wellbeing**

8.5	<b>Household Support Fund Round 4</b>	
	<b>EB Household Support Fund Round 4</b>	<b>67 - 77</b>
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### **Digital & Customer Services**

8.6	<b>Procurement of new Back-up Solution</b>	
	<b>Procurement of Backup Solution</b>	<b>78 - 81</b>

## **Growth & Development**

8.7	<b>Local Transport Plan 2023/24</b>	
	<b>Local Transport Plan</b>	<b>82 - 89</b>

9.	<b>Strategic Asset Management Plan</b>	
	<b>Strategic Asset Management Plan</b>	<b>90 - 199</b>
	<b>Appendix 1 -Strategic Asset Management Plan v1.4</b>	
	<b>Appendix 2 - Disposal Policy</b>	

## **Finance & Governance**

- |            |   |                      |
|------------|---|----------------------|
| <b>9.1</b> | <b>Award of contract for long term agreement for Council Insurance policies and cover</b> |                      |
|            | <b>Procurement of Council Insurance Policies and cover</b>                                | <b>200 -<br/>205</b> |
|            |   |                      |
| <b>9.2</b> | <b>Treasury Management Strategy</b>   |                      |
|            | <b>Treasury Mgt Strategy</b>  | <b>206 -</b>         |
|            | <b>Treasury Mgt Strategy Appendix1 FINAL</b>  | <b>224</b>           |
|            |   |                      |
| <b>10.</b> | <b>Corporate Issues</b>   |                      |
|            |   |                      |
| <b>11.</b> | <b>Matters referred to the Executive Board</b>  |                      |

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

- |             |  |                      |
|-------------|--|----------------------|
| <b>12.1</b> | <b>Creation of New Secondary School Places</b> |                      |
|             | <b>Part 2 Secondary School Places</b>          | <b>225 -<br/>229</b> |

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

## EXECUTIVE BOARD Thursday 9<sup>th</sup> February 2023

### PRESENT

#### **COUNCILLOR:**

Councillor Phil Riley  
Councillor Julie Gunn  
Councillor Mahfooz Hussain  
Councillor Damian Talbot  
Councillor Quesir Mahmood  
Councillor Vicky McGurk

#### **PORTFOLIO:**

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

#### **EXECUTIVE MEMBER**

Councillor John Slater

#### **NON PORTFOLIO**

Leader of the Conservative Group

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

Muhammed Bapu

Youth MP

	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p><i>Ahead of the commencement of the meeting, a minutes silence was observed in memory of the many lives lost in Turkey and Syria following the recent major earthquake. Councillor Phil Riley also advised Members of a vigil to be held the following evening outside Blackburn Town Hall.</i></p> <p>The Leader of the Council, Councillor Phil Riley, welcomed all to the meeting. Apologies were received from Councillors Jim Smith and Mustafa Desai and from Kazim Shah, Deputy Youth MP.</p> <p>The Leader also advised that Agenda Item 8.1 Homelessness Prevention Grant was incorrectly listed under Adults, Social Care and Health and would accordingly be considered at 8.2 under the Public Health, Prevention &amp; Wellbeing Portfolio. Cllr Riley also advised that items 8.3 and 8.4 would be considered after Agenda Item 6 in order that Councillor Vicky McGurk could fulfil a personal commitment.</p> <p>Members also made reference to the recent death of former MP for Rossendale and Darwen, Janet Anderson, and the Leader confirmed that a minutes silence would be observed at the Finance Council meeting.</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The Minutes of the Meeting held on 12<sup>th</sup> January 2023 were agreed as a correct record.</p>	Agreed
3	<p><b><u>Declarations of Interest</u></b></p> <p>No Declarations of Interest were received.</p>	

	Item	Action						
4	<p><b><u>Equality Implications</u></b></p> <p>The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.</p>	Confirmed						
5	<p><b><u>Public Forum</u></b></p> <p>In accordance with Part 3 of the Executive Board Procedure Rules for questions/statements by members of the public, the following questions/statements have been received, details of which are set out below:-</p> <table><tr><th><b><u>Name of Person asking the Question</u></b></th><th><b><u>Subject Area</u></b></th><th><b><u>Response by</u></b></th></tr><tr><td>Zubair Valimulla</td><td>Residential Disabled Parking</td><td>Councillor Quesir Mahmood, Growth &amp; Develoment</td></tr></table> <p>As Mr Valimulla was not in attendance, it was agreed that a written response would be sent to him.</p>		<b><u>Name of Person asking the Question</u></b>	<b><u>Subject Area</u></b>	<b><u>Response by</u></b>	Zubair Valimulla	Residential Disabled Parking	Councillor Quesir Mahmood, Growth & Develoment
<b><u>Name of Person asking the Question</u></b>	<b><u>Subject Area</u></b>		<b><u>Response by</u></b>					
Zubair Valimulla	Residential Disabled Parking	Councillor Quesir Mahmood, Growth & Develoment						
6	<p><b><u>Questions by Non-Executive Members</u></b></p> <p>In accordance with Part 4 of the Executive Board Procedure Rules for questions/statements by Non-Executive Members, the following questions/statements had been received, details of which are set out below:-</p> <table><tr><th><b><u>Name of Non-Executive Member asking the Question</u></b></th><th><b><u>Subject Area</u></b></th><th><b><u>Executive Member and Portfolio</u></b></th></tr><tr><td>Councillor Neil Slater</td><td>Petition: Junction 5 Strategic Employment Site</td><td>Councillor Quesir Mahmood, Growth &amp; Development</td></tr></table> <p>Councillor Mahmood responded to the question and supplementary question, advising that the matters raised by Councillor Slater in his question had been addressed in previous reports to meetings of the Executive Board and Council Forum.</p> <p>Councillor Mahmood also referenced the ongoing Local Plan Examination in Public, and dedicated hearing time to address all relevant matters relating to the proposed strategic employment</p>	<b><u>Name of Non-Executive Member asking the Question</u></b>	<b><u>Subject Area</u></b>	<b><u>Executive Member and Portfolio</u></b>	Councillor Neil Slater	Petition: Junction 5 Strategic Employment Site	Councillor Quesir Mahmood, Growth & Development	
<b><u>Name of Non-Executive Member asking the Question</u></b>	<b><u>Subject Area</u></b>	<b><u>Executive Member and Portfolio</u></b>						
Councillor Neil Slater	Petition: Junction 5 Strategic Employment Site	Councillor Quesir Mahmood, Growth & Development						

	Item	Action
	<p>site. Finally, Councillor Mahmood advised that to date no relevant evidence or reasoned objections had been received following engagement with local stakeholders and national public bodies.</p>	
7	<p><b><u>Youth MPs Update</u></b></p> <p>The Youth MP verbally reported on recent events and activities including :</p> <ul style="list-style-type: none"> <li>• The conclusion of the second pilot inspection of SEEDS, with the third and final pilot inspection due to commence with inspections of Nightsafe, Leaving Care and the Youth Justice System.</li> <li>• Involvement in the Social Care Recruitment Event.</li> <li>• Discussions with the SEND Charter Project.</li> <li>• Involvement in the recent Holocaust Memorial Day Event at Blackburn Town Hall.</li> <li>• Updates on the work of the Youth Forum.</li> <li>• Reference to the forthcoming Total Respect training at the next Corporate Parent Specialist Advisory Group Meeting.</li> </ul> <p>Councillor Julie Gunn praised the work and involvement reported.</p>	Noted
8.1	<p><b><u>Creation of New Specialist School Places</u></b></p> <p>The Executive Board was provided with a report that proposed to increase the capacity of specialist school places in Blackburn with Darwen to support current and forecasted demand.</p> <p>Blackburn with Darwen had 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.</p> <p>Direction was being sought currently from the Department for Education on how the proposed new primary places would be established in school organisation terms, which might be either:</p> <ul style="list-style-type: none"> <li>• by the primary provision being affiliated to an existing established local specialist school operating on a split site model, or,</li> <li>• by the establishment of a new special free primary school.</li> </ul> <p>Information would be reported to Executive Board with regards to this at a later date. Costs associated to each of these projects were detailed at Appendix 1.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p>	

	Item	Action
	<ul style="list-style-type: none"> <li>• Approves the detailed projects and associated expenditure (Appendix 1);</li> <li>• 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;</li> <li>• Gives approval for the Council to enter into a legal agreement with each Trust by way of a Funding Agreement (Appendix 2).</li> </ul>	<p><b>Approved</b></p> <p><b>Approved</b></p> <p><b>Approved</b></p>
<b>8.2</b>	<p><b><u>Homelessness Prevention Grant</u></b></p> <p>Members were advised that the Government had 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 included additional funding in support of the expansion of priority need to those who were homeless as a result of domestic abuse. This came into force as part of the Domestic Abuse Act (2021).</p> <p>Blackburn with Darwen had received an allocation from this programme in previous years. This was however the first multi-year commitment and represented a circa 10% increase on the 22/23 allocation, and more than double that of 2020/21.</p> <p>The funding was used on a range of prevention and intervention measures as part of the overall approach to tackling homelessness and rough sleeping in the Borough.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p> <ul style="list-style-type: none"> <li>• Notes the funding being made available to Blackburn with Darwen.</li> <li>• Gives approval to supplementary revenues estimates for the homelessness prevention grant as set out in the financial implications over the next 2 years.</li> <li>• Approves expenditure against this budget in discharging the requirements of the grant conditions.</li> </ul>	<p><b>Noted</b></p> <p><b>Approved</b></p> <p><b>Approved</b></p>
<b>8.3</b>	<p><b><u>Corporate Revenue Budget Monitoring Quarter 3 2022-23</u></b></p> <p>A report was submitted which provided 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.</p> <p><b>RESOLVED-</b></p> <p>a) give approval to the Portfolio Cash Limit Adjustments as outlined in Appendix 1:</p>	<p><b>Approved</b></p>

	Item	Action
	b) note the General Fund Budget Summary position as at December 2022;	Noted
	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;	Approved
	d) note the Earmarked Reserves and General Fund Balance position as at 31st December 2022.	Noted
8.4	<p><b><u>Corporate Capital Budget and Balance Sheet Monitoring</u></b></p> <p><b><u>Report 2022/23 – Quarter 3 as at 31<sup>st</sup> December 2022</u></b></p> <p>Members received a report on the overall financial position of Council in respect of the Capital Programme as at 31<sup>st</sup> December 2022, highlighting the key issues and explaining variations in the first 9 months of the year.</p> <p><b>RESOLVED –</b></p> <p>The Executive Board is asked;</p> <ul style="list-style-type: none"> <li>• to approve the revised capital programme as per Appendix 1,</li> <li>• to approve the variations to the programme shown in Appendix 2,</li> <li>• to approve the slippage requests detailed in Appendix 3.</li> </ul>	<p>Approved</p> <p>Approved</p> <p>Approved</p>
9.1	<p><b><u>Listed Mill Acquisition to support Employment Growth</u></b></p> <p>The Executive Board received a report setting out the background and rationale to the Council acquiring Imperial Mill, including the Gatehouse and adjoining site.</p> <p>The current owners, a manufacturing business, occupied the first floor of the Mill. The owner was prepared to sell this building to a public body. The restoration and reuse of Imperial Mill represented an important long-term opportunity to create a new, sustainable future for the site that delivered 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.</p> <p>The restoration and reuse of Imperial Mill created the opportunity to bring significant and unique employment space back into use, both within the Mill and into the land at the rear which adjoined the Council's land. In addition, there was the opportunity to build on</p>	



	Item	Action
	<p>the unique character of the Canal corridor, derived from the Canal setting and the heritage assets that sat within it. The economic, cultural and physical legacy of the Canal remained 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, would bring lasting benefits to the area, the residents, employers and visitors.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p> <ol style="list-style-type: none"> <li>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</li> <li>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);</li> <li>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.</li> <li>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;</li> <li>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</li> <li>6. 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 &amp; Development, Director of Finance and Deputy Director, Legal &amp; Governance, in consultation with the Executive Members for Growth &amp; Development and Finance &amp; Governance.</li> </ol>	<p><b>Approved</b></p> <p><b>Noted</b></p> <p><b>Noted</b></p> <p><b>Approved</b></p> <p><b>Noted</b></p> <p><b>Approved</b></p>
10.1	<p><b><u>Junction 5 Strategic Employment Site Petition</u></b></p> <p>Members received a report advising of a petition signed by 1,525 members of the public, who resided within and outside of the Borough, had been submitted to the Council requesting the following:</p> <ul style="list-style-type: none"> <li>• "Summary: BwD Council want to release greenbelt in</li> </ul>	

	Item	Action
	<p>order to build industrial units as identified in their local plan.</p> <ul style="list-style-type: none"> <li>Action: we want the green belt area of Belthorn and Guide removing from the plan”.</li> </ul> <p>At this stage of the Local Plan preparation process, the Planning Inspectors were not able to accept a petition. However, the lead petitioner was already registered as a participant for the ongoing Public Inquiry and would have opportunity to put the case of residents forward at the relevant hearing session.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p> <p>2.1 Notes the petition.</p> <p>2.2 Requests that officers notify the lead petitioner that the draft Local Plan was submitted to the Planning Inspectorate on Friday 5<sup>th</sup> 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 31<sup>st</sup> January.</p> <p><b>AT THIS STAGE OF THE PROCEEDINGS THE PRESS AND PUBLIC WERE EXCLUDED FROM THE MEETING.</b></p>	
11.1	<p><b><u>Listed Mill Acquisition to support Employment Growth</u></b></p> <p>Further to the report submitted at Agenda Item 9.1, additional information was submitted for consideration by the Executive Board which was considered commercially sensitive and therefore exempt from publication. The resolutions at 9.1 were unchanged</p> <p><b>RESOLVED –</b> The Executive Board approve the recommendations in the report.</p> <p>Signed at a meeting of the Board</p> <p>on 9<sup>th</sup> March 2023</p> <p>(being the ensuing meeting on the Board)</p> <p>Chair of the meeting at which the Minutes were confirmed</p>	<p><b>Noted</b></p> <p><b>Approved</b></p> <p><b>Approved</b></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 MARCH 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)

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Adults Social Care & Health
<b>LEAD OFFICERS:</b>	Strategic Director of Adults and Health
<b>DATE:</b>	Thursday, 9 March 2023

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

### SUBJECT: Lifting Contracts

#### 1. EXECUTIVE SUMMARY

The purpose of this report is to provide an update to the Executive Board on the need for the Council to retender the Equipment Lifting Contracts currently in place, to seek agreement to proceed with a procurement process that will cover both Adults and Childrens provision.

#### Background

The Council currently has a contractual arrangement approved under a waiver from the Contract Procurement Procedure Rules in place with Handicare Accessibility Limited for the installation and ongoing maintenance of Stairlifts, Through Floor Lifts and External Lifts in domestic settings. Also in place is a contract with Direct Healthcare for Ceiling Track Hoists also approved via a waiver.

The contracts have been in place since June 2021 and will cease on the 31<sup>st</sup> March 2023. The previous contract had been in place since 2013 and was a five plus two year agreement.

#### Key Contract Requirements Include:

- Servicing and Maintenance of Domestic lifts
- 24 Hour Breakdown Service
- Installation of New Domestic lifts
- Pre-installation Survey and Installation of Domestic lifts
- Removal, storage, refurbishment and reinstallation of Domestic lifts

#### The Aims of the Contract are:

- The survey of domestic dwellings which are to have domestic lifting devices installed.
- The supply and Installation of lifting devices within domestic dwellings.
- The supply and installation of lift optional accessories.
- The supply and operation of a 24 hour manned Call Centre facility, contactable directly by the homeowner.

- The supply of an Emergency Call Out facility with a guaranteed maximum response time of 2 hours.
- Annual servicing of existing domestic lifting devices.
- The removal of domestic lifting devices and subsequent storage of devices no longer required, paying due regard to cross contamination issues.
- Maintenance and repair of domestic lifting devices during warranty period.
- Suitable storage, providing access for dedicated stock.
- The provision of all relevant documentation to ensure accuracy of the asset register.

Disabled Facilities Grant (DFG) capital budget, via the Better Care Fund (BCF), is used for the purchase of equipment and installation, and revenue budgets are used to fund ongoing maintenance and repairs. The Adults Service currently have six hundred lifts in the Borough that are being maintained.

Handicare have been the main contractor for all domestic lifting equipment in Blackburn with Darwen for fifteen years. In 2021 they sold off the ceiling track hoist part of their business to Direct Healthcare, which necessitated the Adults Service arranging a procurement Waiver with this organisation.

A plan has been formed to retender, which is to arrange three separate contracts, as follows:

- Stairlifts
- Through Floor Lifts & External Lifts
- Ceiling Track Hoists

The reason for three contracts, as opposed to one, is that experience tells us that a one size fits all solution does not work. This is because there is a need to engage with third party contractors as the key players in the lifting business world have their own core business e.g. stairlifts and have to buy in services from third party contractors to fulfil the brief. This leads to delays in quotes, installations, repairs, maintenance and is not cost effective.

The preferred vehicle for retendering is to use an organisation called **ESPO** who run a lifting equipment framework. All the main players within the lifting equipment industry are signed up to the framework. The charge for this is 2% of the contract value.

For Through Floor Lifts/External Lifts and Ceiling Track Hoists, the plan is to Direct Award. The reasons are as follows:

**Ceiling Track Hoists**-the preferred contractor, Direct Healthcare, is the cheapest on the framework and they also manufacture the lifts currently installed in the borough.

**Through Floor Lifts/External Lifts**-the preferred contractor, Terry's Lifts, manufacture the equipment and have an excellent track record for quality and longevity. A data analysis of existing lifts in the borough will be completed prior to direct award approval by ESPO, to demonstrate the disparity in quality between this manufacturer and its nearest rival, in terms of repairs/maintenance and equipment being rendered obsolete. A cost analysis from the framework has also been completed which indicates that both contractors are evenly matched on costs with a nominal variance. The main rationale for Direct Award is:

- Reliability & Safety

- Rework – additional costs
- Impact on families and service users

**Stairlifts** - a mini competition through the ESPO framework is recommended. An Expression of Interest exercise has been completed and a number of organisations, including the incumbent contractors, have expressed interest in bidding for the business.

### **Children's Services**

Children's Services have in recent years accessed the original Capita managed contract with Handicare. This arrangement follows the same model as Adults, however, Children's manage their own day to day processes, purchase of equipment and the ongoing maintenance and repair oversight of lifts.

There has been ongoing discussions with Children's services who have indicated that they wish to pursue a joint contract. It has been a challenge, thus far, to establish the capital and revenue costs associated with Children's Services. However, the current combined contract values have factored in, based on a reasoned assumption, Children's Service's contract values.

### **Contract(s) Value**

The approximate contract(s) value, based on current prices for Adults and Children's, is £435,000 per annum, broken down as follows.

Capital: £335,000

Revenue £100,000

The average Adults spend for the past four full financial years has been £339,550. This has included a drop in annual spend in 2020/21 due the restrictions imposed as a result of the Pandemic.

## **2. RECOMMENDATIONS**

That the Executive Board:

Executive Board are asked to:

- Agree that the Council procures a provider using the ESPO framework as described.
- Agree for the winning contracts to be used by both Adult Social Care and Children's Services.

## **3. KEY ISSUES & RISKS**

**If permission is not granted to procure, it will not be possible for the Council to fulfil its statutory obligations of the Care Act 2014 and the provision of adaptations using Disabled Facilities Grants. Also by using the frameworks it means that value for money has been tested in the marketplace.**

## **4. POLICY IMPLICATIONS**

**Care Act 2014**

## 5. FINANCIAL IMPLICATIONS

As indicated in the report, the annual capital budget for the provision of the equipment is £335,000. There is also a revenue budget of £100,000 for maintenance.

At this stage, it is not anticipated that any additional funding will be required but this is subject to the outcome of the tendering process.

## 7. LEGAL IMPLICATIONS

Provided that the requirements of the framework are met direct award of contracts via properly procured frameworks complies with the requirements of the Public Contracts Regulations 2015 and the Council's Contract Procurement Procedure Rules. Contracts will be in a form approved by legal officers in the Contracts and Procurement team.

## 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 x ☐ 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.

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## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Susan Kalvenas, Leanne Reid</b>
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<b>DATE:</b>	<b>01.02.2023</b>
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<b>BACKGROUND PAPER:</b>	
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## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Adults Social Care & Health
<b>LEAD OFFICERS:</b>	Strategic Director of Adults and Health
<b>DATE:</b>	Thursday, 9 March 2023

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

**SUBJECT: EB Provider uplift fees – Adult Social Care Provider Fees for 2023/24 Financial Year**

### 1. EXECUTIVE SUMMARY

Blackburn with Darwen Borough Council commissions support for over 2268 local adults and older people, with eligible social care needs, per annum. The majority of commissioning relates to external care and support services provided by independent sector providers and the voluntary, community, faith and charitable sector. The net commissioning budget for these services is currently £46.6m for 2022/23, and is subject to pressures that have been well documented nationally due to increasing demand for services, the impact of increased cost of living, rising energy costs and fair costs for care services. In addition 22/23 continued to be a challenge for the sector as a result of the issues faced by providers during the Covid 19 pandemic with the sector experiencing the enduring impact on the care market and the price of care. Covid 19 has resulted in a long term change to the care economy and a general increase in the acuity of care needs, and general care costs which are much higher than in previous years. In addition the care sector along with the whole economy is subject to escalating inflation in respect of the cost of living including but not limited to fuel, energy and food price increases.

As such the costs of social care provider fee uplifts in 2023/24 are expected to be significant. This report sets out the rationale, financial context and analysis underpinning the award of rate uplifts to external providers for the 2023/2024 financial year, in order to meet rising costs associated with increases in inflation and workforce costs including National Living Wage and Real Living wage, and fees which address the lack of parity of provider rates across the Lancashire and South Cumbria Health and Social Care system. Our low starting base compared to near neighbours is a significant risk with the potential for some providers to exit the market impacting on the local authority's ability to meet its statutory duties.

Following the publication of the Government's White Paper on reforms to the Adult Social Care system the Council received an interim Market Sustainability and Fair Funding Grant allocation to:

- conduct a fair cost of care exercise to determine the sustainable rates for care and identify how close the Council are to these sustainable rates;
- to engage with our providers to improve data on operational costs and number of self-funders to better understand the impact of reform on the local market and improve market management to ensure markets are well positioned to deliver reform.

In 2022 the Council commissioned and worked with an external consultancy company to undertake its Fair Cost of Care (FCoC) Exercise with providers in the market who were deemed to be 'In-scope'. The FCoC outcome and Market Sustainability plans (MSP) were submitted to the DHSC on 14<sup>th</sup> October 2022. Since then the government have announced a delay in the implementation of the Social Care Reforms for Adult Social Care for a period of 2 years until October 2025 and additionally, the fair cost of care requirements for years 2023/24 and 2024/25 have also been postponed.

Whilst the requirement to 'move towards' paying a fair cost of care is delayed, the FCoC exercise did inform our local intelligence in respect of the challenges and opportunities within our care market. We understand the pressures providers are facing as a consequence of the rises in the cost of living and as a local authority we do recognise the need to increase our fees, alongside other actions in order to support providers to meet those challenges.

Additionally, the government further announced the requirement for LA's to publish their FCoC outcome and draft MSP by 1<sup>st</sup> February 2023 and this links closely with our proposed 2023 fees and engagement with the market.

In the Autumn Budget Statement the Government also announced additional funding for Social care, details of which were confirmed in the Local Government Finance Settlement for 2023/24. This funding includes the Market Sustainability grant which has been allocated specifically for local authorities for care market provider fees.

All these factors have been taken into account alongside the issue of affordability and the 2023/24 provider uplifts have been recommended in line with the current Medium Term Financial Plan detailed at Finance Council on 27<sup>th</sup> February 2023.

## 2. RECOMMENDATIONS

That the Executive Board:

1) Approve a percentage increase in fees for the following services:

- Residential and nursing care including Intermediate Care beds, fee increase of **10.70%** effective from 1 April 2023.
- Older People and Physical Disability Domiciliary Care, framework fee increase of **13.55%** from **£17.14** to **£19.46** per hour effective from 1 April 2023.
- Shared Lives, day support fee increase of **11.1%** in line with current Consumer price index (CPI) and to keep pace with the National Living Wage increase effective from 1 April 2023.
- Shared Lives, weekly banding fee increase of **11.1%** in line with current Consumer price index (CPI) effective from 1<sup>st</sup> April 2023.
- LD Supported Living Providers, fee increase of up to **12.5%** capped at the hourly rate of domiciliary homecare providers. This represents an increase to **£19.46** per hour effective from 1<sup>st</sup> April 2023.

- Direct Payments, Personal Assistant, fee increase of **9.3%** to **£10.90** per hour in line with the Real Living Wage increases.

2) Further approves that:

- Direct Payments - it is proposed to revise the existing direct payment agency rates (standard, enhanced and exception), in line with Domiciliary rates proposed above.

3) Further approves that:

- The Extra Care schemes that are commissioned on a block contract basis will receive an uplift of **3%** in line with the standard inflationary uplift provided for within the Council's budget effective from 1 April 2023 where they have been agreed in the contract.
- Where 1:1 hours are contracted separately they will remain aligned to the domiciliary care rate of **£19.46**.

### 3. BACKGROUND

The Finance Council meeting of 27th February 2023 confirms the Medium Term Financial Strategy and funding available in 2023/24. The increased budget for Adult Social Care detailed within the Council's Financial Plan includes specific grants such as the Social Care Grant and Market Sustainability Grant which enables the Executive Board to approve the hourly rates and contract changes for social care providers in 2023/2024, applicable from April 2023.

The FCoC exercise which has been undertaken has further informed our local intelligence and links into our Local plan and Market position statement in respect of the challenges and opportunities within our care home market. As a LA we must recognise the need to increase our fees, alongside other actions in order to support providers to meet the challenges they face including: Occupancy levels, Quality, Workforce, Number of self funders/top ups and increasing population preference for 'Care at Home' but we also recognise that any increases need to be affordable, and providers may also need to develop their own business models.

This FCoC exercise has also left significant areas of our market provision out of scope. This provision is outlined in our Market Position Statement and demonstrates the wider variety of care provision to meet needs within our Borough. These providers will equally expect a similar approach and funded increases to their fee rates. The Council is committed to working with providers on our future plans and will seek to engage with providers to work through future plans together; however the costs associated with uplifting all care provision to the FCoC are unaffordable within the Council's existing resources, particularly given our low starting base.

As part of our annual fee setting process within the Council's budget setting and consultation, we have considered our final fee levels giving regard to;

- the Fair Cost of Care
- other challenges within our local market
- and wider economic factors

A key factor in determining the fees rates for providers are workforce costs. The National Living Wage announcements include an increase of 9.7%, with effect from 1st April 2023 (for workers aged 23 and above). The increase in NLW has a significant impact on our external social care providers, including both residential and domiciliary care. The recently announced National Living Wage increase to

£10.42 in 2023/24, an increase of 9.7% on the previous year, and the increase for Real Living Wage at 10.1% to £10.90, is significant.

In respect of both the national living wage and real living wage it should be noted that wages are just one component of and not the full cost of delivering services. This proportion varies depending on the type of provision, with residential care labour costs expected at around 70% of total provider cost. Whilst labour constitutes a significant component there are other aspects of providers' cost base that are met by the overall rate paid by the Council and which may also be subject to change.

In previous years the local authority has endeavoured to meet the cost increase of National Living Wage. However given the challenges providers face across the country to recruit, retain and invest in the social care workforce, the Council's fee setting process for 2023/24 will also consider contracting specific areas of commissioned providers to pay carers at the Real Living Wage.

The commissioning budgets included in the 2023/24 budget, and in the Medium Term Finance Plan (MTFP), include provision for increases in provider hourly rates and contract changes which support the cost challenges faced by providers and narrow the fees gap across the system.

#### **4. KEY ISSUES**

##### **Residential and Nursing Care**

Local Authorities are required to set sustainable rates for the care they commission. Within BwD we had 26 residential/nursing care providers in scope for the FCoC and we received responses from 7 providers in total. Having collated and analysed the data submitted, it was evident that the low response was not sufficient to provide an accurate median on which to base future pricing. However, in recognising the need to increase our fees and in acknowledgment of the information supplied by the 7 providers as part of the FCoC exercise an overall uplift of 10.70% is proposed. This represents a 12.4% increase to the staffing element of the fee to enable providers to pay their staff the Real Living Wage minimum of £10.90 per hour and further inflationary increases on Food, utilities and other non-pay related costs using the FCoC median values from the provider submissions. Overall this represents a 10.70% increase to the weekly fee for residential and nursing providers. This proposal is considered sufficient to contract with providers to pay carers Real Living Wage of £10.90 per hour.

It should be noted that the market is funded in a number of ways: council supported placements, Health funded residents through, NHS Free Nursing Care, NHS Funded Continuing Health Care, joint-funded placements, additional care payments via the council and Health and self-funded clients. Providers can also secure additional income through third party top-ups.

Whilst we acknowledge that the proportion of self-funders and/or third party top-ups is much smaller in Blackburn with Darwen than in other LA areas due to the Borough's population demographic, this still applies to a number of placements within our Care homes. Total income for each home is under-pinned by occupancy levels and in previous years many local homes within the Borough have continued to enjoy very high levels of occupancy. However occupancy levels within our local homes have reduced significantly during the Covid 19 pandemic which requires providers to review their existing business models. The FCoC exercise measured occupancy levels within the Borough's homes at around 80% which should provide for income levels which support sustainability.

The enhanced quality scheme within the Borough further supports the financial viability of the sector and has been reviewed alongside the Fair Cost for Care exercise to confirm if the scheme remains fit for purpose. The revised scheme for quality is being implemented within our homes and enabled

providers to be paid enhanced rates for a range of quality standards. All rates including all the quality scheme rates are uplifted by 10.70%.

### **Domiciliary Care for Older People and adults with a Physical Disability**

This service framework supports circa 729 frail, disabled and vulnerable local adults and older people in their own homes with intimate and essential personal care. Examples include getting in and out of bed, dressing, managing nutrition, using the bathroom and mobilising around their home.

The sustainability of the home care market has continued to be under scrutiny recently, given widespread funding pressures and cost constraints. In addition the home care market has seen significant challenges in terms of the recruitment and retention of care sector workforce. All provider organisations, be they private or charitable, need to generate a level of surplus for reinvestment into the business and this has proved hard to achieve for a significant number of providers.

Within BwD we had 9 providers in scope for the FCoC exercise and we received responses from 4 which represents a full response rate of 44% and is considered a good representation of the market given this covered a very high level of the Home care hours commissioned and returns which were broadly consistent.

Information gathered in the FCoC exercise has been reviewed to propose an increase of 13.55% from £17.14 to £19.46 per hour. This proposal is considered sufficient to contract with providers to pay Real Living Wage to carers of £10.90 per hour. All providers will be asked to contract/sign up to paying their staff the Real Living Wage.

Further to this, a supplement of 25% will be applied to this rate for the handful of cases where care is provided within a specified rural location. This is in acknowledgement of additional travel and rota considerations.

### **Learning Disability Provision within a supported living environment**

This service supports adults with a learning disability and/or mental health condition in small group homes or apartments to remain as safe and independent as possible. This is generally provided by a constant 24/7 staff presence or occasionally through outreach support, depending on the needs of the individuals. Most provision within Blackburn with Darwen is contracted mainly through block contracts with some 1:1 support hours. Work will continue with providers on switching to the new model of service which will include review of core, background, 1:1 and sleep in hours.

It is proposed that an uplift of up to 12.5%, capped in line with Domiciliary care providers to £19.46 per hour. This will enable providers to pay Real Living wage with some further consideration for inflation. This brings these providers in line with the current rates of our nearest Local Authority neighbours.

### **Learning Disability/Mental Health domiciliary care for people living alone or with family/carers:**

This service supports adults with a learning disability and/or mental health condition within their own homes to remain as safe and independent as possible. This may include physical, emotional and social support. It is proposed that an uplift of 10.45%, capped in line with Domiciliary care providers at £19.46 per hour will enable providers to pay Real Living wage with some further consideration for inflation. This brings these providers in line with the current rates of our nearest Local Authority neighbour.

### **Extra Care**

This service provides 24hour on-site support for older people in dedicated extra care housing schemes. The current provision for these schemes is subject to a block contract with an independent provider.

In terms of the recent and new extra-care provision at Riverside Heights and Albion Mill, the care contract has been devised on a new model of block and individually commissioned hours tied to the Older People and Physical Disability domiciliary care contract.

The Extra Care schemes that are commissioned on a block contract basis will receive an uplift of 3% being the standard inflationary uplift provided for within the Councils budget, effective from 1<sup>st</sup> April 2023 and where an uplift has been agreed in the contract. Where 1:1 hours are contracted separately they will remain aligned to the domiciliary care rate proposed above.

### **Shared Lives**

Shared Lives provides family based care and respite for adults with a disability and older people. It is a highly cost effective option with excellent outcomes for the individual, when compared to residential care or supported living. Weekly rates for shared lives care were reviewed in 2018 and three bandings applied. These will be increased in line with the CPI rate of 11.1% and will be reviewed as part of the wider review of Shared Lives services to be undertaken in 2023. An increase of 11.1% is proposed for the day care support hourly rate to bring the hourly rate to £10.48 per hour to keep pace with National Living Wage requirements.

### **Direct Payments**

The purpose of a Direct Payment is to provide service users with choice and control in designing an individualised package of care and support. Currently, direct payment rates and thus the amount paid to the individual are calculated on an individual basis depending on the service the individual chooses to engage, agencies for example have different rates. It is proposed that the Personal Assistant rate is increased by 9.3% to £10.90 in line with the Real Living Wage whilst the agency rates (standard, enhanced and exception) are aligned to the approved Domiciliary rates proposed above.

## **5. POLICY IMPLICATIONS**

The Care Act 2014 requires that local authorities should work towards the long term sustainability of the care market through setting realistic fee rates and understanding the true cost of providing care locally.

The proposed fee uplifts have been set at a level that takes into account current market conditions in Blackburn with Darwen. They incorporate changes to the living wage in addition to other factors such as escalating costs relating to the current economic climate.

## **6. FINANCIAL IMPLICATIONS**

The table below sets out the gross cost of the fee uplifts proposed in this paper using activity as at September 2022 to estimate the overall costs:

	£
Residential & Nursing (inc Intermediate Care)	2,654,767
Domiciliary care	1,351,766
LD/MH and Supported Living	1,569,641
Shared Lives	72,747
Extra Care	106,373
Direct Payments	620,503
Day Care/Other Accommodation	60,482
<b>Total Fee Uplift Cost</b>	<b>6,436,280</b>

The fee uplifts detailed in this paper for our external providers for the 2023/2024 financial year are proposed in order to meet the rising costs associated with increases in the National Living Wage, Real Living Wage, general price increases and look to move towards a fair cost of care and fee rate that addresses the lack of parity of provider rates across the Lancashire and South Cumbria Health and Social Care system.

All these factors have been taken into account alongside the issue of affordability and the 2023/24 provider uplifts have been recommended in line with the commissioning budgets included in the 2023/24 budget, and provision in the Medium Term Finance Plan (MTFP). For 2023/2024 the overall cost of the proposed uplifts is £6.4m and can be contained within the Council's agreed budget for the year.

The proposed rates seek to bring Blackburn with Darwen rates closer to other Local Authority rates within the Lancashire and South Cumbria Integrated Health and Care System.

Any future cost of the provider fee uplifts for 2023/2024 on final completion of contract negotiations will need to be met from within the overall budget for Adult Social Care. A comprehensive range of Demand Management strategies and alternative ways of delivering services remains in situ within the portfolio to contain ongoing financial pressures from increased costs associated with provider fees, demand and demographic change.

The effective date of the 2023/2024 uplifts is specified within the recommendations above in line with the payment periods for the new financial year.

## 7. LEGAL IMPLICATIONS

Section 5 of the Care Act 2014 requires local authorities to promote the efficient and effective operation of a market in services for meeting care and support needs in their area. This proposal will assist the Council's efforts to ensure that there is a stable market to provide for the care needs of the local community. This includes the need to ensure that providers can remain viable, and can attract and retain staff to provide the care to the required standard.

## 8. RESOURCE IMPLICATIONS

The resource implications of implementing these proposals will be absorbed by the Strategic Commissioning – People team with regards to contractual changes; and to Finance Team to administer payment changes.

## 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

Providers have been consulted through provider meetings and discussions with individual organisations. Providers have been written to with details of proposed uplifts and the opportunity to provide feedback on the proposed rates. Feedback has been minimal however most providers felt that the uplifts fall short of meeting the costs of paying staff the Real Living Wage and the additional inflationary burdens expected on insurance premiums, utilities, food and fuel costs. Providers also provided feedback that the rates do not address the disparity between Blackburn with Darwen rates and other Local Authority rates within the Lancashire and South Cumbria Integrated Health and Care System.

Occupancy levels have also dropped significantly since the start of the pandemic with many providers now operating on 80% occupancy and not the 90% pre-covid levels. Some providers that experience lower occupancy levels felt that the fee model should be reflective of this reduction.

Feedback from providers is very clear and the challenges faced by providers is understood and recognised within the Local Authority and across the Health and Social Care system, however any fee increase must be affordable within the financial resources allocated to the Local Authority.

Not all providers of care were in scope for the Government's Fair Cost of Care review and the Council intends to extend this to other areas in the coming financial year. The Council remains committed to working alongside our providers to ensure a care market that provides choice, and quality provision which is sustainable.

Supported living increase will also be applied to night time rates as well as daytime rates, however there is no increase planned for sleep ins until the wider Supported Living model is reviewed.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Zoe Evans, Head of Strategic Commissioning, Finance and Performance</b>
<b>DATE:</b>	
<b>BACKGROUND PAPER:</b>	





## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Children, Young People and Education
<b>LEAD OFFICERS:</b>	Acting Director Children's Services and Education
<b>DATE:</b>	Thursday, 9 March 2023

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

### SUBJECT:

EB Q 3 Fostering report

### 1. EXECUTIVE SUMMARY

This report provides information on the management and performance of the Local Authority's fostering service which is revised on a quarterly basis. This report, alongside Appendix 3, provides analysis of the period 1st October 2022 until the 31<sup>st</sup> December 2022 and reflects upon data and service development over this period and recommendations for the next three monthly period.

### 2. RECOMMENDATIONS

That the Executive Board notes the Fostering three monthly report for Quarter 3, alongside Appendix 1 which provides a service progress overview and summary of service development recommendations.

### 3. BACKGROUND

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

- Receive written reports on the management, outcomes and financial state of the Fostering Service;
- Monitor the management and outcomes of the services in order to satisfy themselves that the service is effective and is achieving good outcomes for children;
- Satisfy themselves that the provider is complying with the conditions of registration.

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

## 4. KEY ISSUES & RISKS

**4.1** It is positive at the end of quarter 3 that the majority of children placed in foster placements are in our own, Blackburn with Darwen provision. However, the rate at which new foster carer applications are being received and subsequently follow through to approval, remains an ongoing challenge. The current trends for the largest cohort of placements are –

- a) Males aged 11 – 16 years – this also includes Children and Young People who are seeking unaccompanied asylum.
- b) Large sibling groups.
- c) Children with a Disability
- d) PACE/Remand Beds.

As such, the Recruitment Strategy focuses on picking up pace and targeting households who have the ability to become carers for the above children and young people, with the offer of REVIVE Team support and specific training followed by appropriate allowances that match this level of care and support need.

**4.2** The ‘fostering front door’ offer whereby an experienced Social Worker is supporting the Recruitment Officer with fostering applications, but also coordinates placement searches both in-house and on the framework with Independent Fostering Agencies (IFA’s) has been positive and we have placed 17 children and young people locally, although further work is necessary to strengthen and truly embed a culture of success by forming close collaborative relationships to ensure we place children and young people locally when we are unable to place in house.

There are risks associated with the imminent % uplift for BBCL providers, which is yet to be announced and will impact on the Commissioning Budget.

As such, there are monthly meetings with IFAs to build relationships in order to be more visible and ensure BwD are given higher priority for placements within the Blackburn with Darwen area. This will be reviewed in six months with BBCL so that data can be collated and evidence is sought around placement being made as local as possible through the framework. In addition, collaborative meetings are taking place with LCC who are the main lead for BBCL, to identify and plan for the % uplift so that the Finance Team can be informed as soon as possible so that predicted spend can be considered.

**4.3** It is positive that most of the children and young people in our care, are in stable placements. However, for the teenage age group as well as large sibling groups, placement stability continues to remain a challenge.

As such, there are specific areas of support in regards to referrals into the REVIVE Service for therapeutic support which includes support and guidance to strengthen carers understanding of trauma and impact. To add to this support is a high level of training including – attachment and trauma training. There continues to be support provided to carers and the children and young people from the Support, Experiences, Enjoy, Develop, Succeed (SEEDS) Service.

**4.4** It remains the case that children with disabilities primarily are placed in residential settings as opposed to fostering.

As such, there is an ongoing campaign to try to recruit foster carers for children with SEND but this remains a local and national challenge.

**4.5** Children in our Care have regular medicals at the statutory frequency appropriate for their age. There is a Designated Nurse, who takes an active role in following up health issues and assisting with health promotion work. Figures for Quarter 3 show that 87% of all

Children in our Care have an up to date health assessment which is an increase from 2021/22. This figure is lower at 69% for Children in our Care who have had a dental check up in the last 12 months. This is slightly higher than the last 2 quarters which demonstrates that this has been a focus of work undertaken by practitioners and health professionals.

As such, this is a continued focus of attention and promotion from Health and Social Care professionals to increase this data for dental checks.

**4.6** Although it is positive that there have been some Long-term matches and discharge of Care Orders over the last quarter, this continues to remain a priority to prevent drift and delay in children and young people's permanence plans.

As such, there is Strategic Oversight at a Permanence Tracker to monitor timescales for achieving permanence, to add to this, the CIOC Team are now in a more stable staffing position and are able to prioritise the work required to achieve permanence plans for children and young people.

## **5. POLICY IMPLICATIONS**

No Policy Implications have been identified.

## **6. FINANCIAL IMPLICATIONS**

The Fostering Budgets are closely monitored as part of the regular portfolio review. The monitoring position at quarter 3 showed significant forecasted overspends across both the fostering service (£371k) and externally commissioned placements budgets (£3.315m).

When we consider that the forecasted position for the portfolio as a whole showed an overspend of £3.688m at the end of quarter 3, it is clear that placement pressures are the predominant contributing factors.

This position will require a review of the Council's demand management strategies in this area including a refresh of the Children's (Placement) Sufficiency Strategy.

## **7. LEGAL IMPLICATIONS**

No legal implications identified.

## **8. RESOURCE IMPLICATIONS**

The resource implications continue to be in regards to be in relation to the associated pressures of the Commissioning Budget.

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

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

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

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

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

## 10. CONSULTATIONS

Not applicable.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Amy Brooks, Suzanne Kinder/ Louise Helm</b>
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<b>DATE:</b>	<b>22<sup>nd</sup> February 2023</b>
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<b>BACKGROUND PAPER:</b>	
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# Fostering Quarter 3 Report

October- December 2022

## Executive Report



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

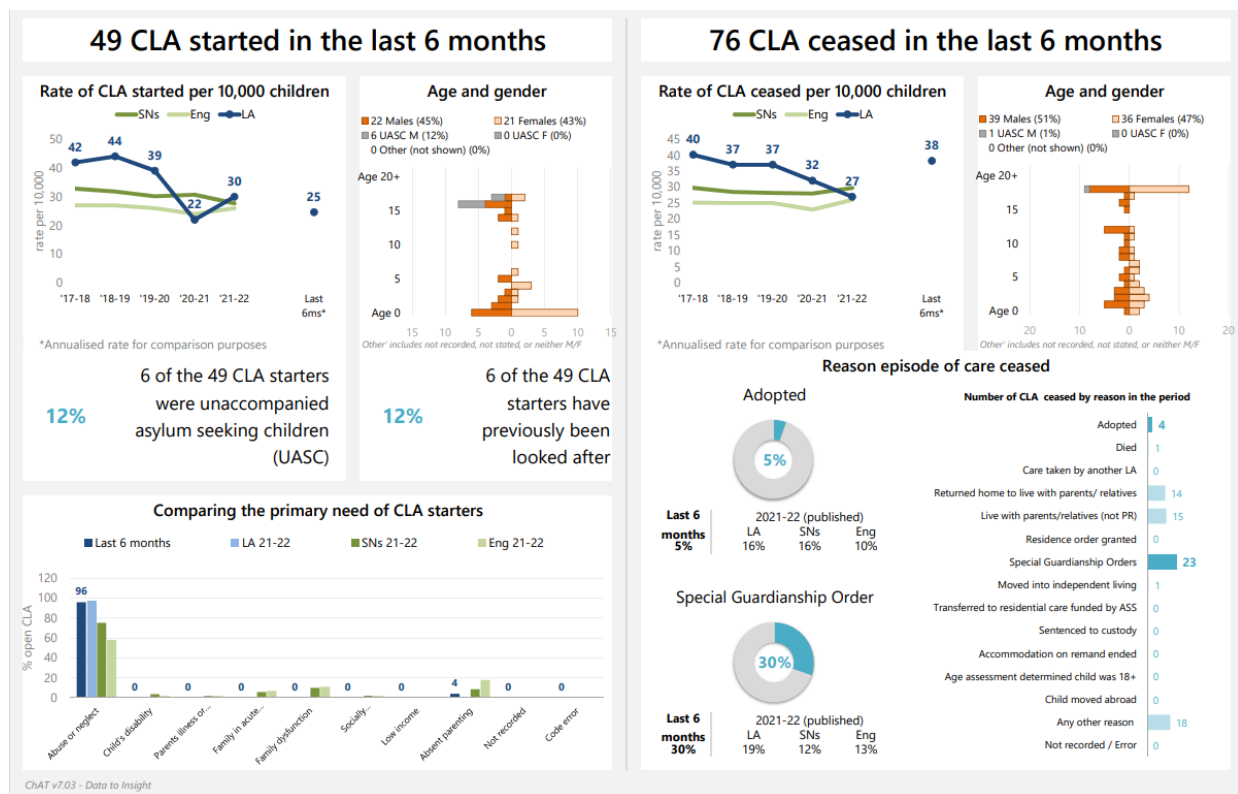
## Introduction

In December 2022, a new interim Head of Service for Corporate Parenting and Permanence, as well as a new Service Lead for fostering have been appointed. Further to this, there has been the development of a significant Transformation Plan which considers all areas of the fostering service. The Transformation Plan includes 6 main areas which are:-

1. Digital Transformation Programme
2. Recruitment and Links with Communication Team
3. Retention of Foster Carers/Allowances
4. Commissioning and Contracts
5. Payments Panel/Governance
6. Workforce Development

The aim of the plan is to ensure the fostering service receives adequate investment and strategic oversight to meet the needs of the service with a focus on the above six areas. This development plan will aim to ensure that our children who are cared for are provided with placements that are local and mainly in house, with highly trained foster carers who receive appropriate support from the local authority. In addition, placements can provide long term, permanent care without delay and where the children and young people in these placements achieve the best possible outcomes and live life to their full potential.

## Children in our Care and Fostering Overview: Quarter 3



There continues to be a decrease in the number of children who are looked after by the local authority. In the last 6 months the number of children becoming cared for by the local authority is 49 compared to the previous quarter where there were 76. The number of children being cared for in Blackburn with Darwen is above the average nationally. In this quarter 23 children left care due to Special Guardianship Orders, 5 children due to adoption orders, 29 children were rehabilitated back into the care of their parents and 18 children left care due to reaching the age of 18.

It consistently remains the case that males, in the 11-16 age group and of White British ethnicity are the highest cohort of children and young people in our care and remain the most difficult to place children and young people. This has been a persistent trend over the years and is consistent with figures nationally for identifying both fostering and residential placements. Sibling groups also present a challenge in terms of identifying foster placements when the care plan is one of maintaining children together.

It remains the case that children with disabilities primarily are placed in residential settings as opposed to fostering. There is an ongoing campaign to try to recruit foster carers for children with Special Educational Need and Disability (SEND) but this remains a local and national challenge. The Fostering Team are working in collaboration with the Children with Disabilities Teams to be creative and solution focussed and to also look at how adaptations can be utilised to expand the choice of foster placements, for example for children with physical needs.

Despite these challenges, it remains positive that at the end of Quarter 3, that 169 children out of 242 children are placed with in house foster carers for Blackburn with Darwen.

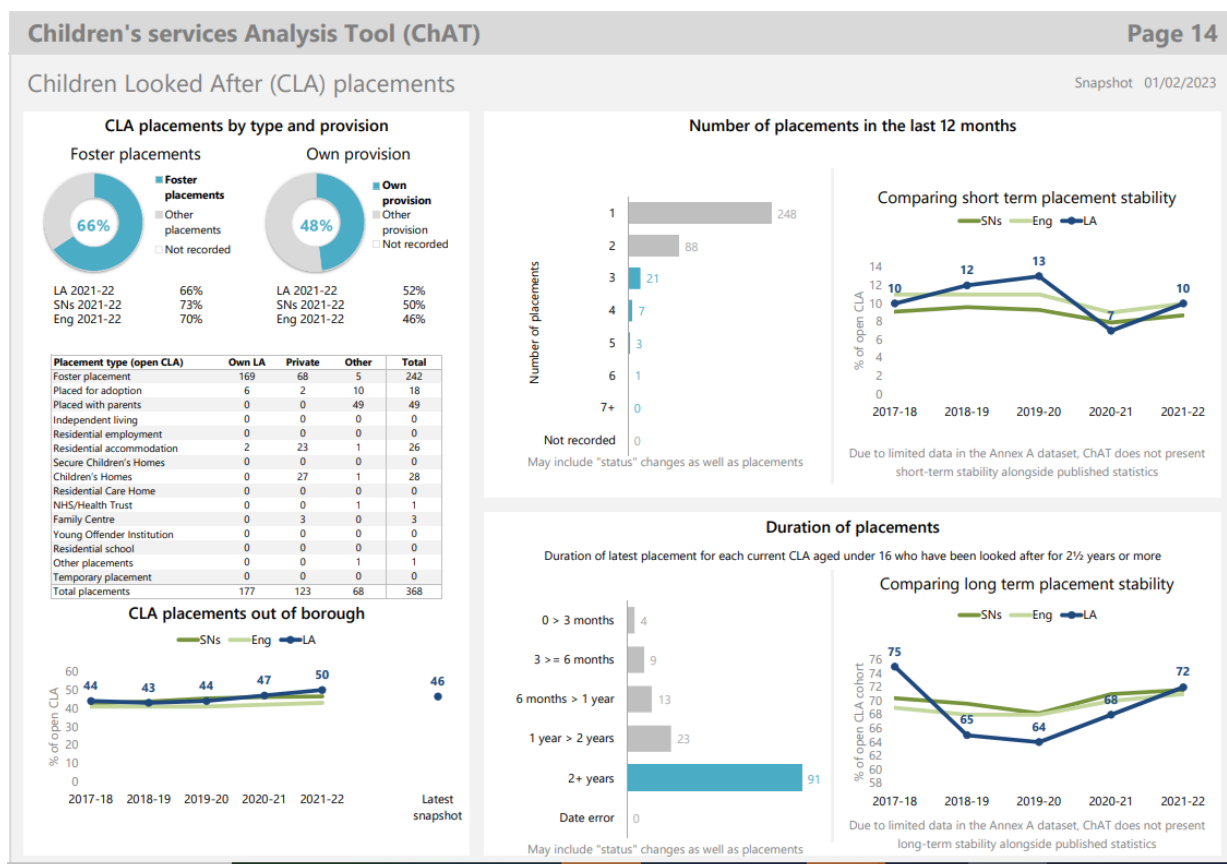
The Foster Carer Register is produced weekly and Senior Managers meet with the Fostering Service to look at placement availability, data and vacancies. The figures can present as though there are vacancies in the Service, however it needs to be outlined that foster carers for a host of reasons often do not have full 'capacity' of their approval for 3 placements. Reasons include foster carer choice or their decision not to take a second or third placement, foster carer family or personal circumstances, or a conflict with matching more than one or two children together depending upon their needs.

The fostering service continues to utilise the 'fostering front door' offer whereby an experienced Social Worker is supporting the Recruitment Officer with applications, but also coordinates placement searches both in-house and on the framework with Independent Fostering Agencies (IFA's). This remodel has been positive in that the Social Worker has a solid overview along with the Team Manager of the placement vacancies in the team and will liaise directly with foster carers, offering at times an enhanced support offer to them at the point of placement.

The introduction of the BBCL (BwD, Blackpool, LCC and Cumbria) collaborative sub-regional framework has helped to generate some success with 'closer to home' placements in the Lancashire footprint. A review of this framework was undertaken in February 2023, which included BBCL and over 30 IFA providers. Since this framework began in June 2022, we have been able to place 17 children and young people within the BBCL framework, keeping children placed locally, with reduced costings. Learning was taken from this review meeting with the recognised need, to further strengthen our relationships with IFA providers to ensure Blackburn with Darwen is seen as a priority within our area. Monthly meetings with Tier 1 (preferred IFA providers) are to be facilitated by the fostering team with a further review of the BBCL framework taking place in 6 month's time.



## Placement Stability



The Department uses a definition of placement stability based on 3 or more placements in a 12 month period that is calculated on a cumulative basis over the year. Placement stability has been increasing since 2019-2020 and is the same when compared to national statistics.

Reasons for placement instability remain the same as in previous quarters and includes the disruption of placements for teenagers displaying challenging behaviours, missing from home episodes and an influx of larger sibling groups all posing challenges for foster carers to manage in the longer term. It remains the case that babies and under 2s are placed in parent and child assessment units and in foster placements for example, for the duration of care proceedings, before settling into their permanent placement. The support offer to these placements is intensive and includes foster carer training as an integral element, alongside timely, collaborative disruption meetings.

Changes in educational placements also impact significantly upon placement stability, this is mainly due to the child investing in secure teacher and peer relationships and then suffering the loss of these. It can also be challenging for the young person to emotionally invest in further foster placements when the first has disrupted. This is when the service refers to the REVIVE service where consultations and assessments take place to support this group of young people and their carers to offer therapeutic interventions.

### **Engagement with Children and Young People**

The VOICE group meet both in person and virtually with children in our care and care leavers to gather views, ideas and feedback. Young people and care leavers are regularly involved in the recruitment to social care posts and consist of a panel which provides information to the interview and recruitment process. Young people are involved in the 'Journey to Foster' training and there are plans to introduce visits with young people to potential foster carers to inform the assessment process. There are also plans to recruit care leavers to the fostering panel.

Feedback is gathered from children in our foster placements regularly as part of the foster carer annual review, and at other events. Feedback is gathered to support the co-design of service delivery and to ensure children and young people with lived experience help shape services now and in the future, that services are fit for purpose and appropriately meet need.

### **Feedback from Children in Foster Care:**

Children and young people, and foster carers, have made the following comments over Quarter 3:

<b>You Said</b>
<b>BB was very unhappy at his high school. He wanted to move to a high school in the area that he lived where his neighbourhood friends attended.</b>
<b>We Did</b>
<b>Respected his wishes and under the concept of THE VOICE OF THE CHILD. The team around the child took on board what he said and following a series of meetings, consultation with the virtual school, ensured a smooth transition to a new high school in his local area where his friends attended.</b>
<b>YP Feedback</b>
<b>BB states he is happy, settled, and grateful for listening to him and taking action.</b>
<b>Outcome</b>
<b>The YP's voice was heard, listened to and appropriate action taken.</b>

'I have been here since I was 6, I have learnt a lot of things whilst living here. I am going to continue staying here until I am 18. Aunty and Uncle have done everything for me'.

### **What makes you happy in placement?**

'Everything, I have foster carers who are more like my mum and dad.'

### **Feedback from foster carers regarding fostering support worker:**

'Debbie has been visiting me for well over 6 weeks now, during that time I have found Debbie to be a great listener, taking my feelings into consideration, the way she communicates with me is sensitive and respectful. Debbie always does her plans for us in advance, and will often send me emails with things to go through, which. Debbie has helped and supported me when I didn't understand certain things, she has a great way of explaining things which is a great help. I find Debbie is very professional and genuine and

doesn't make me feel inferior to her, this helps make me feel relaxed when talking to her. I would certainly recommend Debbie as she has taught me to understand a lot of things'.

### **Engagement with Foster Carers**

Blackburn with Darwen has a Foster Carer Association (FCA), they meet regularly, and have an Elected Committee. The Chair of the FCA sits on the Corporate Parenting Specialist Advisory Group amongst other groups. The FCA has its own website, which is used to communicate messages and news updates about events. The foster carer support group also meets regularly and is attended by the Children's Services Elected Member. The FCA also meets bi monthly with Senior Managers and Team Managers from Fostering.

In Quarter 3 there was a Christmas Fun Day to raise funds for the FCA and also a Christmas party event also held by the FCA.

### **Promoting Children's Health, Emotional Development, Education and Leisure:**

Thanks to the efforts of carers, attendance at school continues to be good for children in our care. Overall attendance last term was 93%. The annual Celebration of Achievement Event took place at Ewood Park on the 16th November. Children and young people in care and care leavers who attended were nominated for awards by their carers, schools and Children's Services staff in the categories of, Academic achievement/progress, attendance, behaviour, sport, arts, resilience and determination and making a positive contribution. In addition, there were a number of special awards for those who have particularly excelled in these areas. University students were also celebrated as well as those who have gained apprenticeships including within the council.

The event was in The Premier Suite at Blackburn Rovers Football Club and was a well-attended event with over 135 people comprising of children and young people in care and care leavers, foster carers, parents, school staff, the Mayor and Consort, the Leader of the Council, the Chief Executive, the Acting Director of Children's Services and a range of practitioners from Children's Services Department. There was a special guest for the evening, comedian and Britain's Got Talent Finalist Steve Royle who presented the awards and provided some great entertainment, the whole event was great fun. During the evening there was a very special singing performance from one of our young people. The John Bury Trust kindly sponsored one of the special awards and all of the award winners received a certificate and gift voucher.

Children and young people in our care are encouraged to participate in a variety of activities in which they can succeed and are supported in achieving better outcomes. All local children in our care are given access to free sport and leisure activities within the Borough. Foster carers are provided with a MAX Card, which offers heavily discounted access to a range of leisure parks and facilities around the North West.

Children in our Care have regular medicals at the statutory frequency appropriate for their age. There is a Designated Nurse, who takes an active role in following up health issues and assisting with health promotion work. Figures for Quarter 3 show that 87% of all Children in our Care have an up to date health assessment. 69% of children who are looked after have had a dental check up in the last 12 months which is a significant improvement on previous quarters though remains an ongoing concern.

Foster carers have a Health Passport for each child in their care, which is a record of all of the child's health details. Foster carers are provided with the relevant training and support to meet the specific needs of the child in placement and they are able to access support from the Children with Disabilities Team with aids and adaptations, Disability Links registration and information and advice where needed.

In relation to emotional wellbeing, Children in our Care have access to Clinical Psychology and related services through REVIVE and the East Lancashire Child and Adolescent Service (ELCAS) also known as Children and Adolescent Mental Health Service (CAMHS). The REVIVE Service is a partnership between Blackburn with Darwen Borough Council's Children's Services and East Lancashire Hospital Trust to provide emotional health support for children known to the Local Authority and is based at Duke Street. REVIVE delivers consultation to Foster Carers, training and direct intervention on emotional health and well-being. The Team consists of Clinical Psychologists, a Play Therapist and Mental Health Practitioners.

During this quarter there were 15 referrals to the REVIVE service. 46 consultations were offered to carers. 170 face to face therapy sessions took place and there were 120 carer support sessions. REVIVE attend meetings relating to carers and children and provide specific training to foster carers and Special Guardians around attachment. The Limes in Darwen continues to be used to provide therapy and is now a hub which is used by foster carers along with children and young people.

## **Fostering Service**

There are two teams within the Fostering Service, the mainstream fostering and the permanence team. In the mainstream fostering team over the past 6 months there has been significant plans for transformation of the service. This is a 12 month Transformation Plan and the team structure will be considered to ensure this adequately meets the ongoing needs of the service. Currently the team is fully staffed with no sickness.

The Service coordinates two fostering panels, the main fostering panel and annual review panel. The Team and Deputy Managers act as Panel Advisor and maintain the panel members list along with their training. The two panels are independently chaired. Feedback and evaluation is collated from both panels in order to inform service delivery.

During this quarter, there has been two new social work appointments in the permanence team. One social worker returning back to the team and one social worker who is new to the team, but returning to BWD following a lengthy period working in other boroughs and independent agencies.

At the end of this quarter, there were 28 family and friend fostering households, with a further 11 households approved under Regulation 24. There have been 41 referrals and initial assessments completed within this quarter with 19 progressing to full combined assessment. This is a decrease from the previous quarter however, is on par with past quarters. Assessments continue to take place all over the UK for e.g. Preston, Watford, and London. 4 assessment have been presented to fostering panel and been approved as full family and friends fostering households. There have been 4 resignations in the same quarter due to the carers becoming Special Guardians. There have been 23 SGO's issued within this quarter.

The SGO panel is held every fortnight to consider all assessments where the permanence plan is that of SGO. This includes assessments during care proceedings, the PLO process and for children placed under a care order. The Permanence Team Manager attends this panel and the Service Lead for Fostering and Resources chairs the panel which is also made up of other professionals from children's social care including the IRO Service Manager and a legal representative.

## **Foster Carer Recruitment and Retention**

A 12 month Recruitment Strategy has been developed incorporating digital and face to face activities. This recruitment activity includes constant, targeted advertising on Google Ads and Facebook. Posts are updated on all social media accounts including Facebook, Instagram and Twitter. The Lets Foster website continues to be the area in which most enquires are received, which can be accessed through Google and Social Media.

Information Evenings are held on a monthly basis as well as other targeted face to face activities. Community partnerships continue with Blackburn Rovers, Burnley Football Club and the Hawks Ice Hockey Team to promote and embed the sense of the importance of community and the need for local carers for our children. Let's Foster has recently been featured in Police Life, The Shuttle and Pigeon Carrier with a new advert to target teenagers. Currently, planning is underway to consider Fostering Fortnight in May 2023. There is partnership working between BWD Corporate Communication Team and the Recruitment Officer to ensure a targeted and collaborative approach to recruitment.

There continues to be a focus on recruitment for teenagers, sibling groups, children with disabilities, Pace and short breaks.

This quarter there has been,

- 4 Registrations of Interest of prospective foster carers
- 6 households moving into assessment
- 3 households currently in assessment

During this quarter we had 3 mainstream fostering households presented to fostering panel. 2 couples approved to offer short term placements and 1 re-assessment of a foster carer who had separated from her partner. 5 households were presented to panel with a recommendation for approval as family and friends carers and 4 fostering household presented for their first annual review. There has been 15 fostering households presented to panel for annual review.

In relation to feedback, forms are sent to all attendees and whilst the return rate is low, feedback is generally positive. Panel have provided positive feedback regarding the quality of assessments and verbal presentation of the social workers.

#### **Training for Foster Carers:**

During this Quarter period, our carers continue to access the online training offer through Me-Learning, as well as the Social Care information and Learning Service (The Social Care Institute for Excellence Scils), along with mandatory safeguarding training.

In October 2022, Youth Mental Health First Aid (YMHFA) was offered to carers, this is an accredited programme and throughout 2023 the plan is for this to become mandatory for all foster carers. This will not only have a positive impact on the carers Personal Development Plan (PDP) but may also support placement disruption and breakdown for our older adolescent young people.

In November 2022, the Revive team offered a follow up reflection session to carers who completed the attachment, trauma and therapeutic parenting. The aim of this training was to put their learning into practice and evaluate if this has been successful and to gain feedback through role play and scenarios that the carers may be faced with in caring for our children. This session was positively attended by a high number of carers. This training continues to be offered and is a popular course.

In December 2022, no face to face training was offered due to the Christmas holidays. Online training is always available to our carers. In regards to the service training offer, this will be reviewed before the start of the financial year in April 2023, with a plan of both online and face to face training sessions offered to our carers. This will include conference style days where carers can attend and be offered training by a number of services in one day. Foster carers feel this would be very beneficial to those who work alongside their fostering role. Over this quarter, the service continued to offer a carer support group in November 2022, this was well attended.

#### **Complaints**

There have been no complaints during the last 6 months.

#### **Compliments**

During this quarter we have had 2 compliments. A compliment was received from an IRO regarding

the approach from a foster carer with a young person and the positive impact this has upon him. A further compliment related to the support to a carer from their supervising social worker.

'They have supported us through the whole process, answering all of our questions and going above and beyond to ensure we were informed. They have kept our lovely niece at the centre of everything.

They are both truly amazing and have made this process bearable. Having worked for LA's previously and in my current role, I know how hard social work can be and they get very little recognition so wanted to ensure you got this.'

### **Allegations**

During this quarter, two allegations has been made in respect of foster carers. The LADO was informed and Strategy Discussions held to explore the possibility of whether the child had suffered physical harm, and subsequently the child was removed to an alternative placement. The outcome of the investigation were substantiated and the carers have since resigned. The second incident relates to an allegation of inappropriate touching, the LADO was informed and the concern was unsubstantiated with no further action taken.

Both cases have been appropriately dealt with and managed and support offered from Fostering Network/Foster Talk as an independent body.

There has been a new tender of the Independent Advice and Support contract and Foster Talk have been successful in securing this.

### **Specific Incidents and Restraints**

There have been 0 incidents recorded over the past 6 months involving children in our care.

### **Bullying Reports**

There have been no reports of bullying over Quarter 3

### **Serious illness and accidents**

During this quarter, 1 foster carer suffered a heart attack, he underwent emergency surgery and is recovering well. All appropriate support has been offered.

### **Commissioned Placements and Budget**

The Case Tracking and Commissioning Panel continues to have strategic oversight and monitoring of placements and ensures that there are robust plans for those children and young people that could be brought back to in-house provision, as well as ensuring timely decision making to achieve permanence.

The financial position across both of these areas is closely monitored throughout the year. Pressures for this financial year are due to the demands on the Service with the numbers of children in our care, placement sufficiency and stability. Placements for teenagers and those with complex needs are the most costly, and largely in residential or therapeutic placements.

The local authority continues to take its quota of unaccompanied asylum seeking children (UASC) (0.1% of the population). There are referrals at least bi-weekly, via the North West Regional Strategic Migration Partnership. We currently have 20 UASC cases open to Children in Our Care (CIOC), all of who are living

in appropriate accommodation. Predominantly these children are placed with IFA and residential placements due to there not being enough foster care placements in house. Although the local authority receive funding for UASC, this does not cover the weekly costings of their placements and places additional financial pressure on the commissioning budget.

#### **Total number of commissioned foster placements used in this period – 86**

- **64 x** Non long term matched including:
  - 22 x children under ICO's including 5 sets of siblings (group of 4, 6, 2, 2 and 2)
  - 1 x parent and child placement ongoing which is under ICO's;
  - 1 x concurrency placements under ICO's;
  - 27 x FCO's of which 3 were previously ICO in the same period (sib group of 2 and 1)
  - 8 x Section 20's including 6 UASCs;
  - 5 x Placement Orders

#### **Number of new commissioned foster placements made in this period – 9**

- **3 x** male teenagers under S20 (2 UASC);
- **6 x** ICO's (inc 2 sib groups of 2, one pair who are from a wider group of 6 sibs under ICO who are in 3 IFAs)

#### **Number of ended commissioned foster placements - 15**

- 1 x moved to adoptive from concurrency following adoptive match (AC)
- 2 x disrupted (moved to supported acc and residential)
- 3 x UASC – 1 planned move to relative & 2 to supported accommodation
- 1 x turned 18 (Staying Put with same carer)
- 3 x ICO (sib group of 3 rehabbed to parents)
- 1 x FCO (child with disability unfortunately deceased)
- 1 x FCO (placement used for respite whilst carer away)
- 3 x FCO (monthly respite used by a group of siblings on a care order at home)

**4** of the new placements in Q3 ended by the end of the Q3 period.

#### **Number of long term matched commissioned foster placements – 22 x FCO's;**

**2 x** new LT matches made within that period for a set of siblings under an FCO

- **49** ongoing non long term matched placements at the end of Q3
  - 21 x FCO
  - 21 x ICO
  - 4 x PO
  - 3 x S20
- **22** ongoing FCO's in long term matched placements at the end of Q3

#### **Service Priorities for the Next Quarter.**

1. The management team will continue to monitor compliance with Fostering Regulations and National Minimum Standards and will increase the number of case file audits completed each month to support this.



2. The Transformation Plan for the fostering service will be the priority. This plan and the key priorities will drive forward placement sufficiency and stability as well as recruitment and quality assurance.
3. A Review of Foster Carer Allowances will take place in readiness for the new financial year and will support the Recruitment Strategy.
4. Placement sufficiency and stability will continue to be a key area of focus. The relationships with independent fostering providers is the key element which will be the area of development in the next quarter to ensure that we are able to provide local placements to our children and young people within this framework.
5. Recruitment will focus upon our offer to potential foster carers in order to be competitive. The recruitment drive will focus on foster carers who can support teenagers, to respond to the increasing demand for urgent placements. This will also enable a support package of short breaks to be considered for those young people who are more challenging to place and/or in fragile placements currently and will seek to assist with placement stability alongside our Revive offer.
6. There continues to be the need to recruit foster carers who can offer a Remand/PACE foster carer household.

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Children, Young People and Education
<b>LEAD OFFICERS:</b>	Strategic Director of Children's & Education (DCS)
<b>DATE:</b>	Thursday, 9 March 2023

<b>PORTFOLIO/S AFFECTED:</b>	Children, Young People and Education
<b>WARD/S AFFECTED:</b>	Blackburn Central, Shear Brow and Corporation Park, Billinge and Beardwood
<b>KEY DECISION:</b>	Y

### SUBJECT: Creation of new secondary school places

#### 1. EXECUTIVE SUMMARY

Blackburn with Darwen is experiencing significant school place pressures in the secondary phase of education. There is a need to increase the capacity of places available particularly in the Blackburn locality in order for the borough to meet its statutory duty to provide a school place for every pupil that requires one.

#### 2. RECOMMENDATIONS

That the Executive Board:

- Approves the projects and associated expenditure (**Appendix 1&2**)
- Approves for the monies detailed against each project to be delegated to the associated School/Trust so as to enable the agreed works to be directly managed by the Schools/Trusts
- Approves for the Council to enter into a legal agreement with each School/Trust by way of a Funding Agreement (**Appendix 3**)
- Approves a variation of lease at the former Witton City Learning Centre (CLC) to one similar to an academy style lease for a period not greater than 125 years

#### 3. BACKGROUND

A pupil place planning analysis commissioned in 2021 advised of a need for Blackburn with Darwen to increase the capacity of secondary school places by 2024/25 to ensure that supply was available to meet forecasted demand based on the effect of larger primary cohorts ageing through the school year groups plus the impact of planned housing growth on secondary pupil numbers. The analysis advised that ***“For secondary schools, maintaining a 10% surplus capacity across the borough for the full forecast period (2021 – 2036) would require, on average, an additional 810 secondary places”***.

In 2020/21, secondary schools were within 4% of their combined maximum capacity. In 2021/22, the percentage of vacant places has reduced further resulting in difficulties in offering school places through typical In Year School Admissions processes, with the pressures being particularly prevalent in the Blackburn locality. Throughout the 2021/22 admissions year, some schools in Blackburn have increased the number of places that they could offer on a temporary basis to meet the immediate demand. Whilst schools have been very receptive to support place pressures, this has come at a time when schools are facing extreme accommodation challenges. Post Covid, many pupils are requiring additional support to reintegrate into school and/or are requiring alternative type provision (smaller classes and nurturing environments to provide social, emotional and mental health support), additionally schools are trying to work differently maintaining some of the practices employed throughout the pandemic period to ensure ongoing effective infection management/control. Schools estates are therefore already compromised, with minimal capacity to increase pupil numbers further without extending or repurposing premises.

To support permanent pupil place growth, secondary schools across Blackburn with Darwen were invited to express interest in creating new permanent school places across year groups 7 – 11. Schools were asked to provide information on the type of project that they were proposing e.g. extensions, internal reconfigurations, alongside estimated costs of the project, drawings/specifications (if available) numbers of new school places that would be created and when these new places would be available.

Early interest was expressed by 4 schools, however following discussion one school did not progress further as the project was not affordable. Summary details of each school's proposal, number of new places to be created and associated costs are attached at **Appendix 1 & 2**. If each project is approved this will create 345 new places across years groups 7 – 11 in the Blackburn locality with a request for local authority (LA) schools capital funding of £1,249,700 to support these projects.

For one of the projects, the expansion will require significant internal reconfiguration of a Council owned asset to create additional teaching spaces. This premise is currently leased for a period of 7 years (until 31 August 2027). To offer assurance to and support the business case that the school will be required to propose to the Regional Schools Directorate for the purpose of expansion approvals, there will be a requirement to enter into an academy type lease arrangement for the former Witton City Learning Centre of a period no greater than 125 years.

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

If no additional capacity of secondary school places is created the LA may not be able to meet its statutory duty to offer a school place to every pupil that requires one as the LA cannot solely rely on the good will of Schools/Trusts to take additional pupils above existing maximum capacity given the increased estates pressures that schools are already facing.

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.

If capital funding is secured for each of the schools that have expressed interest, there will be a requirement for each of the respective Academy Trusts to comply with the process for making a significant change, by making an application to the Regional Schools Directorate for approval to increase the capacity of their school. Failure of Trusts to make an application to the Regional Schools Directorate as soon as possible once they have decided to proceed with the proposed change could constitute a breach of the existing Funding Agreement [Making significant changes to an open academy \(publishing.service.gov.uk\)](https://www.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/614441/making-significant-changes-to-an-open-academy.pdf). [Witton Park Academy will also have to submit a Land](#)

## Transaction Application for the Secretary of State's consent in respect of the proposed new lease arrangement.

Approval for a change in the lease arrangement for the former Witton City Learning Centre increases the financial contribution required from the Council in respect of the valuation of the property which is identified on the plan shown at **Appendix 4** and based on a 125 year lease arrangement. At the moment Witton City Learning Centre is leased by the Council to "Achievement Through Collaboration Multi Academy Trust - Witton Park Academy," from and including 14<sup>th</sup> September 2020 to and including 31<sup>st</sup> August 2027. The current value of the property would transfer to the leaseholder until the end of the new lease period. Further advice will be taken as necessary from the Council's Legal and Property teams regarding this process.

### **5. POLICY IMPLICATIONS**

None

### **6. FINANCIAL IMPLICATIONS**

The total value of funding requested to support increased pupil place capacity is £1,249,700 (**Appendix 2**), with the funding drawn from:

Schools Basic Needs funding stream – £749,700  
s.106 contribution - £500k

A further £250k is expected in 2022/23 from s.106 agreements. On receipt of this funding the total s.106 contribution will be increased to £750k and the Basic Need funding reduced to £499,700

Projects for academies will be managed directly by the Academy/Trust and will therefore require 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.

As detailed in section 4 above the current value of the property would transfer to the leaseholder until the end of the new lease period. Valuations are required to satisfy the requirements of Circular 06/03: Local Government Act general disposal consent (England) 2003 disposal of land for less than the best consideration that can be reasonably obtained.

In other words the valuations are for the current value of the property being the 'Unrestricted Market Value,' and the proposed value following the intended transfer of the Witton CLC asset by the Council to an Academy style lease (for a period of no more than 125 years by varying the current lease,) being the 'Restricted Value.

A Chartered Surveyor from the Council's Property Team has provided the valuations.

### **7. LEGAL IMPLICATIONS**

Under the Education Act 1996, the Local Authority has a statutory duty to ensure a sufficiency of school places are available for our area. The creation of additional secondary places through these proposals will significantly assist the Local Authority in fulfilling its legal duty.

A funding agreement will be required 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 one project overspend. The agreements will also require the schools to comply with the statutory requirements and guidance relevant to their projects.

The existing lease between the LA and The Achievement through Collaboration Trust (Witton Academy) will require surrender and a new lease of 125 years detailing and progressing through associated legal teams.

## 8. RESOURCE IMPLICATIONS

Leadership of the projects will be met from existing Education resource with support required from the councils Legal, Finance, Procurement and Property 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

Blackburn with Darwen has 12 mainstream secondary schools. Each secondary school was invited to express interest in creating new permanent school places. Early interest was expressed by 4 schools, however following discussion one school did not progress further as the project was not affordable. Summary details of each of schools proposal, number of new places to be created and associated costs are attached at **Appendix 1**.

Under the “Making Significant Changes to an open Academy” guidance each Academy is required to carry out a 4 week consultation before they can submit their applications to the Regional Schools Directorate for approval. This consultation must include parents, schools, relevant faith bodies and others as required by the guidance.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Carol Grimshaw</b>
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<b>DATE:</b>	
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<b>BACKGROUND PAPER:</b>	Appendix 1: Project details Appendix 2: Education Capital Programme 22-23 variation report Appendix 3: Sample funding agreement Appendix 4: Property plan (former Witton City Learning Centre)
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**QEG's**

Plans to expand provision by an additional form entry based on class sizes of 28 per year group, creating an additional 140 places on a phased approach commencing with year 7 expansion in Sept 2023.

The project will see a significant change to one of the schools existing buildings with a complete reconfiguration of the layout of the building. This will also include modernising the building to meet current building regulations due to the age of the building and its current condition.

LA Capital funding request for £550k. The school will also be financially contributing to the project.

**Witton Academy**

Plans to expand provision creating an additional 110 places across year groups 7 – 11 from Sept 2023.

The proposed work will see a reconfiguration and refurbishment of the former Witton City Learning Centre to create additional class teaching spaces. The refurbishment will also significantly improve the premises mechanical and electrical infrastructure of the premises supporting improved operational efficiencies, alongside some minor improvements to the catering facilities in the main school building to support catering for increased pupil numbers.

To support this significant investment, the school will require an amendment to the existing lease arrangement to one similar to an academy style lease of 125 years.

The School/Trust have committed in the last 2 years to significant financial investment in the school estate. LA Capital funding request for £650k, any additional costs will be met by the School/Trust.

**St Wilfrd's Academy**

Plans to expand provision by an additional 71 places across year groups 7 – 11 from Sept 2023, and a further 24 places by Sept 2025 as cohorts of pupils phase through the school

The proposed work will see a premises owned by the school refurbished to create space for 2 additional classrooms and 2 small one to one spaces as an inclusion space. This will release capacity in the main school building to create additional pupil places

Cost estimates are at feasibility stage.

LA Capital funding request for £49.7k, any additional costs will be met by the School.

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							1,669,688
St Barnabas and St Pauls CE	WP	In House	New build and extension to provide extra places	Basic Need	135,083					1,119,688		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)	In House (Management)	Replace Roof System	SCA / DFC		67,500					7,500	75,000
Brookhouse Primary			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
Stansfeld Centre / St Thomas Centre			Refurbishment to create additional alternative school provision capacity	Basic Needs / High Needs	276,900				723,100			1,000,000
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			Reslate 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	RA		For emergency H&S, Compliance and safeguarding works)	Various	25,000	25,000						50,000
Contingency budget				SCA		100,000						100,000
					Spend Profile 2023-2024							
Newfield				Basic Needs / High Needs	300,000				2,000,000			2,300,000
Crosshill				High Needs					900,000			900,000
Total					1,803,610	2,734,641	165,000	201,956	3,623,100	4,732,528	251,600	13,512,435
TOTAL LIVE PROJECTS					1,803,610	2,734,641	165,000	201,956	3,623,100	4,732,528	251,600	13,512,435
NEW PROJECTS & VARIATIONS TO EXISTING PROJECTS												
Spend Profile 2023-2024												
Project	Officer	Delivery	Description	Funding Source	Basic Need £	Schools Condition £	Two Year Old Places £	Special Provision Fund (SEND) £	High Needs Provision £	Section 106 Funding £	DFC/School Cont £	Total £
New schemes												
Queen Elizabeth's Grammar School			Creation of an additional form entry - reconfiguration and modernisation	s106 / Basic Need	330,000					220,000		550,000
Witton Academy			Reconfiguration and refurbishment of the former Witton CLC	s106 / Basic Need	389,900					260,100		650,000
St Wilfrid's Academy			Refurbishment to create 2 additional classrooms	s106 / Basic Need	29,800					19,900		49,700
TOTAL NEW PROJECTS					749,700	0	0	0	0	500,000	0	1,249,700
UNALLOCATED GRANTS REMAINING					1,574,805	833,467	49,000	0	0	0	461,041	2,918,313
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	5,232,528	712,641	17,680,461



**DATED**

**202**

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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 Receipients 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.

.....  
 Authorised Signatory

Name (block capitals) \_\_\_\_\_

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## Schedule 1

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

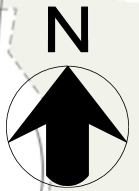
The [ ] have agreed to a minimum increase in pupil capacity of:

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



**Schedule 2 - Payment Schedule**

<b>Amount of Grant Payable</b>	<b>Date of Payment</b>
	On completion of the Grant Agreement
	On completion of the Grant Agreement



Scale: 1:1250

Park High School

El Sub Sta

City Learning  
Centre

BUNCER LANE

River Blakewater

Selborne Mews

SPRING LANE

Allotment Gardens

St Mark's  
Conservative  
Club

PRESTON OLD ROAD

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Public Health, Prevention & Wellbeing
<b>LEAD OFFICERS:</b>	Strategic Director of Adults and Health
<b>DATE:</b>	Thursday, 9 March 2023

<b>PORTFOLIO/S AFFECTED:</b>	Public Health Prevention and Wellbeing
<b>WARD/S AFFECTED:</b>	(All Wards);
<b>KEY DECISION:</b>	N

### SUBJECT: EB Household Support Fund Round 4

#### 1. EXECUTIVE SUMMARY

- 1.1 In November 2022, via the Chancellor's Autumn statement, the Government announced an extension to the Household Support Fund (HSF) from April 2023 to continue supporting communities who are struggling due to the cost of living crisis. The announcement was of a 12 month support package to the same value as spent in the previous 12 months of Household Support (£1b).
- 1.2 The Council has successfully delivered the HSF since October 2021 in partnership with a range of voluntary, community and faith sector organisations who work together to provide a strength based approach to support our residents.
- 1.3 The primary purpose of this report seeks approval for the ongoing delivery of the HSF grant programme as described in the body of the report. The secondary purpose is to seek approval to use an element of the 2022 /2023 ( Round 3) HSF to support a Schools Grant proposal ensuring children living in low income families are supported to access a hot meal.

#### 2. RECOMMENDATIONS

That the Executive Board:

- 2.1 Agree to the distribution of the Household Support Fund Round 4 as set out in the report and subject to confirmation of the grant funding.
- 2.2 Give delegated authority to the Director of Finance and the Director of Adults and Health, in consultation with the Executive Member for Public Health, Prevention and Wellbeing, to amend the grant criteria should that be considered necessary given guidance from Government and local circumstances.
- 2.3 Approve the proposals for utilising remaining resources within HSF 3 relating to 2022/23 and in relation to funding the school meal support provision for the period the money is available.

### 3. BACKGROUND

- 3.1 At the beginning of October 2021, the Government announced a new HSF worth over £500m would be made available to Upper Tier Local Authorities to support those households most in need over the winter period to March 2022.
- 3.2 Details of the grant allocations and supporting information on how the grant should be used were released to Councils on 7<sup>th</sup> October 2021 and a report on this matter was considered by the Executive in November 2021 where the distribution of the fund was agreed. Blackburn with Darwen Council received £1.619m and at the close of the scheme on 31<sup>st</sup> March 2022, all of the funding had been used as planned.
- 3.3 As part of the Spring statement 2022, the Government announced an extension to the HSF by providing a further £500m for the scheme as part of a package of measures to support those affected by the rising cost of living. The Council's share of this additional funding was £1.619m and the grant funding had to be used by 30<sup>th</sup> September 2022.
- 3.4 As part of the Chancellors' cost of living statement on 26<sup>th</sup> May 2022, the Government announced a further extension of the HSF from 1<sup>st</sup> October 2022. Again, this grant funding had to be used by 31<sup>st</sup> March 2023 and the Council received a further £1.619m as part of the £500m scheme.
- 3.5 As part of the Chancellor's Autumn statement on the 17<sup>th</sup> November 2022, the Government announced a further £1b nationally to extend the HSF for a further 12 months. This grant funding must be used by 31<sup>st</sup> March 2024. On the 20<sup>th</sup> February 2023 the Council received confirmation that a further £3.238m had been allocated to BwD as part of the £1b scheme. This equates to the same level of funding as previously received but covers a 12 month period rather than the 6 month periods of the previous schemes.

### 4. KEY ISSUES & RISKS

- 4.1 The original objective of the Fund was to provide support to vulnerable households in most need of support over the winter period as the economy recovers. It has been recognised that further support is required to support communities as the cost of living crisis begins to impact further beyond recovery from the pandemic.
- 4.2 Councils have been required to develop a 'local eligibility framework and approach' to enable the distribution of the grant funding. In HSF1 at least 50% of the funding was for vulnerable households with children. The remainder of the funding was available for vulnerable households without children (including individuals).
- 4.3 For Round 2, there was a change in how the fund should be targeted. At least one third of the total funding is ring-fenced to support households with children, at least one third of the total funding is ring fenced to support pensioners with up to one third of the total funding to other households genuinely in need of support. This may include households not currently in receipt of DWP welfare benefits.
- 4.4 For Round 3, there was another change in how the fund should be targeted. With those on means tested benefits having received additional cost of living support through other means and grants, a focus was placed on those that had not received any previous cost of living support, resulting in those on means tested benefits not being eligible and funds being targeted towards those low income earners.

4.5 Guidance on the use of the Housing Support Fund Round 4 has not yet been issued by the Department of Work and Pensions. Whilst there may be some amendments to the eligibility criteria for HSF4, it is unlikely there will be any other significant changes to the grant conditions. When administering the Scheme during the first three rounds, Councils have been encouraged to adopt the following principles:

- use discretion on how to identify and support those most in need, taking into account a wide range of information;
- use the funding from 1st April 2023 to 31st March 2024 to meet immediate needs and help those who are struggling to afford energy, food and water bills, and other related essentials. It can also be used to support households who are struggling to afford wider essentials;
- in exceptional cases of genuine emergency, it can additionally be used to support housing costs where existing housing support schemes do not meet this exceptional need;
- this includes payments made, or committed to, by the Authority or any person acting on behalf of the Authority, from 1st April 2023 to 31st March 2024. For example, this would allow any vouchers issued before the end of the funding period to be redeemed in April 2024. All authorities are encouraged to ensure that any vouchers issued are redeemed before the end of the scheme, or shortly thereafter, or consider recycling unused vouchers;
- Councils have the flexibility to work with multiple organisations to provide a local delivery network that supports vulnerable households with a broad range of support;
- Councils can claim for reasonable administrative costs incurred in administering the Scheme;

4.6 The Council has a demonstrable track record of developing and implementing welfare support schemes and the delivery of Round 1 of the HSF is an illustration of this. Over 24,000 households have been supported through a range of measures including, for example, support with energy bills, Council Tax, provision of food and, as part of the wraparound service, advice and guidance in areas such as debt management.

4.7 Based on the criteria and funding allocation for Round 4 remaining broadly the same as Rounds 1, 2 and 3 and building on the frameworks that have been used for delivery to date and also recognising that the rising costs of energy will continue to be the most acute pressure faced by local residents over the next twelve months, it is proposed to use the HSF in the following way:-

TABLE

Area of Support	£m
Support for Energy Bills, food partnership (including crisis, food larder and community center support), white good provision and any other reasonable Cost of Living support schemes	2.848
Housing Need Community Care Grant	0.05
Contributions to Voluntary, Community and Faith Sector (BwD Homestart, Age UK, and BwD Carers)	0.06
Costs of Administering the Scheme	0.28

4.8 Again, as with HSF Rounds 1, 2 and 3, by taking this whole systems, partnership and strength based approach with the HSF4, the Council will have the opportunity to reach some of the most vulnerable households in the community thereby complying with the objectives of the Scheme.

4.9 As ever with these types of grant allocations, the Council is required to provide the DWP with statements on the use of the grant and arrangements are in place to satisfy this requirement.

4.10 The delivery of the HSF will continue alongside other support including developing employability skills, debt, benefit and housing advice and mental health and wellbeing advice and support alongside supporting food larders as part of a plan for sustainability beyond the HSF grant.

4.11 Resources remain from the HSF 3 allocation for 2022/23 in the region of £645k. Adhering to the conditions of the grant, it is proposed a significant proportion of this remaining balance is directed to schools within the borough to extend the free school meal offer where possible or to support families who are experiencing food poverty or insecurity in other ways, as deemed appropriate. The cumulative total for this approach identified is up to £420,000 with £370,000 identified to be funded from HSF. In parallel there will continue to be commitment to promoting the availability of the fund to Blackburn with Darwen citizens and as such a degree of flexibility over the precise funding routes will emerge during March 2023.

4.12 Appendix 1 provides further detail on the model which has been developed to best identify how to distribute funding equitably to pupils in the greatest need within the borough. Outputs from the funding will vary depending on what activity each school proposes to support. If schools proposed to use the funding for additional Free School meals, this would provide 171,428 meals (at £2.45 per meal) or feed 2,678 additional children throughout the summer term at no cost (64 days, 17<sup>th</sup> April to 21<sup>st</sup> July). The position over the summer school holidays will be factored into plan.

## **5. POLICY IMPLICATIONS**

5.1 There are no policy implications arising directly from this report

## **6. FINANCIAL IMPLICATIONS**

6.1 The Council is expected to receive a grant of £3.238m from the Household Support Fund. Details of the proposed distribution of the funding are as set out in the report.

## **7. LEGAL IMPLICATIONS**

7.1 Although there are no legal implications arising directly from the contents of this report, the Local Authority must act in accordance with the Government's guidance on the HSF and comply with its requirements (e.g. submitting the required statements of grant usage and MI returns). Therefore, there will need to be adequate systems in place for all decision making and recording of allocations to ensure that funds are distributed in accordance with the funding criteria and compliance requirements are satisfied, in order to avoid any claw back.

## 8. RESOURCE IMPLICATIONS

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

## 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 arising from the contents of this report

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>2</b>
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<b>CONTACT OFFICER:</b>	<b>Andrew Haythornthwaite, Leanne Reid</b>
<b>DATE:</b>	23/01/2023
<b>BACKGROUND PAPER:</b>	



**Subject:** SCHOOL FOOD GRANT FUNDING PROPOSAL

**Date:** 27<sup>th</sup> February 2023

**Prepared by:** Charlotte Pickles, Public Health Specialist  
Hugo Smith, Public Health Analyst  
Cath Taylor, Public Health Consultant

**Purpose:** To outline a proposal to ensure that children in Blackburn with Darwen with the greatest need are able to access free school meals for the remainder of the 2023 academic year.

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## Background

With the significant increase in food prices and most notably the rise in energy bills, households in the UK are increasingly unable to cover the costs of essentials. Many families are struggling to afford food because of the increased cost of living and other factors beyond their control. As a result, many children are going hungry every day. Research by The Food Foundation found that in September 2022 four million children were living in households experiencing food poverty or at least food insecurity in the UK.

The Food Foundation's latest data indicates an estimated 2.6 million children live in households that missed meals or struggled to access healthy food during April 2022. Additionally, the Institute of Health Equity has estimated that by January 2023, 66% or 18 million households, in the UK will be in fuel poverty, thus adding to the crisis.

The lack of nutritious food during childhood and adolescence has devastating effects on children's physical, mental and social wellbeing. Moreover, the lack of food can have a negative impact on their educational attainment with lasting life-time consequences.

The intensifying cost-of-living crisis means many more are now struggling to afford school lunches. Anecdotal evidence from local schools suggests that children are falling into school meal debt, and there is a serious threat to take-up of school meals and the viability of the catering service, alongside the risk to the health and wellbeing of pupils. We hear from school leaders about the devastating reality of children coming to school unable to afford to buy lunch, because their family circumstances mean they fall outside the restrictive free school meal eligibility criteria. To qualify for free school meals families must be in receipt of benefits and have an annual net income (after tax but not including benefit income) of less than £7,400 a year (see Appendix A).

## Local need

In Blackburn with Darwen, 34% of our children live in relative low-income families (2020/21), this is the second highest rate in the Northwest and is nearly double the average rate across England (18.5%).



There is significant deprivation across the borough, with 56.4% of Lower Super Output Areas falling within the 20% most deprived areas in England.

During 2019, Blackburn Foodbank supported just over 11,000 people with crisis food provision of which 42% were children and young people. In 2022, there were 26,331 pupils in the borough of which 6,628 were eligible for free schools meals (FSM) across 75 schools in BwD. This makes up 25.17% of all BwD pupils, with 19,703 pupils currently ineligible for FSM.

In addition to income deprivation, the borough also experiences other poor child health outcomes including in relation to obesity and dental caries. Provision of healthy and nutritious food within schools will contribute to improving these outcomes.

Earlier this academic year, Blackburn with Darwen Borough Council passed a motion to write to the Secretary of State for Education, Kit Malthouse, to call for an urgent extension of free school meals to ensure universal provision for all school age groups, for a time limited period to match the cost-of-living crisis. There was also a call for a review of the eligibility criteria and realistic threshold that would increase the number of children entitled to free school meals and for food provision for children on free school meals to be provided during the school holidays as standard.

The mayor of London, alongside some other local authorities, have recently announced that meals will be made free for all primary school children in the capital for the [2023/24 academic year](#).

## **Proposal**

As we await national action, BwD Borough Council propose that we implement a local urgent intervention to ensure that children in the greatest need do not go hungry whilst at school.

We propose to provide grant funding direct to schools within the borough to extend the free school meal offer where possible or to support families who are experiencing food poverty or insecurity in other ways, as deemed appropriate.

## ***Modelled need:***

A model has been developed to best identify how to distribute funding equitably to pupils in the greatest need within the borough.

Several data sets have been considered within this process including FSM data and Indices of Deprivation (IMD) data. Whilst FSM data is a useful proxy measure of need within a school, it does not indicate those who may fall just outside the FSM offer. IMD provides a useful measure of need based on geography, however, it does not take into account that many pupils, particularly at secondary school, travel a significant distance to school.

The agreed model has therefore been developed based on the Income Deprivation Affecting Children Index (IDACI) which identifies children living in deprivation by postcode. This data is currently used within school budget calculations and allocation of other resources for schools. It is proposed that the funding amounts are allocated to schools based on **the proportion of pupils who live in the 25% most deprived postcodes (IDACI)**, regardless of whether or not they are on FSMs. The size of school has also been taken into account within the model, ensuring that funding is proportionate to the numbers of pupils from deprived households from each school.

Based on this rationale, three funding brackets have been proposed and schools will be able to apply for funding within their identified bracket via a simple Expression of Interest form.

Brackets of available funding are as below:

- 1) Up to £2,000 (around 25% of schools will be eligible to apply for this funding bracket)
- 2) Up to £5,000 (around 45% of schools will be eligible to apply for this funding bracket)
- 3) Up to £10,000 (just over 30% of schools will be eligible to apply for this funding bracket)

Schools eligible to receive the largest amounts of funding will be those with a greater proportion of pupils from deprived households and those with the largest pupil numbers, for example, the majority of secondary schools and larger primary schools.

### ***Proposed interventions:***

Schools know their pupils well and are in the best place to respond to the unique needs of the families within the communities that they serve. Following consultation with Education colleagues, it is proposed that grant funding is awarded directly to schools to enable them to use the funding in a way which would best meet the needs of the most vulnerable pupils and families quickly and efficiently.

The grant funding can be used for a range of appropriate food related activity. This includes but will not be limited to the following:

- Supporting vulnerable families who do not qualify for FSM but struggle to pay for school meals/appropriate packed lunches. This could include increasing access to FSM where appropriate or providing daily a subsidised option.
- Improving content of packed lunches (with wrap-around support and education to families in order to support healthier and affordable changes).
- Contributing to school 'food larders' to provide direct support to parents/carers (with signposting to Food Banks and wrap-around support where appropriate).
- Topping up lunch pre-payment cards for secondary pupils.
- Providing a nutritional breakfast for all or identified pupils/families.
- Provision of free ingredients for food technology pupils.

### ***Expected outputs and outcomes:***

Schools who wish to apply for the funding will need to provide details of the support/activity they intend to use the money for and the number of pupils who they expect will benefit via a simple Expression of Interest (EOI). This is intended to act as a checking mechanism for grant conditions and will form the basis of an agreement between the school and the local authority with regards to spend. Schools do not need to apply for any or all of the allocated funding within their identified bracket if they do not wish to. Funding will be awarded via a panel decision and will be awarded before the end of March for use during the 2022-23 academic year.

Outputs from the funding will vary depending on what activity each school proposes to support. If schools proposed to use the funding for additional FSMs, this would provide 171,428 meals (at £2.45 per meal) or feed 2,678 additional children throughout the summer term at no cost (64 days, 17<sup>th</sup> April to 21<sup>st</sup> July).

Where schools feel their need for funding extends beyond the bracket allocated to them, and they are able to evidence greater potential impact, they will be able to request additional funding via the EOI and this will be considered if there is any unallocated funding following the panel review.

As a condition of receiving the funding, schools will be expected to provide the following:

- Description of activity funded including plans for sustainability (if applicable)
- Number of meals provided
- Number of children supported
- Number of onward referrals to other support/services.

In addition, the following grant funding conditions will apply:

- Schools will need to comply with School Food Standards.
- Grant funding will be awarded for schools to use up until the end of academic year 2022-23.
- Schools will be asked to encourage any families not currently accessing FSM, who are eligible, to apply for this.
- Details of wrap-around support and links to Food Banks, Help Hub and mental health and wellbeing support will be provided to parents and families via the school.
- A sample of schools will be audited to ensure spend has been appropriately distributed. Schools will need to be prepared to provide information as requested by the awarding body.

#### **Funding:**

The total funding required for this programme is £420,000.

The funding will be distributed by the end of March 2023, however, schools would be able to utilise the monies up to the end of the 2023 academic year.

The proposed funding pot would consist of the following monies:

- ICB Population Health funding - £25,000\*
- Public Health Grant allocation - £25,000
- Household Support Scheme (round 3) – £370,000

\*A requirement of ICB funding is that it is spent in 11 of the borough's wards which have been identified as Priority Wards.

#### **Public Health Outcomes:**

The project will contribute to the following public health outcomes for Blackburn with Darwen.

- B. Improving the wider determinants of health:
  - B01 Children in low income families
  - B17 Fuel poverty
- C. Health improvement:
  - C09 Child excess weight in 4-5 and 10-11 year olds
  - C15 Diet

**Sustainability:**

Schools will be required to provide details of how they plan to sustain the grant funded activity into future years. They will be encouraged to work with the BwD Food Alliance and other local organisations engaged in local sustainable food programmes on their plans.

In addition, BwD Council will consider whether funding for this activity can be sustained via the Household Support Scheme (round 4) or any other available funding streams.

## **Appendix A:**

### ***Free School Meals eligibility***

Children in state-funded schools in England are entitled to receive free school meals (FSM) if a parent or carer are in receipt of any of the following benefits:

- Universal Credit (provided you have an annual net earned income of no more than £7,400, as assessed by earnings from up to three of your most recent assessment periods)
- Income Support
- Income-based Jobseeker's Allowance
- Income-related Employment and Support Allowance
- Support under Part VI of the Immigration and Asylum Act 1999
- The guarantee element of Pension Credit
- Child Tax Credit (provided you're not also entitled to Working Tax Credit and have an annual gross income of no more than £16,190)
- Working Tax Credit run-on – paid for four weeks after you stop qualifying for Working Tax Credit

Children in nursery schools are eligible if they meet the criteria and attend for full days. Pupils are still eligible for free school meals in school in sixth form, but not sixth form college or further education.

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Digital and Customer Services
<b>LEAD OFFICERS:</b>	Director of Finance
<b>DATE:</b>	Thursday, 9 March 2023

<b>PORTFOLIO/S AFFECTED:</b>	Digital and Customer Services
<b>WARD/S AFFECTED:</b>	(All Wards);
<b>KEY DECISION:</b>	Y

**SUBJECT: Procurement of new Backup Solution**

### 1. EXECUTIVE SUMMARY

The purpose of this report is to seek approval to procure a new range of security and recovery facilities for corporate data that will provide greater capability of recovery from a cyber-attack or other significant data loss.

### 2. RECOMMENDATIONS

That the Executive Board:

- Approves the procurement of the new solution through the Crown Commercial Services (CCS) framework RM6068 lot 1 for a 3 year period with a 1 year extension.
- Approves the increase to the department's annual revenue budget from the 2023/24 financial year of up to £130k.  
Approves a supplementary capital estimate of £150k to be funded from grant received from Department for Levelling Up, Housing and Communities Cyber Support Team to fund the initial capital costs of the project.
- Notes that the existing £80k of capital funding for backup held with the transition to the cloud programme is transferred back into ICT earmarked capital reserves.

### 3. BACKGROUND

Currently the department is using an on premise backup technology that was procured 4 years ago. Over that time the council has had challenges with functionality and the reliability of backups, this needs to be improved in order to provide the required capacity and performance levels for safeguarding the Council's critical data. The Exec Board previously approved in October 2021 that the department will commence a transition to the cloud over a 5 year period. Part of this paper included implementing an element of cloud backup with the associated funding. The existing backup and recovery systems are unable to recover the council from the type of ransomware attack techniques that are now prevalent in the digital sphere. These attacks have transformed in recent years and are undertaken by professional digital teams who seed attacks in average 210 days before attack. The attackers monitor organisations during that period and attack when they business is most vulnerable and least able to respond. A new approach is required to protect against this very real threat, which

is likely to materialise during the planning horizon.

The department has recently undertaken a horizon scanning exercise which involves a systematic examination of information to identify potential risks, threats and emerging issues for better preparedness and the incorporation of mitigation to ensure we are in a position to deliver our Digital Strategy in a secure manner. We are clear that the Cyber Security threat is something we will always need to account for, this identified that the department needed to expand beyond the planned backup solution that was previously approved due to changes in the area over recent years, this will place the Council in the best possible position to protect against cyber threats in the future. As we are currently working on our journey to the cloud we will require a toolset that works across both cloud and our own facilities platforms, we will need to be able to protect data that migrates between these environments. We are most aware of the threats associated with Ransomware, as such we are looking to implement facilities that will play a key role in our strategy for threat hunting, protection and remediation of any threats that may present themselves. The solution would respond to and keep pace with the very quickly changing external threat environment, and be additional to but work in tandem with the cloud migration programme. It would include a new Security Information and Event Management facility a 24 hour Security Operations Centre, new security systems, new backup, recovery and business continuity facilities.

An evaluation of suitable frameworks was carried out with the G-Cloud framework and NHN SBS framework being rejected as they were more geared to cloud only solutions. The department are therefore seeking approval to tender this through CCS which is an executive agency and trading fund of the Cabinet Office. This will be tendered through their framework RM6068 lot 1 for technology products and associated services. Conversations with them have identified that this is a suitable route to market for a solution which covers both onsite and cloud solutions. The tender will be scored in accordance with the following weightings;

Social Value – 15%

Price – 20%

Quality – 65%

We will be looking for a partner that can provide active practical support in the cyber security domain and be a dependable part of our high availability response plan associated with cyber risks.

The proposed new backup and recovery system will safeguard the Councils critical data, delivering:

- Enhanced protection for the Councils critical data
- Enhanced reliability of the backup hardware and software
- Enhanced performance of backup and recovery
- Improved provision for Disaster Recovery
- Protection against Ransomware

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

- The departments existing backup technology is not sufficient to protect our data moving forwards.
- Recent years have seen a significant rise in cyber security related incidents affecting the public sector across the globe, as well as a marked increase in the number of attacks targeting national infrastructure including local government.
- The department requires additional systems hardening and attack prevention work to introduce the capability to quickly recover from a criminal attack in the shortest possible time.

#### **5. POLICY IMPLICATIONS**

Having an appropriate contract for backup hardware and software in place will assist us to comply with the Civil Contingencies Act and ensure the Authorities data is efficiently and safely backed up and is quickly available in the event of a recovery or a disaster. Public organisations face the likelihood of an attack within the planning horizon. Should a successful attack take place lack of the

capability that is sought will mean the Council's priorities would all be substantially undermined.

## 6. FINANCIAL IMPLICATIONS

### Revenue implications

From market research it is estimated that the annual revenue cost for the new solution will be up to £165k per annum. The department already holds revenue of budget of £35k as part of the cloud business case to fund this leaving a shortfall of up to £130k per annum. This has been factored into the Council's budget for 2023/24.

### Capital costs

The capital costs for the new solution are likely to be up to £150k for the equipment, installation and transition costs, this will be funded through the grant that the department has received to improve cyber security in the Council. As part of the original transition to the cloud approval there was £80k allocated to the capital costs of a new backup solution that will be transferred back into ICT capital reserves.

## 7. LEGAL IMPLICATIONS

The procurement process complies with the regulations of the Council's Contract and Procurement rules and the Public Contract Regulations 2015. All contracts and contract variations will be in a form approved by legal officers in the Commissioning and Procurement team.

## 8. RESOURCE IMPLICATIONS

IT resources for the new solution will be built into existing works plans.

## 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 with this report

## 11. STATEMENT OF COMPLIANCE

The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The



recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## **12. DECLARATION OF INTEREST**

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Peter Hughes</b>
<b>DATE:</b>	20/02/2023
<b>BACKGROUND PAPER:</b>	Exec Board Decision, Transition to the cloud – 14/10/2021

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Environment & Operations
<b>DATE:</b>	Thursday, 9 March 2023

<b>PORTFOLIO/S AFFECTED:</b>	Growth and Development
<b>WARD/S AFFECTED:</b>	(All Wards);
<b>KEY DECISION:</b>	Yes

**SUBJECT: Local Transport Plan 2023/24 programme**

### 1. EXECUTIVE SUMMARY

To seek the Executive Board's approval for the detailed Local Transport Plan programme for the financial year 2023/24.

### 2. RECOMMENDATIONS

That the Executive Board:

- 1) Approves the Local Transport Plan detailed programme for 2023/24
- 2) Delegates authority to the Strategic Director of Environment and Operations, in consultation with the Executive Member for Growth and Development, to amend, seek and accept tenders subject to adequate budget provision.

Reasons for recommendations:

The proposed schemes and projects that form the 2023/24 programme are aimed at achieving our overall corporate priorities along with maintaining the highway network in the most cost efficient way based upon the Council's overall asset management strategy.

### 3. BACKGROUND

The Council approved its Local Transport Plan 3 (LTP3) in April 2011 with the following goals, to:

- Support the economy
- Tackle climate change
- Increase safety and security
- Promote equality of opportunity
- Promote quality of life, health and the natural environment
- Promote the management of the Council's transport assets.

These goals are aligned to our overall corporate priorities as outlined below:

- A more prosperous borough where no one is left behind
- Every child and young person to have opportunities to fulfil their potential
- Deliver our climate emergency action plan
- Build happier, healthier and safer communities

The programme aims to provide a good, safe and resilient road network to support the travel of residents across the borough providing access to facilities and opportunities for all. The programme also promotes growth and development with section 106 monies being used to support highways improvement schemes to attract business development opportunities.

Maintaining a good road network also supports quality of life, health, safety and security by offering improvements to the built and natural environments encouraging the use of open spaces and active travel.

Reduction in carbon usage and environmental impact is to be achieved through design and seeking innovative solutions where possible with materials selected to reduce the impact of the proposed schemes. An action plan is currently in development to undertake a carbon benchmarking exercise to better inform choices and outcomes alongside current lifecycle planning

Consideration will be given to treatment options to reduce carbon usage wherever possible.

### **Funding:**

On the 28<sup>th</sup> February 2022 the Department for Transport (DfT) confirmed details of future Integrated Transport Block, Local Highways Maintenance Block, Pot Hole Funding and Incentive Funding stream allocations for 2022-2025.

The Integrated Transport Block (ITB) provides funding support to Local Authorities for transport capital improvement schemes worth less than £5 million. This funding is to be spent at the discretion of the local authority on small transport schemes.

The Highways Maintenance Block (HMB) provides funding to maintain highway assets including carriageways, footways, bridges, highway structures, drainage along with street lighting and traffic signal schemes.

The HMB incentive element represents additional funding to maintain highway assets secured by maintaining a band 3 status through the DfT's self-assessment questionnaire.

The Pothole funding allocation is part of 5 yearly instalments allocated to run alongside other funding streams between 2021/2025. The funding is to go towards ensuring potholes and other road maintenance issues are rectified.

The Council has also been successful in securing a number of Section 106 developer contributions to deliver Capital Highways improvement schemes.

The table below summarises the total amount of funding available:

	<b>2023/24</b>
DfT Integrated Transport Block (ITB)	£1,435,000
DfT Highways Maintenance Block (HMB)	£1,070,000
DfT Highways Maintenance Incentive Fund	£268,000
DfT Pothole Fund	£1,070,000
DfT Bus Service Improvement Fund	£2,013,188
17/0578 Section 106 Blackburn North Yew Tree Drive (Wainhomes)	£681,371
17/0211 Section 106 Gib Lane Phase C (Story Homes) - West Blackburn Highways Infrastructure	£117,862
18/0895 Section 106 Roe Lee (Persimmon Homes)	£150,000
20/0265 Section 106 106 Blackburn North, Ramsgreave Drive (McDermott Homes)	£130,000
20/1048 Former Westholme Nursery (Issa Foundation)	£69,000
16/1132 Section 106 Gib Lane Phase A (Kingswood Homes)	£221,000
16/0789 (17/1523) Section 106 Pole Lane North Darwen (Kier Living)	£140,000
21/0122 Section 106 Ellison Fold Way	£494,059
21/1294 Section 106 Land at Former Darwen Paper Mill	£89,230
21/1426 Section 106 Haslingden Road Residential Site	£350,000
21/0428 Section 106 Haslingden Road Commercial Site	£98,911
22/0722 Section 106 Whalley Old Road	£62,500
<b>Total</b>	<b>£8,460,121</b>

Any additional funds received from Section 106 or monies from third parties will be reported within the 6 monthly LTP update report to be published later in the financial year 2023/24.

Figures provided in the table above are indicative and are subject to possible variation based on DfT confirmation of allocations.

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

### **Scheme Selection**

Proposed schemes have been informed by lifecycle planning factors developed as part of the authority's asset management strategy, where relevant schemes within the resilient network have been prioritised.

### **Proposals**

This report details the allocation of available highway funding to deliver maintenance activities and improvement programmes on the public highway aligned with our asset management policy along with contributing to the councils overall corporate priorities.

Due to the responsive nature of the service to many variable and unknown outside factors the schemes and budgetary allowances presented cannot operate as fixed budgets but form the basis on our plan for the start of the 2023 financial year. Every effort will be made to adhere to these proposed schemes and budgets as planned. Further updates on progress and the delivery of schemes will be made and any emerging issues or pressures arising due to network demands which may call for changes or amendments to be made will be discussed.

## Carry Forward

Given the nature of construction works it is inevitable that the progress of some schemes is delayed through issues such as detailed design periods and consultation, approvals being sought, land issues and the availability and escalating costs of materials. Consequently some schemes are not able to be progressed and delivered within the timescales initially envisaged. Such delays have led to an underspend on the 2022/23 programme and in particular to the local growth fund programme. This has resulted in a carry forward of this funding into the 2023/24 programme to allow for the completion of these existing projects and commitments.

The 2023/24 Capital Programme for Transport and Highways will be allocated as follows:

### LTP Integrated Transport Block (ITB)

<b>23/24 Allocation</b>	<b>£1,435,000</b>
<b>22/23 ITB Carry Forward</b>	<b>£1,484,933</b>
<b>Total</b>	<b>£2,919,933</b>
Holden Fold / Moor Lane Junction Improvements and New Access	£400,000
Destination Darwen Public Realm Works	£500,000
Haslingden Road New Access & Widening (Dependent on Land Transfer)	£600,000
Stopes Brow / Roman Road Alterations (Demolition of 140 Roman Rd)	£150,000
Bog Height Road Link Road	£164,933
Growth Deal 3 - South East Blackburn - retention	£495,000
Highway Schemes Part 1 compensation claims	£150,000
On street Electric Vehicle Charging	£50,000
Public Rights of Way Improvement Plan	£100,000
Local Road Safety schemes	£135,000
LTP Project Management and development	£175,000

### LTP Highways Capital Maintenance (HMB)

<b>23/24 Allocation</b>	<b>£1,070,000</b>
<b>Total</b>	<b>£1,070,000</b>
<b>LTP carriageway improvements</b>	
Surfacing Inlay - Hardman Way (Cochran Street), Darwen	£57,000
Surfacing Inlay - Lower Eccleshill Road	£38,000
Surface Overlay - Downham St (138-196)	£12,000
Surface Overlay - Broadhead Road (Long Hey to PROW)	£58,000
<b>Capital Drainage</b>	
Drainage - Harrison Street Junction, Blackburn	£30,000
<b>UTC Capital Upgrades</b>	£300,000
Traffic Control - Junction of Preston Old Rd & Witton Park - Detection Upgrade	
Traffic Control - Ewood Park - Detection Upgrade	
Traffic Control - Aqueduct Road - Detection and Lining Upgrade	
Emerging Priorities and Management	
<b>Highways Bridges and Structures</b>	
Grange Brook Retaining Wall - A675 Belmont	£290,000
Calf Hey Bridge Installation of Bollards	£5,000
General and Principal Bridge inspections	£80,000
Preston Street Culvert Assessment	£10,000
Emerging Priorities and Management	£90,000
<b>Street Lighting</b>	
LED replacement programme phase	£75,000

Street Lighting column repairs	£25,000
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### LTP Highways Maintenance Incentive Fund

<b>23/24 Allocation</b>	<b>£268,000</b>
Surface Overlay - Haslingden Road	£67,000
Surface Overlay - Greens Arms Road (A666 to Bridge)	£201,000

### LTP Pothole Fund

<b>23/24 Allocation</b>	<b>£1,070,000</b>
Targeting defect areas	£500,000
Surface Overlay - Billinge End Road	£65,000
Surface Overlay - Cemetery Road	£70,500
Emerging Priorities and Management	£86,000
Surface Inlay - Audley Range (Junction to QPR)	£98,500
Surface Inlay - Preston Old Road (Witton Park to Buncer Lane Junction)	£130,000
Surface Inlay - Preston Old Road (330 to Witton Park)	£120,000

### DfT Bus Service Improvement Fund

<b>23/24 Allocation</b>	<b>£2,013,188</b>
Towns Moor Gyratory	£300,000
Accrington Road / Audley Range	£300,000
Bolton Road / Aqueduct Road	£85,000
Larkhill / Barbara Castle Way	£800,000
King Street / Montague Street	£60,000
Lower Audley Street / Bennington Street	£120,000
Yew Tree Drive / Lammack Road	£40,000
Audley Range / Queens Park Road	£90,000
St Paul's / Montague Street	£35,000
New bus stops and upgrades supporting local bus network enhancements	£183,188

### Additional Project Delivery

17/0578 Section 106 Blackburn North Yew Tree Drive (Wainhomes)	£681,371
17/0211 Section 106 Gib Lane Phase C (Story Homes) - West Blackburn Highways Infrastructure	£117,862
18/0895 Section 106 Roe Lee (Persimmon Homes)	£150,000
20/0265 Section 106 106 Blackburn North, Ramsgreave Drive (McDermott Homes)	£130,000
20/1048 Former Westholme Nursery (Issa Foundation)	£69,000
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21/1426 Section 106 Haslingden Road Residential Site	£350,000
21/0428 Section 106 Haslingden Road Commercial Site	£98,911
22/0722 Section 106 Whalley Old Road	£62,500
<b>Total</b>	<b>£2,603,933</b>

## Capital Maintenance Reserve Schemes

Surface Overlay - Enoch Brow	£95,000
Surface Inlay - Bolton Road (174 to Turton Bottoms Bridge), Edgworth	£110,000
Surface Overlay - Amber Avenue, Blackburn	£30,000
Surface Overlay - Beryl Avenue, Blackburn	£30,000
Surface Overlay - Pearl Street, Blackburn	£30,000
Surface Overlay - Alderman Arthur Townsend Way, Blackburn	£30,000
Surface Overlay - Heys Lane, Darwen	£30,000
Surface Overlay - Dove Lane Darwen	£30,000
Surface Overlay - Harwood Street, Darwen	£30,000
Surface Overlay - Vale Street, Darwen	£30,000
Surface Inlay - Inverness Road/Borough Road Junction, Darwen	£25,000
<b>Total</b>	<b>£470,000</b>

Any changes to the approved 2023/24 programme will be reported via the Council's Executive Member for Growth and Development later in 2023. Changes to the LTP programme as detailed within this report will be resourced from within the programme, and as such there will be no additional impact on Council finances. The equality impacts of each project are considered and assessed at the scheme design stage.

In relation to schemes funded from Section 106 and developer contributions, scheme design and delivery will only commence once monies have been received.

The Council is currently developing the next Local Transport Plan (LTP4) strategy covering the period from 2023-2042. Accompanying the strategy will be an implementation plan containing Blackburn with Darwen's provisional capital programme and transport projects from 2024/25 to 2026/27.

## 5. POLICY IMPLICATIONS

All schemes proposed directly accord with the Local Transport Plan 3 Strategy.

Climate Emergency Action Plan: The proposed LTP programme will have a negative effect on carbon usage which is currently difficult to quantify. This impact is inevitable given the construction activities and materials required to maintain our existing infrastructure this is also recognised as an industry wide challenge. Whilst there will be an impact from construction activities, carbon usage will be kept to a minimum through design and material choices. An action plan is being developed alongside the Council's Climate Emergency Action Plan 2023/24 to undertake a data gathering exercise to understand our current carbon usage and inform our choices for next year's programme. New and innovative solutions along with technological advancements are being sought and investigated alongside other highway authorities working collaboratively on solutions through the Local Council Roads Innovation Group (LCRIG).

## 6. FINANCIAL IMPLICATIONS

Funding sources are identified within section 3 of this report. The programme will be closely monitored to ensure full spend and any further variations or amendments will be reported via the Executive Member for Growth and Development.

## 7. LEGAL IMPLICATIONS

The Council has a statutory duty under Sections 108 and 109 of the Transport Act 2000 ("the Act") (as amended by the Local Transport Act 2008) as local transport authority to ensure that the Council has up to date policies for the promotion and encouragement of safe, integrated, efficient and economic transport to, from and within their area. Each local transport authority must prepare a document to be known as the local transport plan ("LTP") containing its policies for the purposes above and its proposals for the implementation of those policies.

All schemes within the programme will be designed and implemented in accordance with relevant highway, transport, traffic and equality legislation; and will need to be procured in accordance with the Council's constitution, procurement law and; where relevant, European directives; and any grant conditions.

## 8. RESOURCE IMPLICATIONS

All professional fees will be met from allocations detailed, and staff time met from existing resources. External contractors will be procured to deliver schemes that cannot be delivered by internal resources. Procurement will be in line with current best practices identified by HMEP standards.

## 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

All schemes will be the subject of detailed individual consultations with the emergency services, stakeholders and the wider community.

The proposed works have been informed by the options expressed in the most recent National Highways and Transport Public Satisfaction Survey. Residents and stakeholders will be informed prior to the start of the proposed works in respect to the nature of the scheme and their anticipated duration. This will be communicated via the Council's website, social media channels, leaflets and letters as appropriate. Customer feedback will be actively sought on completion of each scheme, with feedback analysed and used to improve the service in the future.

## 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 **Page 88** assessment has been considered. The



recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## **12. DECLARATION OF INTEREST**

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Martin Eden, Mark Berry</b>
<b>DATE:</b>	
<b>BACKGROUND PAPER:</b>	

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Growth and Development
<b>LEAD OFFICERS:</b>	Strategic Director of Growth & Development
<b>DATE:</b>	Thursday, 9 March 2023

**PORTFOLIO/S AFFECTED:** Growth and Development

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

**KEY DECISION:** Y

**SUBJECT: Strategic Asset Management Plan for 2023/24 – 2025/26 and Disposal Policy**

### 1. EXECUTIVE SUMMARY

The **Strategic Asset Management Plan**, attached at Annex A, sets out what the Council intends to do to ensure our property assets support our corporate priorities, increase the Council's financial resources and deliver value for money. Effective asset management is essential to meeting the Council's priorities and improvement aims, with asset rationalisation presenting opportunities to reduce costs and improving service efficiencies.

Strategic use of our land and property assets is a prerequisite for the achievement of our corporate priorities in relation to a growing Borough, supporting neighbourhoods and promoting inward investment and job creation. The challenge facing the Council, and all local authorities, is that we must continue to deliver effective services to our residents and businesses, with ever decreasing resources. These are difficult times and the financial constraints and uncertainty in the wider economy bring additional challenges for the Council.

In this context, it is essential we take a strategic view of our asset portfolio in order to deliver our corporate priorities, grow our borough, achieve best value and return from all of our assets. The objectives of reducing expenditure, increasing income and realising value in our strategic land assets is key to the delivery of our Place investment and achieving our Medium Term Financial Plan. An updated Disposal Policy is included within the Strategic Asset Management Plan as an appendix, setting out the process and considerations to be made when disposing the Council's land / property assets.

### 2. RECOMMENDATIONS

That the Executive Board:

1. Notes the progress made by Growth & Development team to restructure and reprioritise our property functions to align and support emerging service needs in addressing the Council's financial challenges;
2. Approves the Strategic Asset Management Plan for 2023/24 to 2025/26 attached as Annex A, and approves officers to progress with the key actions as detailed in the plan;
3. Approves the Disposal Policy which is included as an appendix to the Strategic Asset Management Plan and attached as Annex B;
4. Approves a revenue fund of £300,000, funded from the Invest to Save Reserve to cover the 3 year period of the Strategic Asset Management Plan to support officers in undertaking property condition surveys and feasibility studies to support the asset review process;

5. Delegates authority to amend the key actions included in the Strategic Asset Management Plan (by adding, removing or prioritising projects) to the Growth Programme Director or Strategic Director of Growth & Development in consultation with the Executive Member for Growth & Development; and  
Notes that future progress updates on key actions and KPI's will be submitted on an annual basis to Executive Board for information.

### 3. BACKGROUND

#### Asset Management

Asset Management is the activity of aligning land and property assets with the strategic aims and direction of the organisation, and adding both financial and non-financial value to the organisation as a result. This **Strategic Asset Management Plan (SAMP)** aligns the land and property assets with the organisation's corporate priorities and objectives. It also aims to respond to all functional and service delivery requirements of the Council, enabling the organisation to meet its statutory obligations to deliver operational functions, services and duties within the Borough. The SAMP provides a comprehensive framework describing how the Council will manage its land and property assets and harness their benefits within an agreed standard of service.

This **SAMP** covers a 3-year timeframe from 2023/24 to 2025/26 and is intended to deliver the following 7 objectives:-

1. achieve corporate objectives and improve service delivery;
2. set out the scope of the Council's property assets portfolio;
3. assist in maximising the beneficial use of property assets;
4. promote service benefits such as accessibility, user satisfaction and comfort;
5. generate carbon and budget efficiencies;
6. encourage continuous review and challenge of the use and ownership of property assets; and
7. ensure that buildings are maintained in line with statutory requirements.

#### Our Asset Portfolio

The Council carries out the whole range of functions required of a unitary authority including education, social care, leisure culture and sport, planning, highways and housing. As a result of this, the Council holds a large and diverse portfolio of land and building assets which extends to around 12% of land coverage. Our **Asset Portfolio** therefore comprises offices, schools, community centres, depots, leisure facilities, libraries, cemeteries, household waste centres, car parks, public conveniences, assets leased to community organisations, amenity land, allotments, farms and other land and property used to generate commercial income. The reasons for holding these assets will vary and, as a result, we may need to measure their performance in different ways. The performance of each asset must link to the strategic purpose for holding it. The Council's asset list for valuation purposes records **circa 600 individual land and property assets** of which circa 200 are buildings and 400 are land parcels. Each of these assets are valued in accordance with CIPFA guidance and the value included within the Statement of Accounts, which for 2020/21 records the book value for these assets as £231m. The Council's asset list for ownership and property management purposes records circa 2,700 individual assets, which includes subdivisions of the valued assets and other assets which are not recorded for valuation purposes.

The **operational estate** comprises assets which are utilised for the delivery of services, the **investment estate** includes land and property which generates income, and the **community estate** comprises assets such as amenity land, allotments and gardens. **Surplus property** is any asset which does not fall into any of the previous three categories, and has been declared surplus via the Council's Asset Management Group (AMG). As part of the three year plan within the SAMP, a review of all vacant surplus land will be carried out, and where possible, the assets will be disposed over the plan period.

#### Our Investment Estate

The Council's **Investment Estate** directly contributes towards the Council's Financial Strategy. The portfolio comprises a variety of industrial units, retail premises, ground rents and other commercial properties occupied by various tenants (businesses, individuals and community organisations). In 2021/22 the Council received an investment estate income of £2,216,540 based on circa 300 assets which is a 7.4% increase on our 2020/21 income. The investment estate income is forecast to increase in 2022/23 by 6.2% to an income of £2,354,188 demonstrating the Council is delivering a good return from its assets.

#### Strategic Objectives

The SAMP details key strategic objectives and delivery/implementation initiatives over the three year period of the plan.

**The five strategic objectives** set out below will inform all strategic decisions regarding our assets:

- 1) To efficiently manage our assets for the benefit of the people of Blackburn with Darwen;
- 2) To provide the right accommodation to meet existing and future service needs for Blackburn with Darwen Borough Council;
- 3) To effectively manage and maintain our assets and to maximise positive outcomes from all disposals;
- 4) To utilise our assets to stimulate growth and development, together with supporting local business needs and promoting new investment; and
- 5) To promote joint working where it will provide benefits for service delivery and increased efficiencies.

The action plan (section 6 of the SAMP) outlines how the strategic objectives will be delivered and identifies the links between the Council's Corporate Plan, the Asset Strategy and timescales for delivery.

## 4. KEY ISSUES & RISKS

### Background

The Council is now operating in a completely different environment than five years ago. Then, the Council was still subject to austerity measures, whereas now, additional factors, as well as a new austerity period, are impacting how local authorities respond to our changing world. **Key drivers of this change** include; Climate Emergency, Brexit, Covid-19, Cost of Living Crisis and War in Ukraine. The Council will therefore need to change the way services are delivered and respond to the emerging new environment. Consequently, the Council will need to be more flexible and agile in managing the land and property assets and use creative and innovative solutions to drive growth opportunities to support new jobs, housing and infrastructure within the Borough.

### Inspection and Maintaining our Assets

Over recent years the budget for planned maintenance work and stock condition surveys has been significantly reduced. Targeted planned preventative maintenance not only reduces cost, but also the impact and downtime caused. To support future planned maintenance programmes and asset improvement works to reduce carbon emissions a new programme of asset condition assessments is required to inform future investment programmes, with a target of 20% of our building assets surveyed each year on a 5 year rolling schedule.

### Asset Reviews

The Council's assets deliver a combination of front line services, indirect service provision and support to our communities. Some assets are legacies from donations in the past, local government reorganisation or previous acquisition and all of these assets need to have a purpose which should be continuously challenged. Council officers will challenge our land and property portfolio holdings to ensure they remain fit for purpose, offer value for money and are flexible enough to adapt to future needs. We will manage and report land and property data in a way that is transparent, assists the Council, helps us to carry out asset reviews and improve property performance. The Council is currently progressing with an **Asset Review Programme** for the operational estate, assessing our properties against current and emerging service needs to identify opportunities for co-location, relocation or intensification. Assets identified as no longer required for operational purposes will be disposed, developed or transferred to the community where appropriate. Revenue savings identified by the asset review will be included in future savings targets and plans supporting the Medium Term Financial Plan.

### Corporate Office Accommodation

One element of the asset review process is to consider the Council's corporate office accommodation which forms a significant part of our asset portfolio in terms of area and running costs. Changing the way we use accommodation has the potential to deliver significant revenue savings to the Council. Significant activity has already taken place in the last few years in terms of bringing Council employees into Blackburn town centre from dispersed locations, and terminating leases or re-using assets as appropriate, with improved space planning and investment in furniture. Over the past 5 years up to 2022/23, the Council reduced office accommodation space by 27% from around 20,000 square metres (gross) to approximately 14,500 square metres (gross), thus delivering running cost revenue savings.

### Disposal of Assets

As part of the three year SAMP, Council officers will conduct a review of all vacant and surplus land, and suitable assets will be disposed of where possible. In addition, assets identified as no longer required for operational

purposes will either be disposed, developed or transferred to the community where appropriate. Given this potential increased level of disposal activity, officers have taken the opportunity to review the existing disposal policy and update as required. An example of an update is the inclusion of a section in the policy regarding subsidy controls as legislated by the new Subsidy Control Act 2022.

## 5. POLICY IMPLICATIONS

The Strategic Asset Management Plan aligns with existing Council Policies and Strategies including the Financial Strategy, Corporate Plan, Local Plan and Growth Programme.

## 6. FINANCIAL IMPLICATIONS

Approves a revenue fund of £300,000 over the 3 year period of the Strategic Asset Management Plan to support officers in undertaking property condition surveys and feasibility studies to support the asset review process. It is intended to fund this expenditure from the Council's Invest to Save on the basis that implementation of the Plan should result in a reduction in the Council's property/asset cost base.

Any follow on capital requests for individual projects will be reported separately.

## 7. LEGAL IMPLICATIONS

Whilst there may be legal implications for individual projects there are no legal implications for the implementation of the Strategic Asset Management Plan, and indeed is a requirement of the financial governance framework that an asset plan is prepared and adopted by the Council.

## 8. RESOURCE IMPLICATIONS

Whilst there may be resource implications for individual projects there are no additional resource implications for the Growth & Development department for the implementation of the Strategic Asset Management Plan.

## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

## 10. CONSULTATIONS

Consultations will be undertaken for any follow on schemes developed by the Asset Review Process in accordance with the Council's constitution and other statutory planning legislation.

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## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Simon Jones, Growth Director, Department of Growth &amp; Development</b>
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<b>DATE:</b>	March 2023
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<b>BACKGROUND PAPER:</b>	None
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An aerial photograph of Blackburn with Darwen, showing a dense urban area with numerous buildings, roads, and green spaces. The image is overlaid with a blue gradient.

**Blackburn with Darwen Borough Council**

# **Strategic Asset Management Plan 2023 - 2026**

**Growth and Development Department**  
10 Duke Street  
Blackburn  
BB2 1DH



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## FOREWORD

This **Strategic Asset Management Plan** sets out what the Council intends to do to ensure our property assets support our corporate priorities, increase the Council's financial resources and deliver value for money. Effective asset management is essential to meeting the Council's priorities and improvement aims, with asset rationalisation and reconfiguration, presenting opportunities to reduce costs and improving service efficiency.

Strategic use of land and property assets is a prerequisite for the achievement of our corporate priorities in relation to a **growing Borough, supporting neighbourhoods and promoting inward investment and job creation**. The challenge facing Blackburn with Darwen, and all local authorities, is that we must continue to deliver effective services to our residents and businesses, with ever decreasing resources. These are difficult times and the financial constraints and uncertainty in the wider economy bring additional challenges for the Council.

In this context, it is essential we take a strategic view of our asset portfolio in order to deliver our corporate priorities, grow our borough and achieve best value and return from all of our assets. The objective of reducing expenditure, increasing income and realising value in our strategic land assets is **key to the delivery of our Place investment and achieving our Medium Term Financial Plan**.



**Cllr Quesir Mahmood**

Deputy Leader & Executive Member for Growth & Development  
Blackburn with Darwen Borough Council

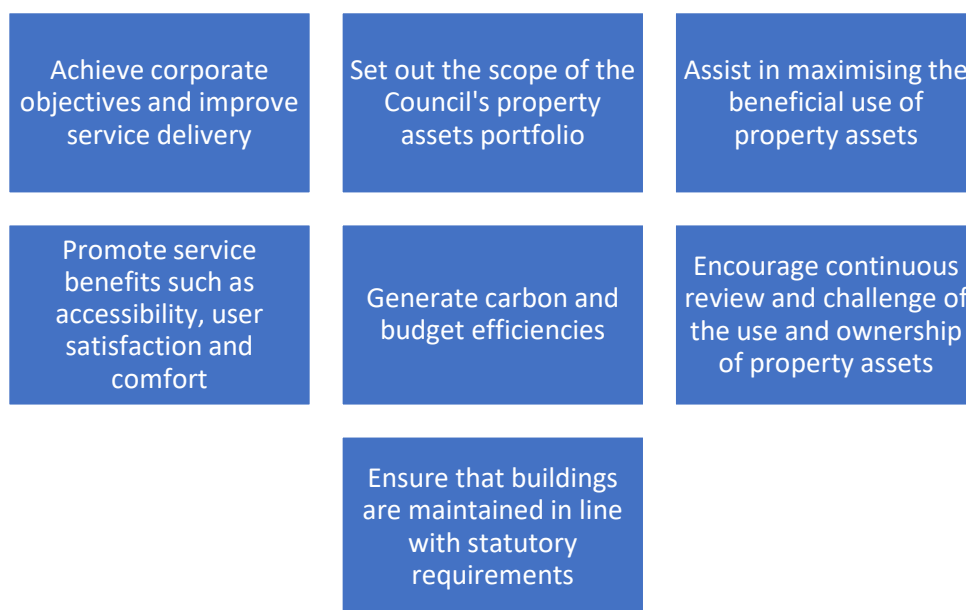
## Section 1 – Introduction & Context



## 1.1 Introduction to Asset Management

Asset Management is the activity of aligning land and property assets with the strategic aims and direction of the organisation, and adding both financial and non-financial value to the organisation as a result. This **Strategic Asset Management Plan (SAMP)** for Blackburn with Darwen Borough Council aligns the land and property assets with the organisation's corporate priorities and objectives. It also aims to respond to all functional and service delivery requirements of the Council, enabling the organisation to meet its statutory obligations to deliver operational functions, services and duties within the Borough. The SAMP provides a comprehensive framework describing how the Council will manage its land and property assets and harness their benefits within an agreed standard of service.

This **SAMP** covers a 3-year timeframe from 2023/24 to 2025/26 and is intended to deliver the following:-



## 1.2 Blackburn with Darwen in Context

### Blackburn with Darwen

Blackburn with Darwen is a **growing Borough** located in the east of Lancashire. It has compact urban areas, predominately but not exclusively located around the towns of Blackburn and Darwen. The area is surrounded by countryside and features a number of small rural villages and hamlets. Blackburn with Darwen borders Bury and Bolton in the south, Chorley in the west, Hyndburn and Rossendale in the east and Ribble Valley in the north. The Borough is well located with good transport and infrastructure links to the rest of Lancashire, Greater Manchester and beyond and covers a large area of 137 square kilometres with almost 40% of surrounding land designated as Green Belt. The Borough hosts a range of high quality environmental assets including **three Sites of Special Scientific Interest**, four Local Nature Reserves and almost one hundred Biological Heritage Sites.

### Demographic Profile

The first results from the 2021 Census report a population estimate for Blackburn with Darwen **in 2021 of 154,800**, making it the largest borough in Lancashire. The majority of the borough's residents live in the towns of Blackburn and Darwen with the remaining residents living in the rural villages and hamlets (Hoddlesden, Edgworth, Belmont, Chapel Town and Tockholes) that surround the two major urban centres.

In 2021, there were 1,130 residents per square kilometre in Blackburn with Darwen (compared with 434 per square kilometre nationally) with an estimated **58,800 households**, which is 2.4% higher than the estimate of 57,400 in 2011. The Borough still has a younger than average age profile. **In 2021, 28.4% of the population were aged 0-19 years (23.1% England)** and 14.5% were aged 65 years or over (18.4% England). As a multicultural Borough, the area is home to many people of diverse ethnicities and identities.

### Economy & Business

With around **5,000 businesses**, the borough contributes about 9% of the Lancashire business base and is home to the largest number of businesses of the Pennine Lancashire authorities. A range of sectors operate in the borough, including the large public sector local government and health sector employers, Blackburn College and a number of large private sector businesses. Over two thirds of jobs in the borough are found in the main sectors of; health, manufacturing, education, retail, business administration and support services and professional, scientific and technical services.

There are currently **67,600 economically active residents** in the Borough, which represents **71% of the total working age** population and is 8% lower than the rest of the country. Despite a national decline the Borough still retains a higher than average level of employment in the manufacturing sector. Although the majority of employee jobs in the Borough are found in the private sector, employment within the public sector is above regional and national averages. The Borough has an **entrepreneurial culture**, with a business start-up rate higher than Lancashire as a whole and a greater proportion of higher turnover business than the Lancashire average.

### Political Structure

Blackburn with Darwen Borough Council is split into **17 wards each represented by 3 councillors** (51 councillors in total), with one third standing for election three years in four. The Council operates a 'strong leader' model of governance with the Leader appointed by the Council for a four year term of office. The Executive is the part of the Council which is responsible for taking decisions within the budget and policy framework set by the Council. The **Leader of the Council appoints members to the Executive Board** and determines the allocation of portfolios to Executive Members.

## 1.3 New Operating Environment

The Council is now operating in a completely different environment than five years ago. Then, the Council was still subject to austerity measures, whereas now, additional factors, in addition to ongoing austerity, are impacting how local authorities respond to the changing world. **Key drivers of this change** include; Climate Emergency, Brexit, Covid-19, Cost of Living Crisis and War in Ukraine. These factors, together with the political instability of the Truss government in 2022 have severely impacted UK economic growth forecasts. The UK is now the only G7 economy that has yet to return to pre-COVID levels of economic performance, while other major economies have started to grow, with many independent commentators forecasting low growth prospects for the UK in the coming years.

The Council will therefore need to change the way services are delivered and respond to the emerging new environment, a '**new normal**'. Consequently, the Council will need to be more flexible and agile in managing the land and property assets and use creative and innovation solutions to drive growth opportunities to support new jobs, housing and infrastructure within the Borough.



**Climate Emergency:** The Council has made a commitment in its Climate Emergency Declaration to be carbon neutral by 2030. This again will have a big impact on the Council's land and property portfolio. The priorities will be on energy efficiency measures and improved utility management, increased generation of energy from renewable sources and using open spaces to capture carbon and alleviate the impact of extreme weather events.

**Brexit:** The decision to leave the European Union is a major factor although less likely to impact directly on the Council. Nevertheless, it will affect those sectors that either trade with the EU or are heavily reliant on migrant labour from the EU, such as the NHS and social care sectors. The extent of any impact in these areas has yet to be realised however we are already seeing an impact on the Council's asset portfolio in terms of procurement, subsidy control and energy.

**Covid-19:** The Covid-19 pandemic has turned the world on its head. Local authorities, with their health and social care partners, have been at the forefront of tackling the pandemic. Most are now adjusting the way they will need to deliver services, reflecting new priorities with a much greater emphasis on health and wellbeing of staff, service users and visitors. This will have a significant impact on how land and property assets are occupied and deployed to provide services and support the local economy.

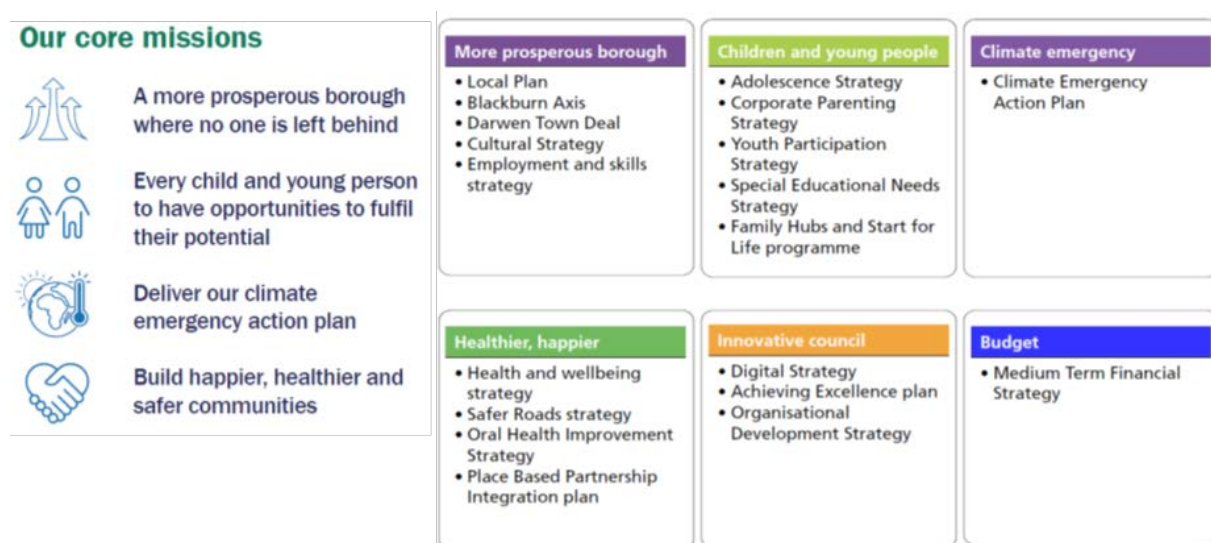
**Cost of Living Crisis:** The UK is experiencing the worst cost of living crisis in a generation. Inflation has soared past 10% - the highest it has been in 40 years - which has driven the fastest fall in real-terms pay on record. It is being caused predominantly by high inflation outstripping wage and benefit increases. This impact is having a significant impact on the Council's running costs, and in particular inflation for goods and services and the increase in energy.

**War in Ukraine:** The illegal invasion of Ukraine by Russia in early 2022 led to a sharp increase in global gas and oil prices, which contributed towards global instability, low growth and high inflation.

## 1.4 Council Strategy & Plans

### Corporate Plan 2023-2027

The Council is finalising plans for a new Corporate Plan<sup>1</sup> for the next four years (2023-2027), with a new set of missions, including four core and two supporting missions, together with developing strategies to deliver for residents, businesses and partners as illustrated in the below diagram.



<sup>1</sup> [Corporate Plan 2023-2027](#)

## Financial Strategy 2022-25

The Council's Financial Strategy sets out the financial challenges facing the Council and outlines the means by which the Council will seek to address them with a **3 year Medium Term Financial Plan (MTFP)** produced for the period.<sup>2</sup> The MTFP is prepared against the backdrop of a financial downturn and cost of living crisis which will have a very significant impact on the Council's financial resources. As for previous years, the Government has only issued details of a one year finance settlement for 2023/24, and has provided no indication of any proposed changes to the mechanisms for Business Rates Retention nor their intended approach for redistributing resources through future local government finance settlements. **The MTFP for the period 2023/24 to 2025/26 is likely to forecast a deficit over this period of circa £18m.**

The general economic difficulties already bring additional demands on the Council's resources exacerbated by falling income levels. Whilst some of these considerations have been factored in to current budgets and financial forecasts, the rapid rate of change seen in recent months requires that these factors are subject to continuous review therefore the Financial Strategy being pursued by the Council is:-

- **Growing the Council's income** using the funding mechanisms now in place for local government to increase the Borough's taxable capacity, in particular the Business Rates Retention Scheme. This means that the Council continues to consider ways in which it can increase income from business and housing growth to ensure that funding for services can be maintained and increased;
- **Charging for services**, raising income which will mean that it is possible to continue providing services that residents value. This will mean continuing to review the level of fees and charges, reducing the subsidy on some services and considering the introduction of new fees and charges;
- **Saving costs** by, for example, reviewing how the Council delivers services, doing things differently and more efficiently, scaling services to appropriate levels within the resources available to the Council and working with partners, including the voluntary sector, town and parish councils to sustain local facilities and services;
- **Stopping spending on lower or non-priority areas.** This could also mean, for example, that the Council works with other partners (Voluntary, Faith, Community Sector, Town/Parish Councils etc) and residents to deliver, aligned to the 'Your Call' Initiative.

**The Asset Management process plays an important part in supporting the Council's Financial Strategy** by raising capital, maximising asset income and reducing or controlling asset costs. In support of the Council's Financial Strategy, Asset Management will:-

- Continue to develop and implement the Growth Programme to raise capital receipts from strategic housing and commercial development sites;
- Implement asset reviews / rationalisation programmes to support/align operational services with their future needs;
- Promote energy efficiency measures in order to reduce carbon emissions and operational costs concentrating on those assets that the Council is clear will be retained for the long term; and
- Manage the maintenance backlog to preserve the integrity of the estate (subject to available funding) and to reduce the increasing over-reliance on reactive maintenance.

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<sup>2</sup> [Financial Strategy \(blackburn.gov.uk\)](https://blackburn.gov.uk)

### Local Plan 2022 to 2037

The Local Plan<sup>3</sup> will guide and shape development in Blackburn with Darwen for the next 15 years, to 2037. It sets the parameters for **‘balanced growth’** to ensure that the area is open for business providing jobs and economic growth for future prosperity; that the climate emergency is tackled through new development (the Council’s ambition is to be carbon neutral by 2030); and that inequalities in health and deprivation across the Borough are addressed. This will ensure that all proposals for new development give due consideration to their impact on ‘people’, ‘place’ and the ‘economy’. The expectation is for planning applications to demonstrate net gains against the social, environmental and economic objectives of the plan.

The planned growth set out in the Local Plan is best summarised by **six key initiatives** or programmes:-

1. The **Blackburn Growth Axis**: an investment framework linking strategic growth sites across the Borough and beyond;
2. The **Darwen Town Investment Plan**: a series of major improvements for Darwen supported by the Darwen Town Deal;
3. A **North East Blackburn Strategic Housing Site**: a new neighbourhood on the edge of the town;
4. A **South East Blackburn Strategic Employment Site**: to attract jobs and investment at a key motorway location;
5. **Blackburn Town Centre Major Development Sites**: a unique opportunity to boost the vitality of Blackburn town centre; and
6. The **Infrastructure Delivery Plan**: an important series of interventions to improve infrastructure for all, such as roads, schools and health facilities.

## 1.5 Growth Programme

The **Growth Programme was launched in 2017**, reporting to a newly formed Growth Board chaired by the Leader of the Council and setting new objectives, including:-

- Generating additional tax revenues to support the Council’s Medium Term Financial Plan;
- Supporting growth and vitality in the town centres of Blackburn and Darwen;
- Accelerating economic activity to create employment opportunities;
- Generating financial benefits from strategic land disposals and section 106 contributions;
- Removing localised blight by bringing empty and homes or properties back into use;
- Securing essential infrastructure, open space and biodiversity improvements; and
- Improving quality and extending the choice, tenure and range of new family housing to attract and retain residents.

The Growth Programme supports the delivery of the Council’s Growth Strategy by identifying and managing a pipeline of projects and initiatives planned to be implemented over the short, medium and longer term. These projects are delivered using a combination of private or public sector land and cover employment, housing and town centre developments in Blackburn and Darwen. The latest **Growth Programme for 22/23** is attached at **Appendix A** and is updated annually and approved at the Council’s Executive Board.

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<sup>3</sup> [Local Plan 2021-2037 | Blackburn with Darwen Borough Council](#)



The Growth Programme is also focused on maximising public investment opportunities from new national programmes, including the Government's Levelling Up, UK Shared Prosperity Funds and Homes England's new housing delivery initiatives with officers in continuous dialogue with Homes England and other government agencies and departments to secure funds for the Borough.

The Growth Programme has delivered impressive performance results to date through an incredibly strong can-do, will-do partnership approach with a few highlights presented below and extracted from the five year **Growth KPIs** attached at **Appendix B**.

### **Economy & Business Performance**

- In the five years leading up to the pandemic, the Borough's GVA increased (+24%) faster than comparable North West (16%) and UK (15%) rates, with an additional 5,000 new jobs in the Borough;
- Developed the Borough's first joint venture partnerships - one with Barnfield Construction, which acquired a derelict and stalled site in the Borough in 2018 and has since developed out the site for employment and housing uses, and the second partnership with the Eric Wright Group to acquire another large brownfield site, the former Thwaites site, which is now supporting the £250m Blackburn Town Centre Masterplan development programme;
- Over 1.1 million sqft of new employment space has been delivered over the past 5 years;

### **Planning Performance**

- Our emerging Local Plan identifies a pipeline of over 7,000 homes over the next 15 years - around 50% already benefit from planning permission;
- In the top 10% of local authorities in the 2022 Housing Delivery Test results - in 2018 it was listed in the bottom 20%;
- In 2015/16 the Council forecasted a total section 106 income of £1.4million - the current forecast is £11million and growing;

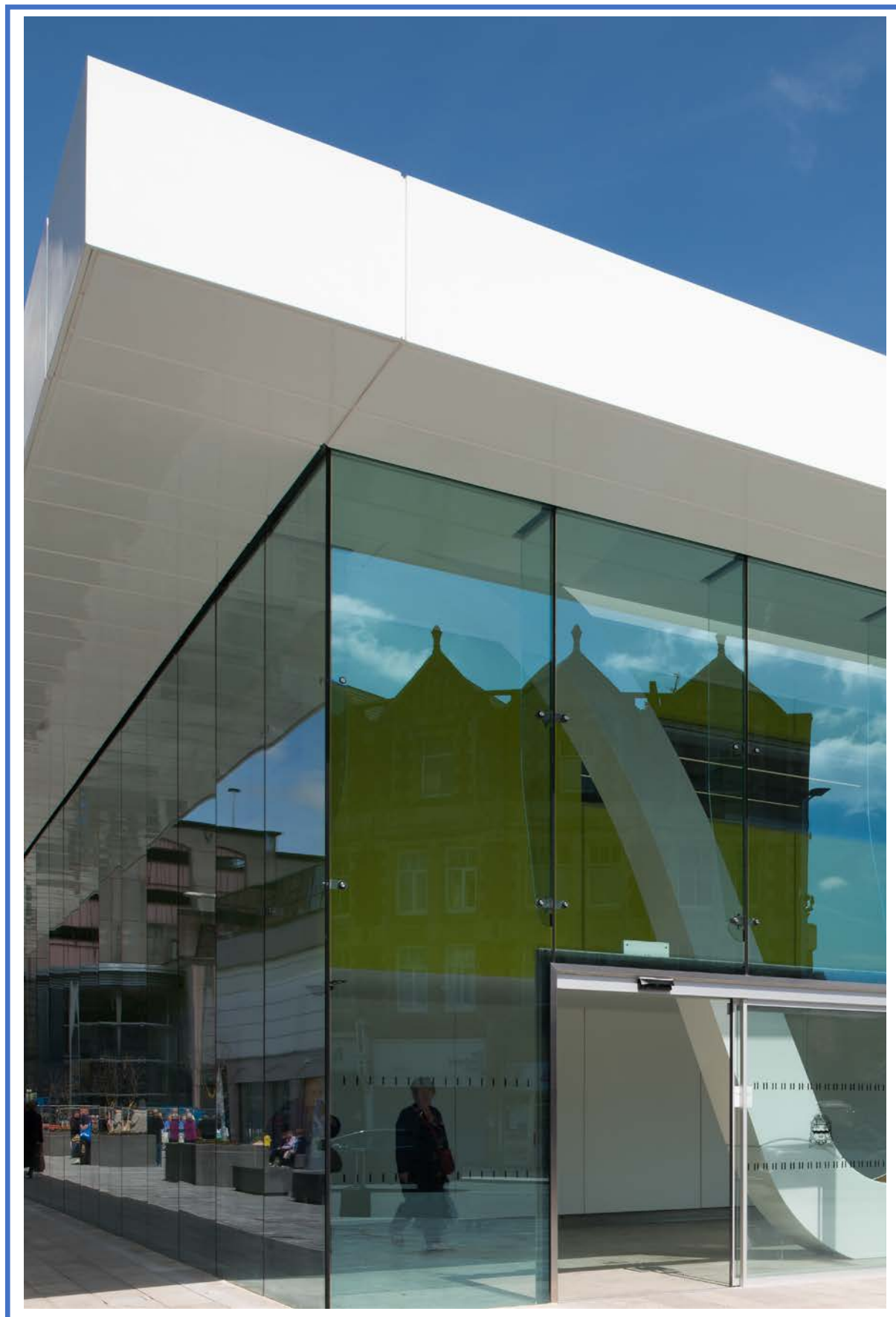
### **Housing Performance**

- The Borough is out-pacing national targets on house building, ensuring a rapidly changing offer, with circa 2,000 new, high quality homes completed in the last five years;
- Over 50% of the new-build homes have been constructed on brownfield land;

### **Empty Housing**

- The number of annual empty properties brought back into use has increased from 148 in 2017/18 to 678 in 2021/22; and
- In 2021 there were 2036 empty properties recorded with 1028 long term empties which is the lowest recorded in the Borough since records began.

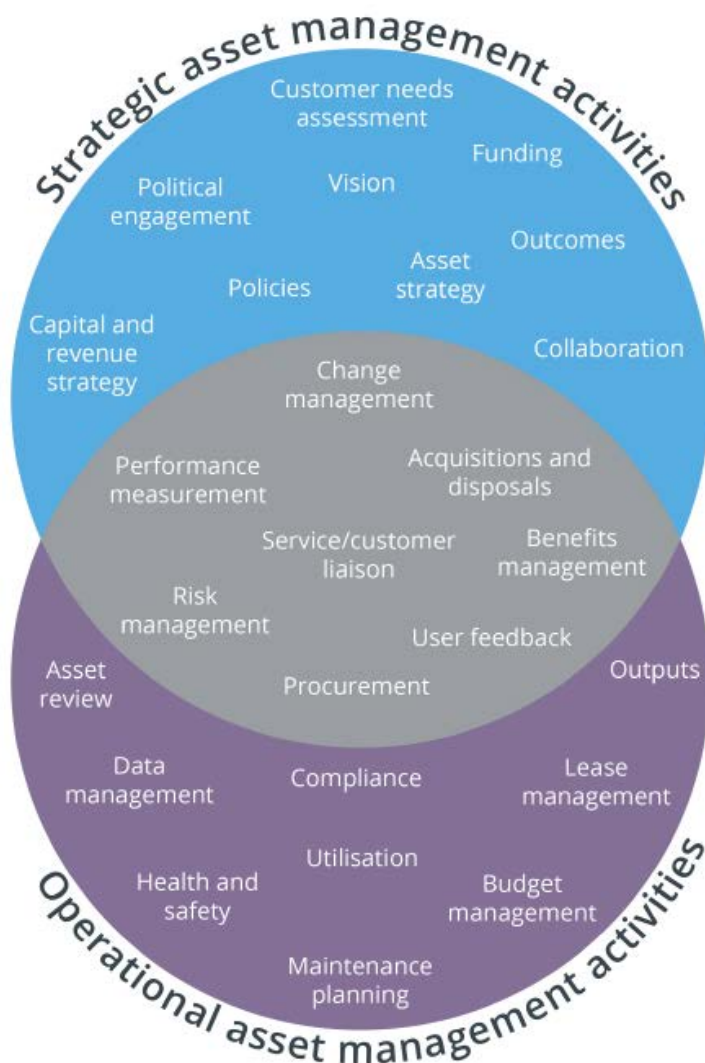
## Section 2 – Vision & Strategy



## 2.1 Strategic Asset Management Plan

This **Strategic Asset Management Plan** is the strategic policy document linking the Council's Corporate Plan with the Asset Management Planning of the Council's land and property assets. It explains how the Council intends to deliver those objectives through a number of Asset Management strategies and approaches, and how the Council will manage and report on property performance at operational level.

The term '**asset management**' is used to define a broad range of activities undertaken to deliver property services and the vision for the asset base. The **below asset management activities diagram**<sup>4</sup> helps explain the various roles associated with asset management in the public sector. The upper circle broadly defines strategic asset management activities, while the lower circle identifies operational asset management activities. There is a degree of overlap, emphasising that some roles may be strategic or operational, depending on the level of responsibility and the scale and specifics of the role within the organisations. Given the comparatively smaller size of Blackburn with Darwen to major city authorities, many of the roles are performed by the same person.



<sup>4</sup> [Strategic public sector property asset mgt. Oct2022.pdf](#)

## 2.2 Asset Management Planning

This overarching SAMP is unlikely to change frequently and will therefore be **updated every 3 years with Action Plans** presented on an annual basis providing updates on the various Asset Management Planning initiatives and programmes as detailed below:-

- Support the over-arching capital strategy in achieving better use of public assets;
- Review finances deployed in existing assets and explore alternative delivery mechanisms to secure additional sources of finance ensuring the optimum use of assets to deliver high quality services;
- Support the Council's capital programme by identifying under-utilised operational property and under-performing investment properties as surplus to requirements thereby generating sufficient and timely capital receipts from the sale of land and buildings;
- Optimise the financial returns of the investment portfolio;
- Prepare a planned maintenance programme and disposal programme linked to outputs/outcomes;
- Identify key areas requiring substantial capital investment and explore appropriate mechanisms to meet any potential funding gaps; and
- At the same time, ensure that income from the investment portfolio, necessary to deliver revenue funded services, is not compromised.

## 2.3 Asset Vision - creating a modern and efficient asset base

- Strategic Property rationalisation programme to match the outcomes of operational service reviews. This is to be carried out in association with key partners and to operate hand in hand with a transfer of community assets programme;
- Continuous structured challenge of the reasons for service departments holding property assets through the Asset Review Programme;
- Ensuring assets are procured, managed, operated and disposed of in a sustainable way which minimises any negative impacts on the environment;
- Reduction in carbon dioxide emissions from Council activities (including the land and property portfolio) with the aspiration for carbon neutral by 2030;
- Reduce energy costs associated with buildings by improving fuel efficiency and reducing energy use through physical interventions, changes to operating procedures and increasing the use of renewable energy within the Borough;
- Reduce the amount of office space used, embracing hybrid working where appropriate;
- Continue to explore opportunities for the shared use of buildings with relevant partners, and maximise the outcomes for communities;
- A progressive reduction in the reactive maintenance liability with an annual planned preventative maintenance programme and the reintroduction of quinquennial condition surveys;
- Utilise land and property assets as a key facilitator of regeneration programmes and projects and as a driver for transformational change in service delivery and culture;
- Maintain and develop centralisation of planned maintenance to ensure efficiencies in the procurement and maintenance of buildings;
- Capital Investment targeted to approve service departmental priorities; and managing assets in a more sustainable way;
- Support the Neighbourhood Agenda and aiming to provide assets in the right location for neighbourhoods and communities; and
- To ensure compliance with statutory requirements.



## Section 3 – Our Asset Portfolio





3.1 Asset Portfolio

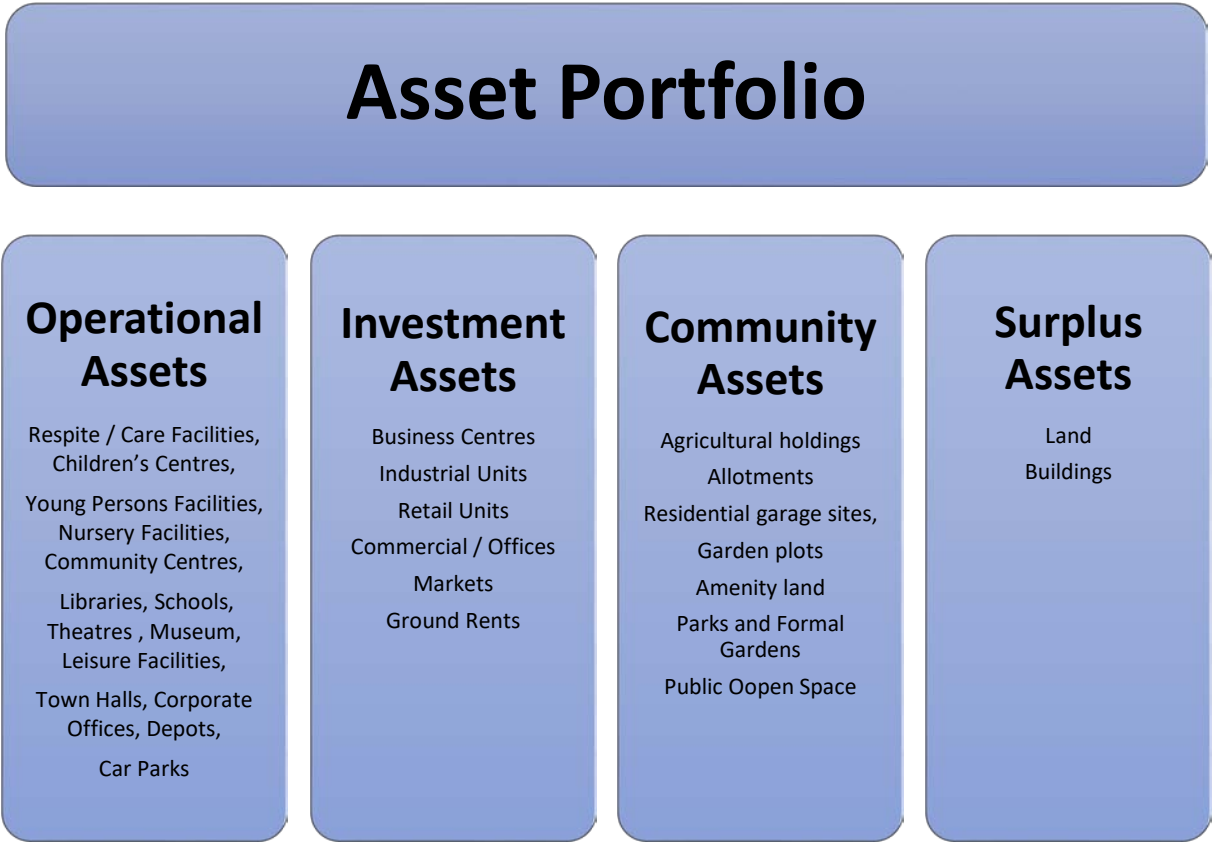
Blackburn with Darwen Borough Council is a unitary authority that carries out the whole range of functions required of a statutory authority and delivers major services including education, social care, leisure culture and sport, planning, highways and housing. As a result of this, the Council holds a large and diverse portfolio of land and building assets which **extends to around 12% of the borough’s land coverage**, and probably, making the Council the largest asset owner in the Borough.

Our **Asset Portfolio** comprises offices, schools, community centres, depots, leisure facilities, libraries, cemeteries, household waste centres, car parks, public conveniences, assets leased to community organisations, amenity land, allotments, farms and other land and property used to generate commercial income. The reasons for holding these assets will vary and, as a result, we may need to measure their performance in different ways. The performance of each asset must link to the strategic purpose for holding it.

The **operational estate** comprises assets which are utilised for the delivery of services, the **investment estate** includes land and property which generates income, and the **community estate** comprises assets such as amenity land, allotments and gardens.

**Surplus property** is any asset which does not fall into any of the previous three categories, and has been declared surplus via the Council’s Asset Management Group (AMG). As part of the three year plan within the SAMP, a review of all vacant surplus land will be carried out, and where possible, the assets will be disposed over the first 12 – 18 months of the SAMP.

The **Asset Portfolio** can be categorised as described in the below diagram:



### 3.2 Asset Value

The Council's 2020/21 draft Statement of Accounts<sup>5</sup> record the book value of the land and property assets as **£231m** and is set within the context of the overall asset base of £415m as detailed in the table below.

Property, Plant & Equipment Assets	2021/22 £000
Land and Property	£231,253
Infrastructure Assets	£135,788
Assets Under Construction	£17,771
Surplus Assets	£14,265
Vehicles, Plant, Furniture & Equipment	£11,189
Community Assets	£4,907
<b>TOTAL</b>	<b>£415,173</b>

### 3.3 Asset Systems

Property data is managed using the **Concerto** asset management software system with the data forming the corporate record of the Council's land and property assets. *Concerto* data is assigned and coded to one of the 61 asset classification groups, which are listed in **Appendix C** for information. A Unique Property Reference Number (UPRN) is assigned to each land or property asset. The UPRN provides a link between the Council's non-property data systems and forms a common indexing system. The Council's principal financial system is **Civica**, which provides management accounting information across the Council with a corporate coding structure for individual cost centres.

### 3.4 Asset Lists

The Council's land and property assets are recorded on the *Concerto* system and extend to over **2,709 separately listed assets**, with varying ownership interests, and held for different purposes. Over 50% of the assets have either a low or negligible value and held for community benefit, and therefore not recorded in the *Civica* financial system. In addition the *Concerto* system records individual lease interests within a property, whereas *Civica* will only record the property. Therefore the *Civica* asset list records only **612 individual land and property assets**, with each asset valued in accordance with CIPFA guidance and included within the Statement of Accounts as described above. **Appendix D** contains an asset list extracted from *Civica* and includes land and property assets, community assets and relevant assets under construction.

CONCERTO ASSET LIST	ASSETS
Operational	324
Corporate	159
Investment	692
Surplus / Vacant Land	149
Community	1336
Development Sites	49
<b>TOTAL ASSETS</b>	<b>2709</b>

CIVICA ASSET LIST	ASSETS
<b>Land &amp; Property</b>	<b>612</b>
Infrastructure Assets	213
Plant Vehicles and Equipment	73
Assets Under Construction	38
Intangible Assets	19
Community/Heritage Assets	11
<b>TOTAL ASSETS</b>	<b>966</b>

<sup>5</sup>STATEMENT OF ACCOUNTS ([blackburn.gov.uk](http://blackburn.gov.uk))

### 3.5 Operational Estate

The **operational estate** comprises assets which are utilised for the delivery of services with a list of the number of key operational assets held by the Council detailed in the below table.

Key Operational Assets	Number	Key Operational Assets	Number
Respite / Care Facilities	12	Theatres	2
Children's Centres	8	Museum	1
Young Persons Facilities	4	Leisure Facilities	5
Nursery Facilities	4	Town Halls	2
Community Centres	8	Corporate Offices	3
Libraries	5	Depot	1
Schools* (see table below)	22	Parks & Formal Gardens	13

**Land and property costs the Council £16.8m in 2021/22** (or £11.1m excluding schools).

#### Schools

Schools form part of our operational estate and comprises land and property used to deliver education services to children and young people. The accounting treatment of land and buildings in relation to schools is based on the legal framework underlying each type of school. As the Council controls the management and running of community and foundation schools, the land and buildings of those schools are included within property, plant and equipment on the Council's balance sheet and are valued at £66,681m at 31<sup>st</sup> March 2022. Whereas, the land and buildings of voluntary aided, voluntary controlled, academy and free schools are owned and controlled by the trustees of the schools or the equivalent body and are, therefore, not shown on the Council's balance sheet.

Governance Model	On Balance Sheet	Off Balance Sheet	Total Schools
Community Schools	20		<b>20</b>
Foundation Schools	1		<b>1</b>
Pupil Referral Units	1		<b>1</b>
Academy (includes 4 PFI schools)		16	<b>16</b>
Free		5	<b>5</b>
Voluntary Aided		25	<b>24</b>
Voluntary Controlled		4	<b>4</b>
<b>Total Schools</b>	<b>22</b>	<b>50</b>	<b>72</b>

The assets relating to the Council's **four PFI schools** (now all transferred to Academy status); Pleckgate, Witton Park, Blackburn Central High School and Crosshill Special School, have been removed from the Council's balance sheet in accordance with CIPFA guidance.

#### Parks & Formal Gardens

The Council, as part of the local plan process, completed an Open Space Audit which identified a total of **332 open space sites** in the Borough covering over 946 hectares, equating to an overall provision of 6.33 hectares per 1,000 population. This includes parks and gardens, amenity greenspace, natural and semi-natural and children's play areas.



There are **13 formal parks and gardens** in the borough covering a total of 279 hectares. By far the largest of these is Witton Country Park which covers over 177 hectares on the western side of Blackburn and provides a wide range of facilities including playgrounds, a café, athletics and sports facilities, woodlands, cycleway and a bridleway. These facilities are well used by the local community and attract people from across Lancashire and the North West. Five of our parks are listed on English Heritage's Register of Historic Parks and Gardens for their historic merit, and include:-

- Corporation Park;
- Bold Venture Park;
- Whitehall Park;
- Queen's Park; and
- Sunnyhurst Woods.

### Leisure Facilities

The Council operates a variety of leisure and sport facilities in the Borough including; two leisure centres (including swimming pools), all weather sports pitches, playing fields, sports facilities, play areas and bowling greens. In addition the Council also leases a number of leisure facilities to third party providers.

### Car Parks

The Council provides a car parking service to residents and visitors to the Borough and operates various payment methods including ANPR (automatic number plate recognition), pay and display and parking permits. The Council has invested in fast electric vehicle charge points at a number of car parks including: Feilden Street, Brown Street, Weir Street, Darwen Market and Varley Street, in addition to charge points located at our managed business centres. The Blackburn Town Centre Masterplan, included in our new Local Plan, is proposing to develop new employment space on existing Council car parks at Brown Street, Penny Street and Salford which have a current capacity for 515 car parking spaces. The Council is progressing plans to acquire and refurbish an existing multi-storey town centre car park to provide 700 car parking spaces which will generate an extra 185 spaces for town centre users.

## 3.6 Investment Estate

### Portfolio Performance

The Council's **Investment Estate** directly contributes towards the Council's Financial Strategy. The portfolio comprises a variety of industrial, shops, ground rents and other commercial properties occupied by various tenants (businesses, individuals and community organisations). The Council primary industrial units are located at Centurion Court, Hamilton Street, Harwood Street, Hutton Street, Mill Lane, Red Rose Court, Watford Street and Whalley Banks.

In 2021/22 the Council received an investment estate **income of £2,216,540 based on 318 assets** as illustrated in the two graphs below, which is a **7.4% increase on 2020/21 income**.



The investment estate income is forecast to increase in **2022/23 by 6.2%** to an income of **£2,354,188**. An end of year summary dashboard is attached at **Appendix E**. It is important to ensure that the investment estate maximises income with timely rent reviews (as applicable for the lease) and maintains high occupancy (low voids) thereby minimising any empty business rates liabilities and other holding costs. The Council, as landlord, proactively manages the investment estate adopting many of the principles as set out in Royal Institution of Chartered Surveyors (RICS) guidance.<sup>6</sup>

### Debt Management Procedures

The Council adopts a proactive approach to debt management to ensure any outstanding rent arrears are recovered using debt collection and legal action as a last resort if required. When tenants are unable to pay their rent and debt accumulates, Council officers will engage with the tenant to understand their position and if appropriate prepare a debt repayment plan to formalise the arrangement to repay their debt. The Council seeks to provide tenants with every opportunity to retain their tenancy through continual engagement, however if tenants fail to positively engage or repeatedly miss payment deadlines then the Council will unfortunately have to consider lease termination and legal proceedings to recover any outstanding debts and costs through the courts.

### Energy Performance Certificates

It is a requirement for all non-domestic properties to have an Energy Performance Certificate (EPC)<sup>7</sup> on construction, sale or rent of a property and was introduced using a phased approach affecting buildings above 10,000m<sup>2</sup> from April 2008 and all buildings from January 2013. An EPC shows the energy efficiency of the property, as well as useful information on how you can make it greener and more efficient. It serves as a legal requirement for landlords and is essential for potential buyers or tenants. The rating is shown on an A to G scale and from April 2018, the introduction of The Energy Efficiency (Private Rented Property) Regulations 2015 and the **Minimum Energy Efficiency Standards (MEES)** made it unlawful to create a new lease / renewal for a residential or commercial properties with an EPC Rating of F or G (i.e. the lowest 2 grades of energy efficiency). Assets that fail this standard require energy improvement initiatives before being available for let.

Further legislative changes to MEES come into effect from **1 April 2023 which will extend the previous minimum EPC requirement to all let properties**, whereby landlords legally cannot continue letting non-domestic properties which have an EPC rating of band F or G unless included on the PRS exemptions register. As a Landlord, the Council are required to ensure EPC's are registered for all existing leases and meet the minimum requirement implementing improvement works as necessary. Longer term it is expected that MEES Regulations will be further tightened raising the energy rating for lettings to a C or above by 2025-2027, and again in 2030 where the threshold could be B or above. This requirement may have a significant impact for the Council's investment portfolio and other building which are let to third parties either in full or in part. The Council will continue to monitor the situation and any implications will need to be assessed.

### Heat Network (Metering and Billing) Regulations

The purpose of the Heat Network (Metering and Billing) Regulations<sup>8</sup> is to drive energy efficiency and reduce carbon emissions from heating. The energy efficiency is achieved through the installation of metering devices and billing based on consumption, which will decrease the use of energy and reduce consumer bills, and result in associated carbon emission savings. The Council may need to consider the regulations when selling heat to two or more customers or where space is leased out to third parties, for instance Libraries, Business Centres or Children's Centres.

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<sup>6</sup> [Jan 2022 Commercial Property Management In England And Wales 2nd Edition \(1\).pdf](#)

<sup>7</sup> [Energy Performance Certificates for your business premises: Overview - GOV.UK \(www.gov.uk\)](#)

<sup>8</sup> [Heat Network \(Metering and Billing\) Regulations 2014: Guidance \(publishing.service.gov.uk\)](#)

### High Streets

About **10%** of the Council's investment portfolio is made up of **small shops which total 35 units** with an annual rent roll of **£223,000**. Many of these assets are of low investment quality, but nevertheless perform an important role for our high streets. The Council, in responding to the economic challenges arising from the Covid-19 pandemic and as part of the Council's wider Economic Recovery Plan, will look carefully at how the Council's assets can contribute to the economic vitality of our high streets, having due regard to wider landlord and tenant considerations and the council's fiduciary and subsidy control obligations. Also, Council employees create significant footfall and spend in our town centres, so the Council will need to ensure its flexible hybrid working policies and accommodation strategy consider the town centre economy in the preferred accommodation solution.

### Business Centres

The Council operates three businesses centres in the Borough which provide a variety of accommodation types and sizes to small businesses and offers flexible terms to encourage business start-up and growth. The business centres include; Eanam Wharf Business Centre, Blackburn Technology Management Centre and Blackburn Enterprise Centre. Each business centre has approximately 30 small business units and together generate an **annual income in excess of £500,000**.

## 3.7 Community Estate

The **Community Estate accounts for approximately 50% of the asset portfolio** and includes agricultural holdings, allotments, residential garage sites, garden plots and general amenity land, parks and open space. The Council formalises occupation of our agricultural land, allotments, residential garage sites and garden plots using various arrangements including short term license agreements to long term leases. In addition to adopting a formal landlord and tenant relationship, the Council regularly engages with local community groups to determine which assets and facilities could be managed directly by the community rather than by the Council. This process of empowering our local communities to take ownership and control of their facilities is referred to as **Community Asset Transfer**<sup>9</sup>, and the Council has had success in already transferring local community centres to community groups and charities under long lease arrangements.

Involving local community groups and volunteers in managing their local facilities allows residents to take ownership responsibility for local community assets, using their local knowledge and hands-on management approach to generate additional benefits and value for their local communities. It also frees up valuable Council resources to focus on more strategic projects and opportunities for the benefit of the wider Borough. The Council is fully committed to using our assets to form long-term partnerships with suitable community organisations, to create stronger, more cohesive and more sustainable neighbourhoods. The Council will continue to work closely with community, voluntary and charitable organisations across our community estate and as part of our SAMP action plan, we will **review which of our assets could be considered for Community Asset Transfers**.

## 3.8 Maintaining Our Assets

Currently the management of our assets is split between the Property Management & Maintenance Teams and the operational services that occupy the buildings. Day to day management of property assets is the responsibility of the operational service with Property Maintenance Team responsible for undertaking the reactive repairs and administered by the Property Service Centre under a corporate service level agreement.

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<sup>9</sup> [Assets of community value | Blackburn with Darwen Borough Council](#)

Planned maintenance is also administered by the Property Team with minor works undertaken by the Council's in-house building team, comprising a work force including joiners, electricians, plumbers and general operatives. Major works or specialist works are usually procured by the Property Team and administered by building surveyors. Over recent years the budget for planned maintenance work and stock condition surveys has been significantly reduced with planned works now requiring a capital request. Appropriately targeted planned preventative maintenance not only reduces cost, but also the impact and downtime caused. The ideal split in budgets should be in the region of **70% planned preventative and 30% reactive maintenance**. The corporate planned maintenance programme will be reviewed and it may be necessary to reprioritise the programme to address any urgent remedial works. A continuous programme of updating condition information and an annual **programme of 20% full resurveys of the stock** is recommended ensuring all assets are fully inspected on a continuing 5 year rolling schedule.

### 3.9 Planned Maintenance Programme

*Concerto* holds information relating to repairs and planned maintenance and statutory compliance schedules for each asset, frequency, vendor information, all service dates and the documents such as service sheets and invoices. Whenever a new item of equipment is procured and the asset listing is updated in *Concerto*, the Planned Preventative Maintenance Scheduler for that item is also added to the system, which are then followed up as per the monthly maintenance monitoring through running the relevant reports from *Concerto*. Based on these reports, contractors are engaged and maintenance work is carried out. The key requirements and aims of the Planned Maintenance Programme include:

- Compliance with Statutory Legislation;
- Ensuring that maintenance solutions are cost effective and reflect sustainability policies
- Undertaking planned preventative maintenance where performance or service could be seriously affected if repair work is not carried out;
- Reducing the running costs of our facilities;
- Achieving a 30% reactive and 70% planned split in revenue expenditure (effective use of planned maintenance should reduce the need for reactive maintenance); and
- A reduction in backlog maintenance to acceptable and sustainable levels.

### 3.10 Health & Safety – Statutory Compliance

Councils have a duty to ensure that buildings under their control comply with appropriate statutory, regulatory and corporate standards.<sup>10</sup> Ensuring the health and safety of residents, staff and other users of our buildings is the primary priority for the effective safe management of our assets. This task has become increasingly complex, onerous and difficult in the context of various potentially competing drivers including:

- an increasing burden of legislative and regulatory duties falling on building occupiers;
- delegation of relevant budgets and responsibilities to individual establishments, for instance the challenges presented by the different school governance models;
- consequences of increased delegation which has brought about a significant reduction in resources retained centrally to develop and monitor compliance with relevant standards;
- loss of control in delivery of property related services through outsourcing, budget reductions and fragmentation of resources; and
- governance arrangements becoming more complex through the move to shared services and partnering arrangements that do not fit easily with traditional landlord and tenant definitions, for instance where NHS services occupy Council buildings.

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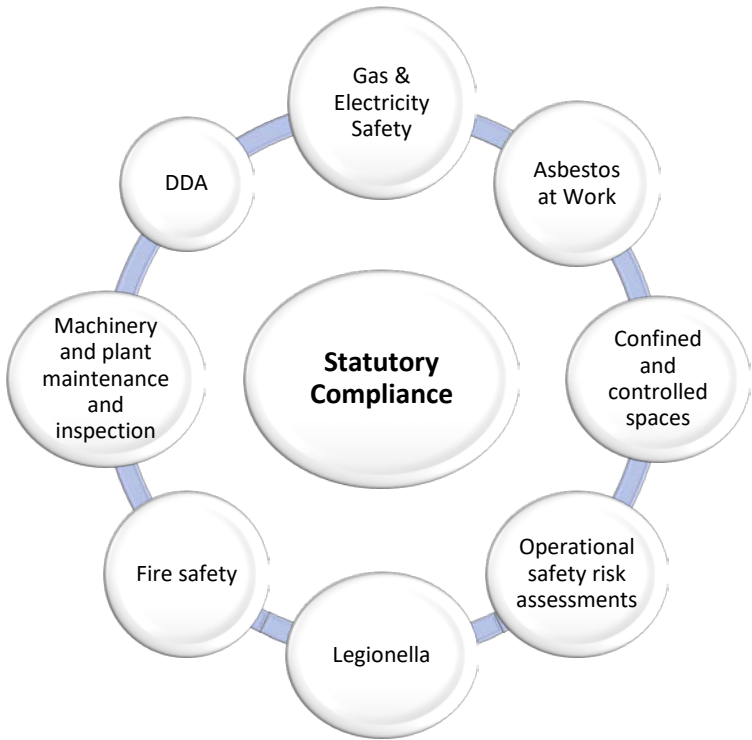
<sup>10</sup> [Compliance-Monitoring-in-Local-Authority-Buildings-England-2020.pdf](#)

The Council is faced with a wide range of health and safety responsibilities that fall on building occupiers. Even with the policies and procedures set out at corporate level, responsibility for their implementation is delegated to service managers and building managers who may not always appreciate the importance of ensuring regular checks and control measures are carried out and recorded.

For operational assets, day to day responsibility is usually delegated to premises level, but with the ultimate accountability remaining at corporate level. The Strategic Director with responsibility for assets will ensure all relevant policies and procedures are in place and the appropriate controls and reporting are implemented to ensure compliance across the whole portfolio for which they are responsible.

Additional legislation for statutory compliance have been introduced over the years around electrical testing, asbestos, legionella, DDA and recently Fire Risk Assessments. The increased compliance activity puts additional pressure on the Council’s revenue budgets. The Council centralised planned maintenance budget to facilitate increased flexibility in directing resources, offering the ability to reprioritise commitments to provide statutory compliance where necessary.

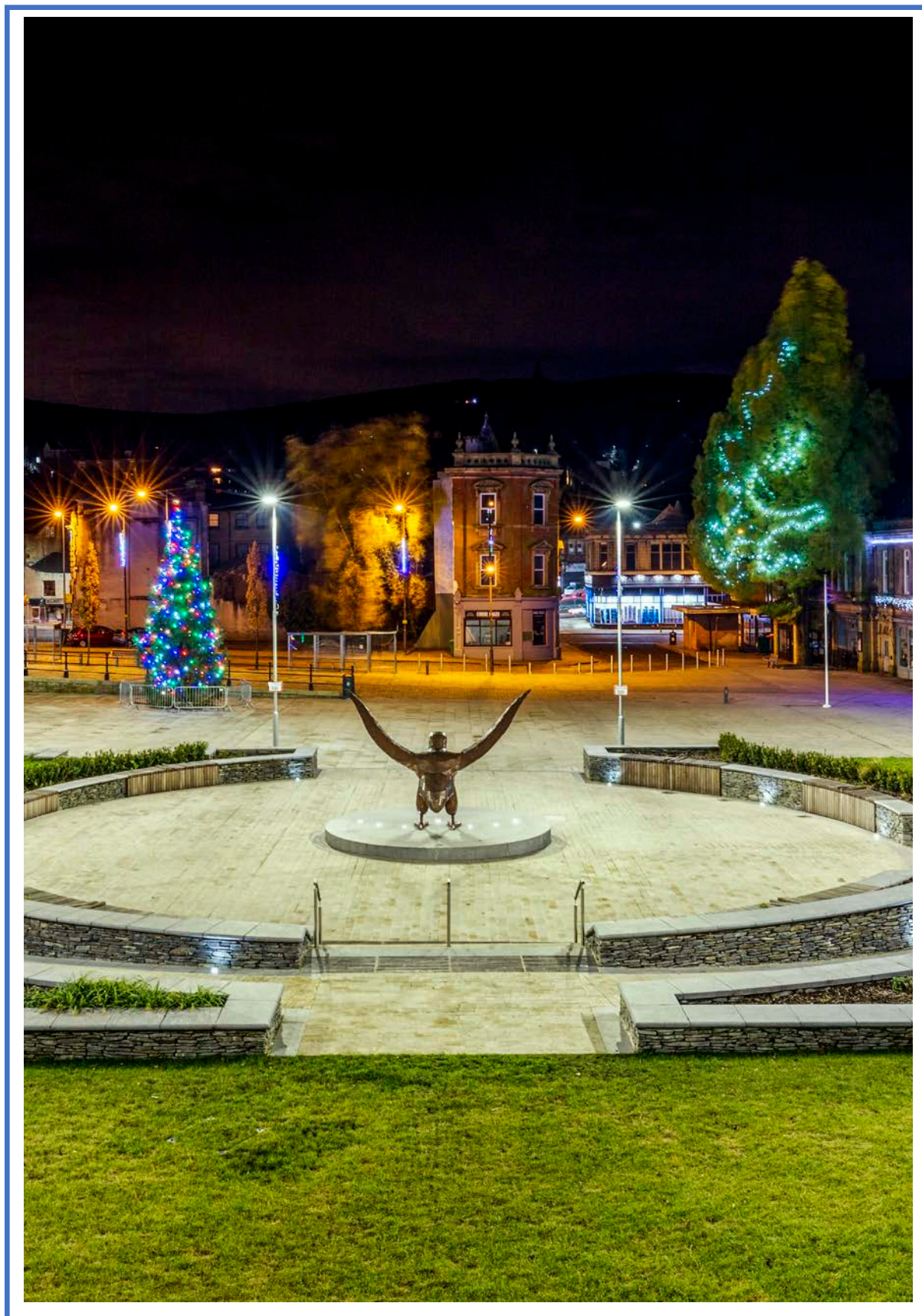
The below diagram helps explain the wide range of the **responsibilities in relation to statutory compliance**.



Depending on the severity of any statutory non-compliance event the Council could be faced with reputation damage, financial loss, individual officers could face legal proceedings and in the worst case, lives of building users could be lost. Clearly this is both a strategic and operational risk which requires management and regular auditing with feedback reports presented for review and challenge to Asset Management Group and the Corporate Leadership Team, with frequency of reporting as detailed in section 6.



## Section 4 – Strategic Objectives & Delivery



## 4.1 Strategic Objectives

This section sets out our key strategic objectives, strategic themes and initiatives and the overall direction for the Council's property portfolio over the three year period of the SAMP, 2023/24 to 2025/26. The SAMP Action Plan, section 6.0, outlines how the strategic objectives will be delivered and shows the links between the Council's existing and emerging new Corporate Plan, the Strategy outlined in this section, timescales for delivery and our targets in these areas.

**SAMP five strategic objectives** set out below will inform all strategic decisions regarding our assets.

1 – To efficiently manage our assets for the benefit of the people of Blackburn with Darwen.

2 – To provide the right accommodation to meet existing and future service needs for Blackburn with Darwen Borough Council.

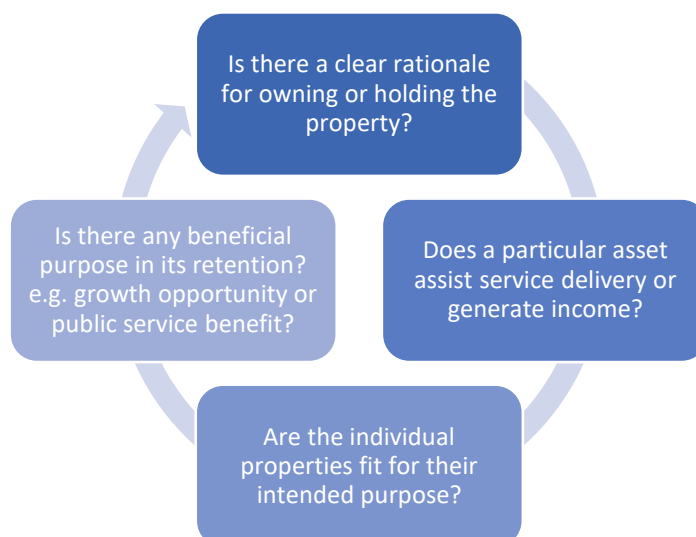
3 – To effectively manage and maintain our assets and to maximise positive outcomes from all disposals.

4 – To utilise our assets to stimulate growth and development, together with supporting local business needs and promoting new investment.

5 – To promote joint working where it will provide benefits for service delivery and increased efficiencies.

## 4.2 Asset Reviews

The Council's assets deliver a mixture of front line services, indirect service provision and support local communities. Some assets are legacies from donations, local government reorganization or previous acquisitions; and all of these assets need to have a purpose which should be constantly **challenged** as follows:



In the light of the above, we will challenge our land and property to ensure that they remain fit for purpose, offer value for money and are flexible enough to adapt to future needs. We will manage and report land and property data in a way that is transparent, assists the organisation, helps us to carry out asset reviews and improve property performance. The **Asset Review Programme** will provide a clear assessment of key operational and non-operational assets, initially focusing on the key operational assets. Data collated from suitability and condition surveys can assist in assessing whether the cost of refurbishing or reconfiguration of an asset exceeds the benefit of disposal or acquisitions. Where possible, the Council will consider releasing assets with a high level of backlog maintenance and/or where the asset is no longer required. The asset review will be led by data using the *Concerto* property system and the Council's *Civica* financial system. Assets identified as no longer required will either be disposed, developed or transferred to the community where appropriate.

### 4.3 Investment Estate Returns – Securing Rental Growth

An annual programme of lease renewals and rent reviews are in place to maximise income to the Council from the investment estate. Lease renewals secure rental income whereas rent reviews provide an opportunity for rental growth. These renewals and reviews are recorded on the *Concerto* system for appropriate financial and legal tracking. A quarterly performance dashboard is prepared for management to monitor and track performance of the investment estate, including proactive management to reduce voids and recover any tenant debts. An example dashboard is attached at **Appendix F**.

### 4.4 Office Accommodation Strategy

Office Accommodation forms a significant part of the Council's property portfolio and has an important role to play in the way staff perform their daily work. Changing the way we use accommodation also has the potential to deliver significant savings to the Council. Significant activity has already taken place in the last few years in terms of bringing staff into Blackburn town centre from dispersed locations, and terminating leases or re-using assets as appropriate, with improved space planning and investment in furniture.

The Council, like many organisations, want to capitalise on the lessons learnt from the pandemic in terms of how our employees can work in different ways. There is now general consensus that we want to adopt flexibility of work locations for those employees who work in roles where hybrid working or home working is appropriate. This is based on the concept that '*work is something we do, not somewhere we go*' and this underpins our new approach. Adopting this approach brings a number of benefits including:

- Increasing the effectiveness of our activities by focusing on work outcomes rather than processes and inputs, with many employees believe remote working improves their productivity;
- Providing a more stable work-life balance for colleagues with many employees favouring a hybrid working model where the job allows;
- Reducing the financial costs associated with running the aforementioned office buildings, achieving revenue savings from utilities; cleaning; rent; rates; property repairs, servicing and maintenance;



- Reducing the environmental footprint by investing in low carbon measures for office buildings where appropriate, to support the Council's transition to a carbon neutral Borough by 2030;
- Enabling the Council to recruit and retain staff and compete in a challenging employment market as many applicants consider work-life balance when applying for jobs.

The Tower Block building in Blackburn town centre was vacated in 2022 apart from a small facilities management service. It is proposed that the facilities management service will move to the Town Hall as part of phase 3 of the refurbishment. All other utility services have been disconnected. Over the previous 5 years up to 2022/23, the Council has **reduced the office accommodation requirement by circa 27%** from around 20,000 square metres (gross) to approximately 14,500 square metres (gross) for office based employees.

#### **Town Halls**

The office accommodation project assumes the Council will continue to use Blackburn Town Hall as its main civic base and primary office building for Council staff. The Town Hall has undergone refurbishment over the past two years with Phase 3 refurbishment is due to commence in 2023/24. Darwen Town Hall will be refurbished as part of the Darwen Town Deal programme with works expected to be completed by 2025.

#### **Duke Street Offices**

Duke Street offices consist of seven floors of offices and meeting rooms. The main occupants in Duke Street are colleagues in Children's Services, Adult Social Care, Public Health and Business Operations. Plans are in place to relocate the Growth & Development department from One Cathedral Square to Duke Street in 2023 to allow the space to be let to a private sector tenant to secure additional income for the Council.

### **4.5 Working in Partnership**

The Council collaborates with health and social care partners across the Integrated Care Partnership to share premises where possible, to support new models of joint working. This collaboration should take the form of dedicated meetings between partners where their current and proposed property requirements can be shared.

The Council is committed to the ethos of One Public Estate (OPE) and the established principles in developing collaborative projects with public and third sector partners in order to improve service delivery, delivering economic benefits and securing savings. It is the responsible body for the Lancashire OPE programme, leads the OPE Partnership and the Chief Executive chairs the Lancashire Property Board. OPE brings local and national partners together to address shared priorities, with collaboration across local government and the wider public sector. The Council has been successful in securing a total of £897,000 OPE and housing Land Release Funding (LRF) under OPE 4, 6 and 7 funding rounds. The live projects include Griffin Housing Regeneration, Fishmoor Housing Development and the ambitious South East Blackburn Health and Residential Campus.

We will enter into joint venture partnerships with the Public and Private sectors, where appropriate in order to deliver property and development projects where there are mutual benefits. The Council has an established framework of development partners that have already been procured with the ambition that this will accelerate this process where appropriate.<sup>11</sup> In addition the Council has formed private joint venture partnerships with Barnfield Construction Ltd and Maple Grove Developments Ltd.

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<sup>11</sup> Barnfield Construction Ltd, The Casey Group Ltd, Eric Wright Group Ltd, I & H Brown Ltd, Seddon Group Ltd.

## 4.6 Corporate Landlord

A number of Local Authorities have adopted 'Corporate Landlord' models in accordance with CIPFA (The Chartered Institute of Public Finance & Accountancy) recommendations and guidance. A Corporate Landlord model places the ownership of an asset and the responsibility for decision making, management, maintenance and budgets within a central team, the Corporate Landlord. Service departments become tenants of this body. A service department has to make a case for the property that they wish to use to deliver a service from, which allows for the Corporate Landlord to more proactively manage assets and space. Benefits of this can include improved consistency in asset management, more efficient utilisation of space, and improved collaboration by the sharing of space across directorates and centralised procurement.

The Council's approach to asset management utilises many of the aspects of the Corporate Landlord model and has gone some way towards implementing a Corporate Landlord Model informally in that there is one property function which manages the assets and asset related budgets. The Council has also centralised the management and procurement. Given the relatively small number of assets affected and the resources available means that the Corporate Landlord model is not currently a priority for the Council. That said, it is accepted that all property related matters, in particular acquisitions, disposals and lettings, are reviewed by the Property Team from the outset, and carried out and recorded in conjunction with professional property advice. This way of working is reinforced by the Asset Management Group, and endorsed by the Council's Corporate Leadership Team.

Part of the Corporate Landlord's role is to manage utilities efficiently and identify 'invest to save' measures that will achieve cost-effective energy reduction. It also needs to promote behaviour change across the Council to support more efficient energy use. New build and refurbishment projects will strive to be as low carbon as practicably possible. We will use procurement processes to cut carbon emissions both at source and over the lifetime of commodities used. In carrying out property reviews, energy efficiency will be one of the key criteria in assessing property performance.

## 4.7 Disposal of Land and Surplus Assets

The Council's finance department prepares a **capital programme** which sets out the Council's anticipated capital spending and identifies funding from a range of appropriate sources. In support of the capital programme the Property Team prepare a 5 year Capital Receipts forecast that runs concurrently with the Capital Programme and includes land and property assets identified in the Growth Programme in addition to other surplus assets with the potential to realise a capital receipt. The capital receipts programme for 2022/23 is projected to generate approximately £4m of capital receipts and a forecast of future receipts is included in finance updates presented at Finance Council. The 3 year capital receipts forecast for the period commencing 2023/24 is expected to raise in excess of £5m pa for each of the three years.

Options for disposal vary from sale, development, or joint venture arrangements and can contribute towards policy objectives as well as generating capital receipts. These include releasing development land for new housing or employment purposes, supporting public sector partner's schemes that deliver specific community benefits, or absolve the Council from future liabilities.

Disposals can also help to enable town centre regeneration or enhance biodiversity and carbon offsetting through landscaping and other measures.

The Property Team deal with disposals, by open market sale, private treaty and auction, or in certain circumstances, community asset transfers. Where there is potential for development, the Council works with multi-disciplinary consultants with specialist development expertise. The Council uses a pre-procured Growth Framework of partners to deliver growth projects.

## **4.8 New Investment and Funding**

The asset review process will also establish the potential to invest in the Council's assets where income could be increased or operational efficiency maximised. The Council is committed to supporting the continuing regeneration and growth of the town centre economy in Blackburn and Darwen, through its capital programme and through actively seeking external funding initiatives. The Council's capital and other funding streams act as a catalyst to attract further inward investment, such as the Darwen Town Deal Programme and the Reel Cinema schemes in Blackburn Town Centre, with associated local economic benefit. Given present economic constraints, prospective capital schemes are the subject of robust business case review. New schemes are expected to demonstrate satisfactory benefits, minimise risk and assist the socio-economic well-being of the Borough.

## **4.9 Capital Projects**

The Council is committed to protecting its assets and supporting the continuing regeneration and growth of the town centre economy, through its capital programme. New building development plays an important part in this. The Council's capital investment attracts further inward investment, such as the Blakey Moor Refurbishment Scheme, St John's Business Centre, Blackburn Town Centre Masterplan and Darwen Town Deal Programme. Executive Members, at Asset Management briefings, review and approve property related projects for inclusion in the capital programme. AMG also undertakes a gateway review of projects. Given the present financial constraints, prospective schemes will only be considered if the capital investment is accompanied by a revenue payback, which is sufficient to cover borrowing costs.

The Property Team work with a diverse range of service users on a broad array of capital projects such as; the Education Capital Programme including expansion to existing school buildings, capital projects from the Corporate Plan, adaptations on behalf of Children's and Adult Services and various demolition schemes throughout the Borough to support development and infrastructure projects. Works include the preparation of project briefs, feasibility studies, design and production of drawings and specifications, planning implementation, statutory approvals, and project coordination. Coordinating the various disciplines consisting of structural, mechanical and electrical engineers from project inception to completion and submission of applications for Building Regulations and planning approvals when necessary, working closely with service users to ensure projects are designed and delivered in accordance with the brief.

## **4.10 Acquisition of Assets**

The Council still holds an extensive investment property portfolio although this has been reduced significantly over the last 20 years. Retention of a core portfolio however is considered justifiable to generate income which supplements the Council's revenue budget. The Council may also acquire interest in property which will give rise to regenerative benefits and enhance the capital/investment value of existing Council holdings. In certain instances, it may prove to be more prudent for the Council to acquire or develop new property either for its own use, whereby it would gain fit for purpose assets for service delivery, investment to increase returns or as part of site assembly in pursuit of regeneration, environmental or infrastructure objectives.

Any such acquisition needs to be fully considered, taking account of the full life cost of the property and the liability and commitment that the Council will be committing to. As with new investment, stringent financial modelling is required which is guided by the life of the asset to be acquired, returns, and efficiencies to complete a compelling case for the Council to acquire.

Land and property interests should be considered for acquisition if the following circumstances apply:

- The acquisition will make a positive contribution to the current delivery of Council services or objectives;
- The acquisition will make a positive contribution to reducing occupational cost;
- All other methods for the delivery of the service have been investigated and an option appraisal has been undertaken which highlights acquisition as the most economic and efficient means of service delivery;
- The acquisition of the interest has potential for future strategic regeneration and / or redevelopment, or contributes to wider corporate objectives and appropriate funding has been identified.

#### 4.11 Climate Emergency

The **Climate Emergency Action Plan** (CEAP) sets out how the Council intends to achieve a carbon neutral borough by 2030. This means using less primary energy in our buildings, using it more efficiently and replacing fossil fuel with energy from renewables. It also means being more efficient with water and generating less waste. The building stock may need to be adapted to cope with more extreme weather events as the climate changes, and we will need a flexible approach in order to respond to future demands, perhaps as yet unknown. The Council will work with partners, businesses and developers to drive down emissions.

The Council has made a commitment in its **Climate Change Emergency Declaration** to be carbon neutral by 2030.<sup>12</sup> The challenge will be on identifying and delivering cost effective, energy efficiency measures including addressing the building fabric, increased generation of energy from renewable sources and using open spaces to capture carbon and alleviate the impact of extreme weather events. We will aim to identify opportunities for renewable energy installations on Council land and buildings, and prepare an investment plan to 2030. There may also be opportunities to work with partners and tenants of Council properties to identify sites for renewable energy generation. This could include sites for hydro, wind and solar installations on Council holdings, and our open spaces could be used for ground source heat installations.

Our **Asset Management activities** will contribute towards addressing this issue, recognising that the condition survey work will initially establish the energy efficiency baseline for each asset so measures can be planned and ultimately implemented. The Property Team is working through an action plan that is multi-faceted and encompasses much of its day to day operations and is assessing options for decarbonisation of heat supply to Council estate, focusing initially on high consumers. The main objectives are to:

- Manage and use energy more efficiently;
- Make financial savings;
- Raise awareness of climate change issues and lead by example; and
- Embed carbon management in all aspects of the Council's business.

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<sup>12</sup> [Climate change | Blackburn with Darwen Borough Council](#)

Since 2005, the Council has cut emissions from its own buildings by a third by encouraging staff to use energy wisely and installing energy efficient equipment such as Low Energy lighting, new boilers and voltage optimisation. Over the previous 5 years up to 2022/23, the Council has **reduced the office accommodation requirement by circa 27%** from around 20,000 square metres (gross) to approximately 14,500 square metres (gross) for office based employees.

The Council is also a recipient of the Public Sector Decarbonisation Scheme (PSDS) grant which will achieve energy savings equating to **about 5% of the Council's current emissions**. Specifically the PSDS to date has funded:

- Installation of Low Energy Lighting at Blackburn Library, Eanam Wharf, Blackburn Market, Darwen Leisure Centre, Davyfield Depot and Blackburn Town Hall;
- Solar PV arrays at BTMC, the Enterprise Centre, Blackburn and Darwen Leisure Centres, Witton Arena, Blackburn Library, Blackburn Town Hall, Davyfield Depot (stores) and the Data Centre;
- 400kW Air source heat pump and heating system installation at BTMC;
- Fabric improvements including replacement windows / doors and roof installation, as well as new electric storage heaters at Eanam Wharf Business Centre;
- Upgrades to the Building Management Systems at all sites.

In addition to energy efficiencies, the Council's estate will be used to identify opportunities for carbon removal and reduction. For example, a Treescapes grant was secured for small-scale tree-planting in 2021/22, in partnership with Hyndburn, Pendle, Burnley and Rossendale Councils and the Ribble Rivers Trust.

This realised **3-4 hectares of new planting in the borough** and involved communities and schools in its creation. Future woodland planting activities will continue to be supported by the Council, as will pan-Lancashire bids for larger-scale tree planting initiatives across the region.

The Council is also developing the concept of *Area Based Insetting*, to direct business and developer investment towards local carbon reduction or sequestration schemes as an alternative to offsetting overseas. This work may reveal opportunities for Council land assets to be utilised. Environmental Opportunity Areas have also been identified in the recent *Climate Change and Natural Capital Study*, part of the evidence base for the emerging Local Plan and may provide further opportunities for the Council's land assets to be used for carbon reduction or sequestration schemes.

Behaviour change across the Council is also being promoted, to support more efficient energy use and in carrying out property reviews, energy efficiency will be one of the key criteria in assessing property performance.



## Section 5 – Governance & Audit



## 5.1 Governance

The delivery of the Council's asset management process fully embodies the good practice principles set out in the RICS guidance on Asset Management and the established **six good practice principles**:

1. Link between corporate and property objectives/priorities;
2. Full involvement of all key service areas;
3. Clear distinction between strategic and operational decision making;
4. Key drivers amongst officers and elected Members;
5. Clear reporting lines to a strong corporate centre; and
6. Integration of capital strategy and asset management plan.

All asset management decisions and land and property transactions are built into the overall business process through governance and controls described within the Council's Constitution, with clear lines of authority and approvals and a robust audit system.

## 5.2 Audit

The objective of audit is to ensure the Council's arrangements for the management and maintenance of its land and property assets are appropriately sufficient and suitably effective to ensure the assets are fit for purpose. Audit reviews are undertaken at regular intervals to ensure the following:

- Arrangements for the management and recording of the Council's assets, including; maintenance of these assets, is effective;
- Responsibilities for asset management are clearly communicated and understood by all relevant parties;
- Reliable, accessible and well-maintained data on the Council's property estate is available;
- Adequate procedures are in place for recording, monitoring, valuing and maintaining the condition and costs of the asset portfolio, which are properly supported and evidenced;
- There are adequate systems and processes to control and manage the scheduling and performance of statutory maintenance across the full asset portfolio; and
- Property performance data will be used to inform the property review process.

## 5.3 Monitoring Performance

To manage our assets effectively and efficiently we need to understand how they perform. The *Concerto* system is used to capture all key data and this will be further enhanced in its operational capabilities, improving its integration with other systems and better managing data to measure performance. Improving the capture of data will allow for accurate report inputs, monitoring of expenditure and improve the management of the asset base. The benefits of this approach include operational efficiencies, income maximisation and management of expenditure. The Council's Digital Transformation Team is leading on a project to enhance the use of *Concerto* across the Council's property services.

## 5.4 The Executive Board

This is the executive decision-making body within the Council responsible for the majority of key decisions made by the Council, with each Executive Board Member having specific portfolios of responsibility. The SAMP is the responsibility of Executive Member for Growth and Development, who acts as the Lead Member for land and property and overall responsibility for asset management and compliance.

The Executive Member for Finance and Governance also has a key role in overseeing the capital programme, with regular briefings through Growth Board meetings and Member Briefings. In accordance with the Council's Constitution, these members are responsible for making decisions with respect to matters such as acquisitions, disposals and the appropriate use and management of assets to deliver the Council's priorities.

This is with the exception of minor decisions which are delegated to the Strategic Director of Growth and Development and the Deputy Director, Legal and Governance. Details of delegations are set out within the Council's Constitution.<sup>13</sup>

## 5.5 Asset Management Group

The Council's Asset Management Group (AMG) meets on quarterly basis. The group acts as a strategic steering group to ensure the Council reviews all of its land and property holdings, to support the aims and objectives set down in the Corporate Plan and afford the most appropriate means of providing efficient and effective services to the people of Blackburn with Darwen. Given the strategic nature of the AMG's brief, the group is chaired by the Strategic Director for Growth & Development who reports regularly to the Executive Member for Growth & Development.

The AMG will continue to react to changes in legislation and other external influences on asset management in particular the health of the national economy. This will include the need to strengthen the role and influence of the AMG in such key areas as energy consumption and improving procedures to control emissions.

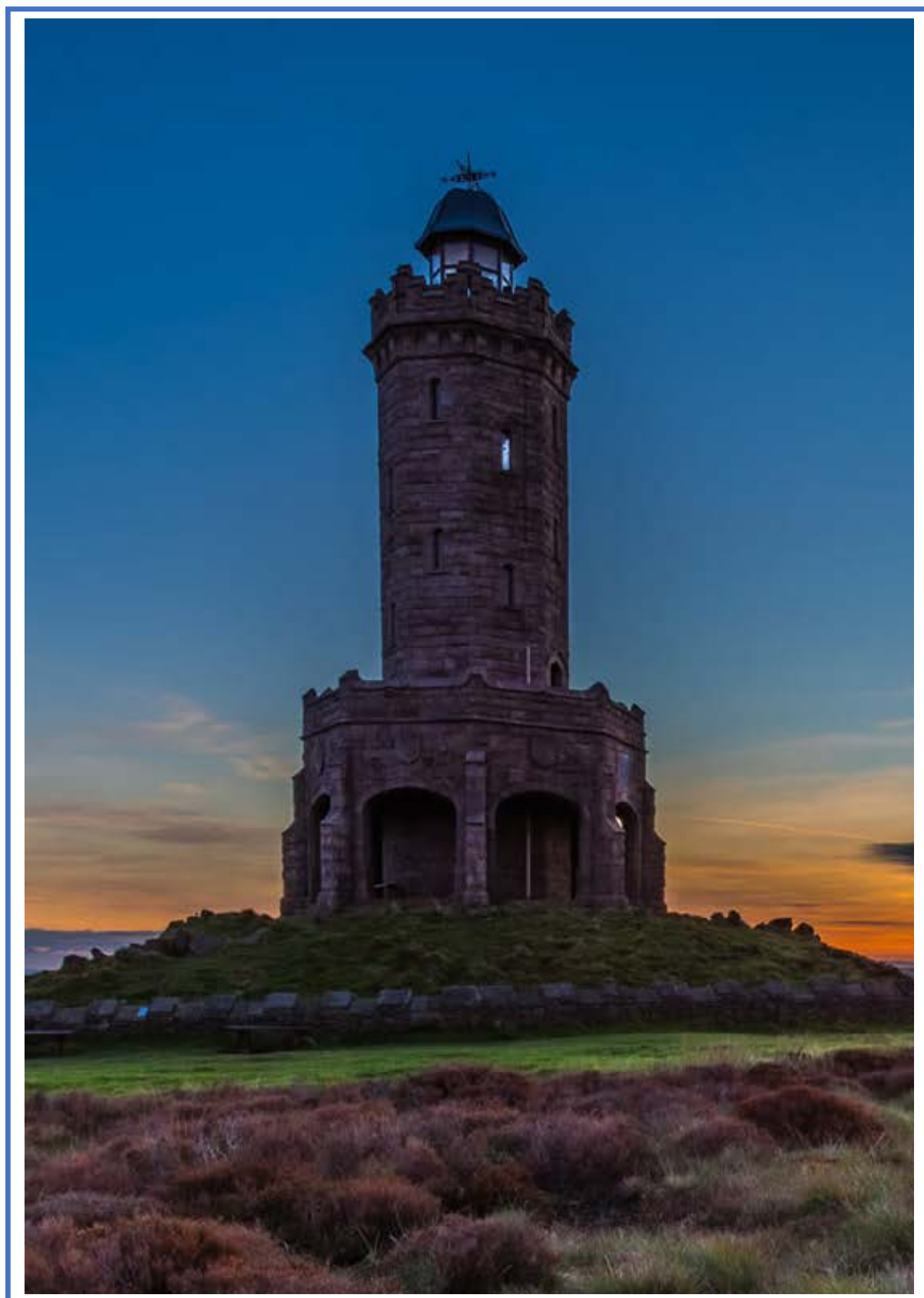
The AMG's detailed Terms of Reference are attached in **Appendix G**.

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<sup>13</sup><https://democracy.blackburn.gov.uk/documents/s17882/ConstitutionmarkedamendsJuly2022003003.docx.pdf>



## Section 6 – SAMP KPIs & Action Plans



## 6.1 SAMP - Key Performance Indicators

Eight Key Performance Indicators, listed below, will be used to manage asset performance and help enable a comparison of performance over time and to set future targets and benchmarks, and included in the Growth & Development Department Business Plan.

**Table of Property Key Performance Indicators:**

SAMP KPI	Strategic / Corporate Objectives	Purpose of KPI	Reporting Governance	Reporting Frequency
<b>1</b> Growth in investment income as % pa	MTFP	Informs Investment Estate performance and future acquisition/asset growth strategy	- Exec Member - CLT - Finance Council	Yearly Yearly Yearly
<b>2</b> Voids as % of units and rent	MTFP	Informs Investment Estate performance and forms marketing and re-letting strategies	- Exec Member	Quarterly
<b>3</b> Debt as % of Forecast annual income	MTFP	Informs Investment Estate performance and debt management performance	- Exec Member	Quarterly
<b>4</b> Property premises costs per occupancy / per square metre	MTFP CEAP	Inform decisions on retention, disposal or need for investment	- Exec Member - AMG - CLT - Finance Council	Yearly Yearly Yearly Yearly
<b>5</b> Ratio of planned works and reactive works	MTFP Property Condition	Informs on property condition Reduce need for repeat/expensive responsive maintenance works	- Exec Member - AMG - CLT - Finance Council	Yearly Yearly Yearly Yearly
<b>6</b> Stat compliance tests and inspections: % programme/ target completed	Health & Safety	Statutory Compliance checks to ensure properties are safe to use	- Exec Member - AMG - CLT - Finance Council	Quarterly Bi-Yearly Bi-Yearly Yearly
<b>7</b> Energy costs and consumption per occupancy and sq. metre	MTFP CEAP	Reduce Carbon Emissions Energy Efficiency Reduce Waste Reduce Energy Cost	- Exec Member - AMG - CLT - Finance Council	Bi-Yearly Bi-Yearly Bi-Yearly Yearly
<b>8</b> CO <sub>2</sub> emissions per sq. m	CEAP	Reduce Carbon Emissions Energy Efficiency Reduce Waste Reduce Energy Cost	- Exec Member - AMG - CLT - Finance Council	Bi-Yearly Bi-Yearly Bi-Yearly Yearly

### KEY

- Exec Member* – refers to the bi-monthly meetings between the Executive Member for Growth & Development and the Strategic Director for Growth & Development.
- AMG* – refers to the quarterly Asset Management Group meeting
- CLT* – refers to Corporate Leadership Team meeting chaired by the Chief Executive
- Finance Council* – refer to the annual Council Committee Meeting to set the following year's budget

## 6.2 SAMP – Key Action Plans

Each one of the five strategic objectives, as identified in Section 4, is supported by a set of more detailed delivery plans, programmes or activities as described below with an indicative timescales identified.

Strategic Objective	Action	Short Term (1-2 years)	Medium Term (3-5years)
1	To efficiently manage our assets as a corporate resource for the benefit of the people of Blackburn with Darwen.	1. Maintain and update Key Performance Indicators for property performance (see section 6.1) reporting performance through an annual SAMP update published at Finance Council.	✓
		2. Implement new valuation software to improve efficiency of the property service in addition to providing improved consistency for financial accounting and auditing purposes.	✓
		3. Complete a data cleanse of the <i>Concerto</i> property data, improve data transfer of the system with <i>Civica</i> and other systems (ie valuation software) and reconfigure property budgets with service users to remove duplication and inconsistencies.	✓
2	To provide the right accommodation to meet existing and future service needs for Blackburn with Darwen Borough Council.	1. Complete Asset Review to identify priority assets for investment/rationalisation and divestment opportunities for three year programme commencing 2023/24 with focus on top 50 key buildings from the operational estate in additional to reviews on the investment estate, business centres and car parks.	✓
		2. Ensure properties are safe and compliant and provide regular updates to AMG on statutory compliance.	✓
		3. Work with community organisations to optimise asset use, take forward community asset transfers, prioritising allotments as a phase one opportunity.	✓
3	To effectively manage and maintain our assets and to maximise positive outcomes from all disposals.	1. Prioritise a programme of condition surveys to update our property records and promote a programme of asset investment schemes to reduce backlog maintenance to rebalance the split between reactive and planned maintenance.	✓

Strategic Objective		Action	Short Term (1-2 years)	Medium Term (3-5years)
4	To utilise our assets to stimulate growth and development, together with supporting local business needs and promoting new investment.	2. Maximise financial returns - maintain and update Investment Estate quarterly monitoring dashboard to manage tenant voids, lease renewals, rent reviews and reduce outstanding debt.	✓	
		3. Reduce energy consumption and identify opportunities for decarbonisation and update AMG and CEAP steering group with investment cases.		✓
		1. Continue to identify future growth opportunities and prepare annual growth programme of development sites for Executive Board approval.		✓
		2. Use our assets to support the viability of our town centres with focus on properties being tenanted to achieve economic activity for the town, rather than maximising income, with regular updates presented to Exec Member briefing for Growth & Development.		✓
5	To promote joint working where it will provide benefits for service delivery and increased efficiencies.	3. Ensure all tenanted properties are compliant in accordance with the Minimum Energy Efficiency Standards (MEES) and assess the upgrade requirements necessary to achieve a rating of C by 2025. Report performance at Exec Member briefing for Growth & Development.	✓	
		1. Collaborate with other public sector organisations through One Public Estate to assess opportunities for co-location and better sharing of space and facilities, to utilise assets more efficiently - report performance at Asset Management Group.	✓	
		2. Complete office accommodation strategy and implement Blackburn Town Hall Phase 3 refurbishment works.		✓
		3. Challenge the current use of operational assets through regular asset reviews and work with departmental SLT's to better understand existing and future service needs.		✓

## **APPENDIX A - GROWTH PROGRAMME 2022/2023**

# Blackburn with Darwen Borough Council

## Growth Programme

### 2022/2023

Council Sites (Feasibility & Procurement Stages)	Council Sites (Planning & Delivery Stages)
<ul style="list-style-type: none"> <li>▪ <b>Housing Sites</b> <ul style="list-style-type: none"> <li>○ Griffin (Phase 2 ), Blackburn</li> <li>○ Holden Fold, Darwen</li> <li>○ Queens Park Road, Blackburn</li> <li>○ Borrowdale Drive, Blackburn</li> <li>○ Clarendon Road, Blackburn</li> <li>○ Land at Branch Road, Mellor Brook</li> <li>○ Local Housing Company</li> </ul> </li> <li>▪ <b>Employment / Commercial Sites</b> <ul style="list-style-type: none"> <li>○ Carl Fogarty Way – Development Plot 3</li> <li>○ St Johns Church – Redevelopment Proposals</li> <li>○ Fleece Pub – Refurbishment Proposals</li> <li>○ Medi Park Development Site, South East Blackburn</li> <li>○ Wainwright Way – Development Plot 3</li> <li>○ Bridge House, Blackburn Town Centre</li> <li>○ Blakey Moor Building, (Barnfield Blackburn Ltd)</li> </ul> </li> <li>▪ <b>Strategic Sites</b> <ul style="list-style-type: none"> <li>○ Former Thwaites and Markets Sites (Maple Grove Blackburn Ltd)</li> <li>○ Issa Way Development Site, South East Blackburn</li> <li>○ North East Blackburn Strategic Housing Site</li> <li>○ Blackburn Town Centre – Tower Block Proposals</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>▪ <b>Housing Sites</b> <ul style="list-style-type: none"> <li>○ Ellison Fold Way, Darwen (McDermott Homes)</li> <li>○ Lomond Gardens, Feniscowles (McDermott Homes)</li> <li>○ Griffin (Phase 1), Blackburn (Seddon and Great Places)</li> <li>○ Fishmoor Drive, Blackburn (Together Housing / Countryside Homes)</li> <li>○ Salisbury Road, Darwen (Hearle Homes)</li> <li>○ Tower View, Darwen (Hearle Homes)</li> <li>○ Roe Lee, Blackburn (Persimmon)</li> <li>○ Former Laneside Care Home, Shorrock Lane (Great Places)</li> <li>○ Haslingden Road, South East Blackburn (Keepmoat)</li> <li>○ Whalley Old Road, Blackburn</li> </ul> </li> <li>▪ <b>Employment / Commercial Sites</b> <ul style="list-style-type: none"> <li>○ Dock Street (Barnfield Construction)</li> <li>○ Blakey Moor Terrace, Blackburn Town Centre (Forrest Construction)</li> <li>○ Carl Fogarty Way – Development Plot 1 (Rocstar), 4 (Inceptum) and 6 (Rocstar)</li> <li>○ Wainwright Way – Development Plot 1 (Wainwright Estates NW Ltd)</li> <li>○ Griffin Lodge (Phase 1) &amp; Coach House (Phase 2) – Health Centre Redevelopment Proposals</li> <li>○ Whitebirk Development Site - Phase 2 (Pets Choice)</li> </ul> </li> <li>▪ <b>Strategic Sites</b> <ul style="list-style-type: none"> <li>○ Millbank Business Park (Barnfield Blackburn Ltd)</li> <li>○ Chapels South, Darwen (Barnfield Blackburn Ltd)</li> </ul> </li> </ul>

## **APPENDIX B – GROWTH PROGRAMME PERFORMANCE KPI'S**

Blackburn with Darwen Borough Council  
Growth Programme - Performance KPI's

		Baseline		Year 1	Year 2	Year 3	Year 4	Year 5	5 Year Performance Summary
Performance Measure		2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
1	Net Housing Completions	94	125	279	485	301	484	442	1991 Net Housing Completions
2	New Housing Completions	76	102	231	377	282	417	392	1699 New Housing Completions
3	Change of Use / Conversions	18	23	68	108	19	67	50	312 Change of Use / Conversions
4	Affordable Housing Completions	31	17	127	169	25	141	94	556 Affordable Housing Completions
5	% Affordable Housing	33%	14%	46%	35%	8%	29%	21%	28% Affordable Housing
6	New Housing Completions on Brownfield land	71	74	214	254	104	210	173	955 New Housing Completions on Brownfield land
7	% New Housing on Brownfield Land	93%	73%	93%	67%	37%	50%	44%	56% New Housing on Brownfield Land
8	Housing Completons on Brownfield Land	89	97	262	362	123	277	223	1247 Housing Completons on Brownfield Land
9	% Net Housing Completions on Brownfield Land	95%	78%	94%	75%	41%	57%	50%	63% Net Housing Completions on Brownfield Land
10	Total Dwellings in Borough	60,568	60,605	60,785	61,180	61,460	61,784	62,309	1,524 additional dwellings
11	Total Empty Properties	2404	2352	2298	2491	2232	2135	2036	262 reduction in empty properties
12	Empty Properties brought back into use	-	-	148	271	559	531	678	2187 Empty Properties brought back into use
13	% Empty Properties of Total Dwellings	4.0%	3.9%	3.8%	4.1%	3.6%	3.5%	3.3%	0.5% reduction in % empty properties of total dwellings
14	Long Term Empty Properties	-	-	-	1179	1254	1165	1028	151 reduction in long term empty properties
15	New Business Space Created (m2)	6,444	7,550	20,768	24,299	19,589	27,530	13,833	106,019 New Business Space Created (m2)
16	Planning Applications (Total)	645	656	622	642	655	557	746	124 Increase in yearly planning applications (Total)
17	Planning Applications (Major)	19	28	31	33	62	23	40	9 Increase in yearly planning applications (Major)
18	Planning ranking position out of 338 LPAs (note 332 from 2021/22)	234	23	29	42	106	112	87	87 Planning ranking position
19	Planning ranking % out of 338 LPAs (note 332 from 2021/22)	69%	6%	8%	12%	31%	33%	26%	26% Planning ranking %
20	Planning Applications (Non-Major)	626	628	591	609	593	534	706	115 Increase in yearly planning applications (Non-Major)
21	Planning ranking position out of 338 LPAs (note 332 from 2021/22)	335	202	21	55	143	123	52	52 Planning ranking position
22	Planning ranking % out of 338 LPAs (note 332 from 2021/22)	99%	60%	6%	16%	42%	36%	15%	15% Planning ranking %



## **APPENDIX C – CONCERTO PROPERTY CODES**

## CONCERTO PROPERTY CODES

CODE	DESCRIPTION
01a	Market
01b	Blackburn Shopping Centre
01c	Sundry Shop
01d	Council Estate Shop
01e	Market Perimeter Shop
02a	Industrial Estate
02b	Sundry Industrial Property
02c	Sundry Commercial Property
03a	Agricultural Tenancy
03b	Grazing Licence
04a	Sundry Residential Property
05a	Industrial Development Site
05b	Commercial Development Site
05c	Residential Development Site
06a	Open Space / Amenity Land
06b	Vacant Land
07a	Domestic Garage Site
07b	Garden Tenancy
07c	Miscellaneous Land Agreements
07d	Residential Ground Rent
07e	Allotments
07f	Miscellaneous Agreements
08a	Industrial Freehold Reversion
08b	Commercial Freehold Reversion
08c	Residential Freehold Reversion
08d	Education Freehold Reversion
09a	Community Centre
09b	Sports Centre
09c	Museum / Public Hall
09d	Public Park
09e	Outdoor Sport Amenity
09f	Cemetery / Crematoria
09g	General Community Use
09h	Libraries
10a	Area Housing Office
10b	Council Housing Estate
10c	Hostel
10d	Council Garage Site
10e	Sundry Council Dwelling
10f	Itinerant Sites
11a	Training Centre
11b	Business Centre
11c	Access Points
12a	Formal Car Park
12b	Informal Car Park
12c	Landscape / Amenity Land
12d	Public Convenience
12e	Infrastructure
12f	Sundry Property
12g	Highways
13a	Depot / Store
13b	Sundry Property
14a	Town Hall
14b	Miscellaneous Property
15a	Schools
15b	Playing Fields
15c	Miscellaneous Education
16a	Social Services
17a	Maintenance Only
40	Sold
90	Private Agreements

## **APPENDIX D – SAMP ASSET LIST**

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
1	BLD053124	AUC100000068	Fmr Blackamoor Inn	Growth	Assets Under Construction
2	BLD126009	AUC100000090	Fmr Fleece Inn	Growth	Assets Under Construction
3	BLD023127	AUC100000094	St Johns Church Refurbishment	Growth	Assets Under Construction
4	BLD153025	BLD100000001	Witton Park City Learning Centre	Childrens	Miscellaneous Education
5	BLD154003	BLD100000002	Chapels Childrens Centre	Childrens	Childrens Centres
6	BLD023221	BLD100000002	Bridge House former Registrars Office	Growth	Surplus Assets
7	BLD900070	BLD100000003	Livesey Child & All Age Centre	Childrens	Childrens Centres
8	BLD152013	BLD100000004	Holy Trinity C of E	Schools	Schools
9	BLD152023	BLD100000005	St Bedes RC High School	Schools	Schools
10	BLD099004	BLD100000006	Kaleidoscope Youth Club	Childrens	Youth Club
11	BLD153006	BLD100000007	Reservoir Cottage	Childrens	Miscellaneous Education
12	BLD153007	BLD100000008	Manxman TRU (Training Resource Centre)	Growth	Surplus Assets
13	BLD153013	BLD100000009	Cherry Tree Lane Childrens Home	Childrens	Miscellaneous Education
14	BLD023165	BLD100000011	Griffin Park Football Ground	Growth	Sundry Commercial
15	BLD153027	BLD100000015	The Limes - Fostering Partnership	Childrens	Miscellaneous Education
16	BLD161046	BLD100000016	Darwen Resource Centre	Adults	Adult Care
17	BLD161012	BLD100000017	Fmr Longshaw HOP	Growth	Residential Development Si
18	BLD131009	BLD100000019	Davyfield Rd - Vehicle Service Station	Environment	Depot Store
19	BLD094005	BLD100000021	Highfield Park Bowling Green	Environment	Public Park
20	BLD094013	BLD100000022	Corporation Park West Park Lodge	Environment	Public Park
21	BLD094014	BLD100000023	Corporation Park - Main Lodge	Environment	Public Park
22	BLD095005	BLD100000024	Roman Road Recreation Centre	Environment	Outdoor Sports Amenity
23	BLD095013	BLD100000025	Ryecroft Lane Playing Field	Environment	Outdoor Sports Amenity
24	BLD131002	BLD100000026	Blacksnape Playing Fields Garage	Environment	Depot Store
25	BLD131014	BLD100000027	Bold Venture Operations Depot	Environment	Depot Store
26	BLD131021	BLD100000028	Deport (Adj West Park Lodge, Corporation)	Environment	Depot Store
27	BLD106001	BLD100000029	Traveller Caravan Facility	Environment	Itinerant Site
28	BLD091006	BLD100000030	Bank Top Community Centre	Adults	Community Centres
29	BLD131011	BLD100000031	Sunnyhurst Wood Cottage	Environment	Depot Store
30	BLD024015	BLD100000033	Charles Street Units 1 2 & 3	Growth	Industrial
31	BLD900005	BLD100000035	Eanam Wharf Business Centre	Environment	Business Centre
32	BLD131022	BLD100000036	Joinery Workshop	Environment	Depot Store
33	BLD094033	BLD100000037	Witton Park Pavilion	Environment	Public Park
34	BLD013001	BLD100000039	19 Blakey Moor	Growth	Sundry Shops
35	BLD013003	BLD100000040	21 23 & 25 Blakey Moor	Growth	Sundry Shops
36	BLD013004	BLD100000041	27 Blakey Moor	Growth	Sundry Shops
37	BLD013014	BLD100000043	63 King William Street	Growth	Sundry Shops
38	BLD013015	BLD100000044	65 King William Street	Growth	Sundry Shops
39	BLD013016	BLD100000045	14/16 Lord Street West	Growth	Sundry Shops
40	BLD013017	BLD100000046	20 Lord Street West	Growth	Sundry Shops
41	BLD013018	BLD100000047	49 Market Street	Growth	Sundry Shops
42	BLD013019	BLD100000048	50 Market Street	Growth	Sundry Shops
43	BLD013020	BLD100000049	51 Market Street	Growth	Sundry Shops
44	BLD013021	BLD100000050	11-15 New Market Street 1st & 2nd floors	Growth	Sundry Shops
45	BLD013022	BLD100000051	13-15 New Market Street (ground floor)	Growth	Sundry Shops
46	BLD013024	BLD100000052	29 Northgate	Growth	Sundry Shops
47	BLD013025	BLD100000053	48 Northgate	Growth	Sundry Shops
48	BLD013026	BLD100000054	50 Northgate	Growth	Sundry Shops
49	BLD013029	BLD100000056	9 Railway Road	Growth	Sundry Shops
50	BLD013030	BLD100000057	11/13 Railway Road	Growth	Sundry Shops
51	BLD013031	BLD100000058	11A Railway Road	Growth	Sundry Shops
52	BLD013040	BLD100000059	9/9A Town Hall Street	Growth	Sundry Shops
53	BLD013041	BLD100000060	11 Town Hall Street	Growth	Sundry Shops
54	BLD013042	BLD100000061	13 Town Hall Street	Growth	Sundry Shops
55	BLD013043	BLD100000062	15 Town Hall Street	Growth	Sundry Shops
56	BLD013044	BLD100000063	11 Union Street	Growth	Sundry Shops
57	BLD013045	BLD100000064	12 Union Street	Growth	Sundry Shops
58	BLD013046	BLD100000065	13/14 Union Street	Growth	Sundry Shops
59	BLD013049	BLD100000066	17 New Market Street	Growth	Sundry Shops
60	BLD013050	BLD100000067	Unit 1 Pavillions Church Street	Growth	Sundry Shops
61	BLD013051	BLD100000068	Unit 2 Pavillions Church Street	Growth	Sundry Shops
62	BLD013052	BLD100000069	Unit 3 Pavillions Church Street	Growth	Sundry Shops

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
63	BLD013053	BLD100000070	15A Town Hall Street	Growth	Sundry Shops
64	BLD023069	BLD100000071	Age Concern Offices	Growth	Sundry Commercial
65	BLD023076	BLD100000072	13 - 18 Market St Darwen	Growth	Sundry Commercial
66	BLD023122	BLD100000074	Sunnyhurst Park (The Kiosk)	Growth	Sundry Commercial
67	BLD023127	BLD100000075	St Johns Church Victoria St	Growth	Sundry Commercial
68	BLD023202	BLD100000076	50-54 Church Street	Growth	Sundry Commercial
69	BLD023216	BLD100000077	Exchange St Former Lewis Textile Museum	Growth	Sundry Commercial
70	BLD091003	BLD100000079	Green Lane Community Centre	Adults	Community Centres
71	BLD091004	BLD100000080	Ivy Street Community Centre	Adults	Community Centres
72	BLD091008	BLD100000081	Darwen Valley Community Centre	Adults	Community Centres
73	BLD091009	BLD100000082	Little Harwood Community Centre	Adults	Community Centres
74	BLD091010	BLD100000083	Daisyfield Base	Childrens	Youth Club
75	BLD094015	BLD100000084	Witton Visitors Centre	Environment	Public Park
76	BLD094017	BLD100000085	Griffin Lodge - Cavandish Place	Environment	Public Park
77	BLD095002	BLD100000086	Burnley Road (Fmr Bowling Green)	Growth	Commercial Development S
78	BLD095003	BLD100000087	All Weather Pitch Dickinson Street	Environment	Outdoor Sports Amenity
79	BLD095027	BLD100000088	Roman Road Community Centre	Adults	Community Centres
80	BLD099001	BLD100000089	Mill Hill Community Centre	Adults	Community Centres
81	BLD099002	BLD100000090	Bangor Street Community Centre	Adults	Community Centres
82	BLD099003	BLD100000091	Darwen Youth Club	Childrens	Youth Club
83	BLD099005	BLD100000092	Accrington Road Community Centre	Adults	Community Centres
84	BLD112004	BLD100000093	Blackburn Technology Management Centre	Environment	Business Centre
85	BLD112005	BLD100000094	Blackburn Enterprise Centre	Environment	Business Centre
86	BLD121039	BLD100000095	Feilden Street Multi-Storey Carpark	Environment	Formal Car Park
87	BLD131001	BLD100000096	Blackburn Cemetery Depot	Environment	Depot Store
88	BLD131008	BLD100000097	Davyfield Rd - Stores/Canteen/Offices	Environment	Depot Store
89	BLD131010	BLD100000098	Davyfield Rd - Office Block	Environment	Depot Store
90	BLD131017	BLD100000099	Whitehall Park Depot	Environment	Depot Store
91	BLD131019	BLD100000100	Witton Plant Nursery	Environment	Depot Store
92	BLD141001	BLD100000101	Darwen Town Hall	Corporate	Town Hall
93	BLD141003	BLD100000102	Tower Block	Corporate	Town Hall
94	BLD153019	BLD100000103	The Gatehouse (Whalley New Rd Res Hom	Childrens	Miscellaneous Education
95	BLD161006	BLD100000104	Midway Suport Services	Adults	Adult Care
96	BLD021159	BLD100000105	Throstle St (Unit 2)	Growth	Industrial
97	BLD023015	BLD100000106	Unit 1 Belgrave Square Darwen	Growth	Sundry Commercial
98	BLD023131	BLD100000108	Corporation Park Play Group	Growth	Sundry Commercial
99	BLD023218	BLD100000110	Intack Bus Depot	Growth	Sundry Commercial
100	BLD023223	BLD100000111	Bentley's	Growth	Sundry Commercial
101	BLD023227	BLD100000112	Baroque	Growth	Sundry Commercial
102	BLD024002	BLD100000114	Centurion Court Units	Growth	Industrial
103	BLD024003	BLD100000115	Hamilton St Units	Growth	Industrial
104	BLD024004	BLD100000116	Furthergate/Harwood St Units	Growth	Industrial
105	BLD024005	BLD100000117	Hutton St Units	Growth	Industrial
106	BLD024006	BLD100000118	Mill Lane Units	Growth	Industrial
107	BLD024008	BLD100000119	Red Rose Court Industrial Units	Growth	Industrial
108	BLD024009	BLD100000120	Walker St Industrial Units	Growth	Industrial
109	BLD024010	BLD100000121	Watford Street Units	Growth	Industrial
110	BLD024011	BLD100000122	Whalley Banks Units	Growth	Industrial
111	BLD141002	BLD100000124	Blackburn Town Hall	Corporate	Town Hall
112	BLD141007	BLD100000125	10 Duke Street	Corporate	Town Hall
113	BLD011006	BLD100000126	Darwen Market Hall	Environment	Market
114	BLD023007	BLD100000128	Darwen FC Football Ground	Growth	Sundry Commercial
115	BLD023089	BLD100000129	Parkinson St (Station Garage)	Growth	Sundry Commercial
116	BLD023193	BLD100000130	Unit 2 Belgrave Square Darwen	Growth	Sundry Commercial
117	BLD154006	BLD100000131	Shadsworth Childrens Centre	Childrens	Childrens Centres
118	BLD093005	BLD100000132	Turton Tower	Environment	Museum Public Halls
119	BLD023002	BLD100000134	Ainsworth St (Broseley House)	Growth	Sundry Commercial
120	BLD031010	BLD100000135	Under Billinge Farmhouse	Growth	Sundry Commercial
121	BLD093005	BLD100000136	Turton Tower Gatehouse	Environment	Museum Public Halls
122	BLD151006	BLD200000001	Former Blakewater College	Schools	Schools
123	BLD151009	BLD200000002	Seven Trees Childrens Centre	Childrens	Childrens Centres
124	BLD154002	BLD200000003	Audley Childrens Centre	Childrens	Childrens Centres

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
125	BLD154008	BLD200000004	Mill Hill Childrens Centre	Childrens	Childrens Centres
126	BLD154012	BLD200000005	Hancock Street Childrens Centre	Childrens	Childrens Centres
127	BLD154013	BLD200000006	Highercroft Children's Centre	Childrens	Childrens Centres
128	BLD154014	BLD200000007	St James' CoE Nursery (Fmr John Smethurst)	Childrens	Childrens Centres
129	BLD095017	BLD200000008	All Weather Sports Pitch Withers Street	Environment	Outdoor Sports Amenity
130	BLD151007	BLD200000009	Brunel Nursery	Schools	Schools
131	BLD151011	BLD200000010	Ashworth Nursery School	Schools	Schools
132	BLD151021	BLD200000011	Meadowhead Infants School	Schools	Schools
133	BLD151024	BLD200000012	Roe Lee Park School	Schools	Schools
134	BLD151026	BLD200000013	Daisyfield School	Schools	Schools
135	BLD151030	BLD200000014	Griffin Park School	Schools	Schools
136	BLD151039	BLD200000015	Avondale School	Schools	Schools
137	BLD151042	BLD200000016	St Thomas Centre Lower School	Schools	Schools
138	BLD151043	BLD200000017	Belmont County Primary School	Schools	Schools
139	BLD151044	BLD200000018	Feniscowles Primary School	Schools	Schools
140	BLD151045	BLD200000019	Intack School	Schools	Schools
141	BLD151048	BLD200000020	Lower Darwen School	Schools	Schools
142	BLD151049	BLD200000021	Shadsworth School	Schools	Schools
143	BLD151068	BLD200000022	Meadowhead School	Schools	Schools
144	BLD151071	BLD200000023	Newfield School	Schools	Schools
145	BLD151073	BLD200000024	Longshaw Nursery	Schools	Schools
146	BLD151074	BLD200000025	Turncroft Nursery	Schools	Schools
147	BLD152010	BLD200000026	St Michael & St John CoE	Schools	Schools
148	BLD153029	BLD200000027	Apple Trees Respite Centre	Childrens	Miscellaneous Education
149	BLD153004	BLD200000028	St Thomas - Pupil Referral Unit	Schools	Schools
150	BLD161047	BLD200000029	St Aidans Respite Care Centre	Adults	Adult Care
151	BLD061240	BLD200000030	North Road Ball Court	Environment	Open Space Amenity Land
152	BLD095001	BLD200000031	Blacksnape Playing Fields (Pavilion)	Environment	Outdoor Sports Amenity
153	BLD095009	BLD200000032	Hollin Bridge Street Recreation Ground	Environment	Outdoor Sports Amenity
154	BLD095012	BLD200000033	Olive Lane Recreational Ground	Environment	Outdoor Sports Amenity
155	BLD096004	BLD200000034	Pleasington Cemetery & Crematorium	Environment	Cemetery Crematoria
156	BLD096004B	BLD200000035	Mess Room	Environment	Cemetery Crematoria
157	BLD096004C	BLD200000036	Former Dwelling House Store	Environment	Cemetery Crematoria
158	BLD096004D	BLD200000037	Chapel of Remembrance	Environment	Cemetery Crematoria
159	BLD096004E	BLD200000038	Muslim Prayer Shelter	Environment	Cemetery Crematoria
160	BLD098002	BLD200000039	Cherry Tree Library	Environment	Libraries
161	BLD092004	BLD200000041	Darwen Leisure Centre	Environment	Sports Centre
162	BLD095026	BLD200000042	Witton Sports Facilities	Environment	Outdoor Sports Amenity
163	BLD131007	BLD200000043	The Data Centre	Corporate	Depot Store
164	BLD154009	BLD200000044	Earcroft Children's Centre	Childrens	Childrens Centres
165	BLD154010	BLD200000045	Wensley Fold Childrens Centre	Childrens	Childrens Centres
166	BLD151076	BLD200000048	Ashleigh Primary School	Schools	Schools
167	BLD900077	BLD200000049	Blackburn Sports & Leisure Centre	Environment	Sports Centre
168	BLD092001	BLD200000050	Daisyfield Swimming Pool	Environment	Sports Centre
169	BLD092006	BLD200000051	Shadsworth Leisure Centre	Environment	Surplus Assets
170	BLD092007	BLD200000052	Junction 4 Skate Park (Former BRSA)	Environment	Sports Centre
171	BLD093002	BLD200000053	Blackburn Museum	Environment	Museum Public Halls
172	BLD093003	BLD200000054	King Georges Hall	Environment	Museum Public Halls
173	BLD095004	BLD200000055	Everton street Bowling Green	Environment	Outdoor Sports Amenity
174	BLD095015	BLD200000056	Pleasington Playing Fields	Environment	Outdoor Sports Amenity
175	BLD095018	BLD200000057	Delph Lane Ball Court	Environment	Outdoor Sports Amenity
176	BLD095021	BLD200000058	Fmr Burnley Road Playground	Growth	Commercial Development S
177	BLD095024	BLD200000059	Delph Lane Play Area	Environment	Outdoor Sports Amenity
178	BLD098001	BLD200000060	Darwen Library	Environment	Libraries
179	BLD098004	BLD200000061	Roman Road Library	Environment	Libraries
180	BLD098006	BLD200000062	Blackburn Library	Environment	Libraries
181	BLD131023	BLD200000063	Winter Salt Barn	Environment	Depot Store
182	BLD151017	BLD200000064	Cedars Primary School	Schools	Schools
183	BLD151020	BLD200000065	Longshaw Infant School	Schools	Schools
184	BLD151022	BLD200000066	Brookhouse School	Schools	Schools
185	BLD151025	BLD200000067	Audley Junior School	Schools	Schools
186	BLD151033	BLD200000068	Lammack Junior School	Schools	Schools

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
187	BLD151035	BLD200000069	Shadsworth Infant School	Schools	Schools
188	BLD151067	BLD200000070	Longshaw Junior School	Schools	Schools
189	BLD152031	BLD200000071	Witton Park High School	Schools	Schools
190	BLD153015	BLD200000072	Seven Trees Family Centre	Childrens	Miscellaneous Education
191	BLD153030	BLD200000073	Sunnyhurst Centre	Schools	Schools
192	BLD154005	BLD200000074	Pringle Street Children's Centre	Childrens	Childrens Centres
193	BLD154007	BLD200000075	Darwen Children's Centre	Childrens	Childrens Centres
194	BLD154011	BLD200000076	Little Harwood Childrens Centre	Childrens	Childrens Centres
195	BLD161011	BLD200000077	Stansfeld Centre	Growth	Surplus Assets
196	BLD161032	BLD200000078	Hopwood Court Day Centre	Adults	Adult Care
197	BLD127080	BLD200000079	Bus Station Ainsworth Street	Environment	Highways
198	BLD151055	BLD200000082	School of Autism at Newfield	Schools	Schools
199	BLD152008	BLD200000083	St Barnabas & St Pauls	Schools	Schools
200	BLD095031	BLD200000084	Witton 3G Pitches	Environment	Outdoor Sports Amenity
201	BLD023240	BLD200000085	Reel Cinema	Growth	Sundry Commercial
202	BLD121046	BLD200000086	Undercroft Car Park	Environment	Formal Car Park
203	BLD023221	BND200000002	Fmr Bridge House Registrars	Growth	Commercial Development S
204	COM500001	COM100000001	Corporation Park	Environment	Community Assets
205	COM500002	COM100000002	Queens Park	Environment	Community Assets
206	COM500003	COM100000003	Roe Lee Park	Environment	Community Assets
207	COM500004	COM100000004	Bold Venture Park	Environment	Community Assets
208	COM500005	COM100000005	Whitehall Park	Environment	Community Assets
209	COM500006	COM100000006	Ashton Park	Environment	Community Assets
210	COM500011	COM100000013	Witton Country Park	Environment	Community Assets
211	COM500012	COM100000014	Sunnyhurst Woods	Environment	Community Assets
212	COM094007	COM100000015	Conservatory - Corporation Park	Environment	Community Assets
213	COM500001	COM100000016	Conservatory land - Corporation Park	Environment	Community Assets
214	LND023207	LND100000001	Wainwright Way Plots (Fmr Byrom Builders	Growth	Commercial Development S
215	LND031007	LND100000004	Land at Issa Way (Fmr Higher House Farm	Growth	Commercial Development S
216	LND052049	LND100000006	1-7 Duke Street former Velvet Lounge	Environment	Formal Car Park
217	LND151005	LND100000012	Former Darwen Moorland High School	Growth	Residential Development Si
218	LND161021	LND100000013	Fmr Blakewater Lodge	Growth	Surplus Assets
219	LND153025	LND100000018	Witton Park City Learning Centre	Childrens	Miscellaneous Education
220	LND154003	LND100000019	Chapels Childrens Centre	Childrens	Childrens Centres
221	LND900070	LND100000020	Livesey Child & All Age Centre	Childrens	Childrens Centres
222	LND152013	LND100000022	Holy Trinity C of E	Schools	Schools
223	LND152023	LND100000023	St Bedes RC High School	Schools	Schools
224	LND099004	LND100000024	Kaleidoscope Youth Club	Childrens	Youth Club
225	LND153006	LND100000025	Reservoir Cottage	Childrens	Miscellaneous Education
226	LND153007	LND100000026	Manxman TRU (Training Resource Centre)	Growth	Surplus Assets
227	LND153013	LND100000027	Cherry Tree Lane Childrens Home	Childrens	Miscellaneous Education
228	LND023165	LND100000029	Griffin Park (Football Ground) Standliff	Growth	Sundry Commercial
229	LND153027	LND100000033	The Limes - Fostering Partnership	Childrens	Miscellaneous Education
230	LND161046	LND100000034	Darwen Resource Centre	Adults	Adult Care
231	LND161012	LND100000035	Fmr Longshaw HOP	Growth	Residential Development Si
232	LND131009	LND100000037	Davyfield Rd - Vehicle Compound	Environment	Depot Store
233	LND094005	LND100000039	Highfield Park Bowling Green	Environment	Public Park
234	LND094013	LND100000040	Corporation Park West Park Lodge & Bldng	Environment	Public Park
235	LND094014	LND100000041	Corporation Park - Main Lodge	Environment	Public Park
236	LND095005	LND100000042	Roman Road Recreation Centre	Environment	Outdoor Sports Amenity
237	LND095013	LND100000043	Ryecroft Lane Playing Field	Environment	Outdoor Sports Amenity
238	LND131002	LND100000044	Blacksnap Playing Fields Garage	Environment	Depot Store
239	LND131014	LND100000045	Bold Venture Operations Depot	Environment	Depot Store
240	LND131021	LND100000046	Corporation Park (Adj West Park Lodge)	Environment	Depot Store
241	LND106001	LND100000047	Traveller Caravan Facility	Environment	Itinerant Site
242	LND091006	LND100000048	Bank Top Community Centre	Adults	Community Centres
243	LND131011	LND100000049	Sunnyhurst Wood Cottage	Environment	Depot Store
244	LND024015	LND100000051	Charles Street Units 1 2 & 3	Growth	Industrial
245	LND900005	LND100000053	Eanam Wharf Business Centre	Environment	Business Centre
246	LND131022	LND100000066	Joinery Workshop	Environment	Depot Store
247	LND094033	LND100000067	Witton Park Pavilion	Environment	Public Park
248	LND013001	LND100000069	19 Blakey Moor	Growth	Sundry Shops

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
249	LND013003	LND100000070	21 23 & 25 Blakey Moor	Growth	Sundry Shops
250	LND013004	LND100000071	27 Blakey Moor	Growth	Sundry Shops
251	LND013014	LND100000073	63 King William Street	Growth	Sundry Shops
252	LND013015	LND100000074	65 King William Street	Growth	Sundry Shops
253	LND013016	LND100000075	14/16 Lord Street West	Growth	Sundry Shops
254	LND013017	LND100000076	20 Lord Street West	Growth	Sundry Shops
255	LND013018	LND100000077	49 Market Street	Growth	Sundry Shops
256	LND013019	LND100000078	50 Market Street	Growth	Sundry Shops
257	LND013020	LND100000079	51 Market Street	Growth	Sundry Shops
258	LND013021	LND100000080	11-15 New Market Street 1st & 2nd floors	Growth	Sundry Shops
259	LND013022	LND100000081	13-15 New Market Street (ground floor)	Growth	Sundry Shops
260	LND013024	LND100000082	29 Northgate	Growth	Sundry Shops
261	LND013025	LND100000083	48 Northgate	Growth	Sundry Shops
262	LND013026	LND100000084	50 Northgate	Growth	Sundry Shops
263	LND013027	LND100000085	28 Penny Street	Growth	Sundry Shops
264	LND013029	LND100000086	9 Railway Road	Growth	Sundry Shops
265	LND013030	LND100000087	11/13 Railway Road	Growth	Sundry Shops
266	LND013031	LND100000088	11A Railway Road	Growth	Sundry Shops
267	LND013040	LND100000089	9/9A Town Hall Street	Growth	Sundry Shops
268	LND013041	LND100000090	11 Town Hall Street	Growth	Sundry Shops
269	LND013042	LND100000091	13 Town Hall Street	Growth	Sundry Shops
270	LND013043	LND100000092	15 Town Hall Street	Growth	Sundry Shops
271	LND013044	LND100000093	11 Union Street	Growth	Sundry Shops
272	LND013045	LND100000094	12 Union Street	Growth	Sundry Shops
273	LND013046	LND100000095	13/14 Union Street	Growth	Sundry Shops
274	LND013049	LND100000096	17 New Market Street	Growth	Sundry Shops
275	LND013050	LND100000097	Unit 1 Pavillions Church Street	Growth	Sundry Shops
276	LND013051	LND100000098	Unit 2 Pavillions Church Street	Growth	Sundry Shops
277	LND013052	LND100000099	Unit 3 Pavillions Church Street	Growth	Sundry Shops
278	LND013053	LND100000100	15A Town Hall Street	Growth	Sundry Shops
279	LND023069	LND100000101	Age Concern Offices	Growth	Sundry Commercial
280	LND023076	LND100000102	13 - 18 Market St Darwen	Growth	Sundry Commercial
281	LND023122	LND100000104	Sunnyhurst Park (The Kiosk)	Growth	Sundry Commercial
282	LND023127	LND100000105	St Johns Church Refurbishment	Growth	Assets Under Construction
283	LND023202	LND100000106	50-54 Church Street	Growth	Sundry Commercial
284	LND023216	LND100000107	Exchange St Former Lewis Textile Museum	Growth	Sundry Commercial
285	LND091003	LND100000109	Green Lane Communtiy Centre	Adults	Community Centres
286	LND091004	LND100000110	Ivy Street Community Centre	Adults	Community Centres
287	LND091008	LND100000111	Darwen Valley Community Centre	Adults	Community Centres
288	LND091009	LND100000112	Little Harwood Community Centre	Adults	Community Centres
289	LND091010	LND100000113	Daisyfield Base	Childrens	Youth Club
290	LND094015	LND100000114	Witton Visitors Centre	Environment	Public Park
291	LND094017	LND100000115	Griffin Lodge - Cavandish Place	Environment	Public Park
292	LND095002	LND100000116	Fmr Burnley Road Bowling Green	Growth	Commercial Development S
293	LND095003	LND100000117	All Weather Pitch Dickinson Street	Environment	Outdoor Sports Amenity
294	LND095027	LND100000118	Roman Road Community Centre	Adults	Community Centres
295	LND099001	LND100000119	Mill Hill Community Centre	Adults	Community Centres
296	LND099002	LND100000120	Bangor Street Community Centre	Adults	Community Centres
297	LND099003	LND100000121	Darwen Youth Club	Childrens	Youth Club
298	LND099005	LND100000122	Accrington Road Community Centre	Adults	Community Centres
299	LND112004	LND100000123	Blackburn Technology Management Centre	Environment	Business Centre
300	LND112005	LND100000124	Blackburn Enterprise Centre	Environment	Business Centre
301	LND121039	LND100000125	Feilden Street Carpark	Environment	Formal Car Park
302	LND131001	LND100000126	Blackburn Cemetery Depot	Environment	Depot Store
303	LND131008	LND100000127	Davyfield Rd - Stores/Canteen/Offices	Environment	Depot Store
304	LND131010	LND100000128	Davyfield Rd - Office Block	Environment	Depot Store
305	LND131017	LND100000129	Whitehall Park Depot	Environment	Depot Store
306	LND131019	LND100000130	Witton Plant Nursery	Environment	Depot Store
307	LND141001	LND100000131	Darwen Town Hall	Corporate	Town Hall
308	LND141003	LND100000132	Tower Block	Corporate	Town Hall
309	LND153019	LND100000133	The Gatehouse (Whalley New Rd Res Hom	Childrens	Miscellaneous Education
310	LND161006	LND100000134	Midway Support Services	Adults	Adult Care



# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
311	LND021159	LND100000136	Throstle St (Unit 2)	Growth	Industrial
312	LND023015	LND100000137	Unit 1 Belgrave Square	Growth	Sundry Commercial
313	LND023096	LND100000138	Limefield Preston New Rd	Growth	Sundry Commercial
314	LND023131	LND100000139	Corporation Park Play Group	Growth	Sundry Commercial
315	LND023218	LND100000141	Intack Bus Depot	Growth	Sundry Commercial
316	LND023223	LND100000142	Bentleys	Growth	Sundry Commercial
317	LND023227	LND100000143	Baroque 35 Northgate	Growth	Sundry Commercial
318	LND024002	LND100000145	Centurion Court Units	Growth	Industrial
319	LND024003	LND100000146	Hamilton St Units	Growth	Industrial
320	LND024004	LND100000147	Furthergate Harwood St Units	Growth	Industrial
321	LND024005	LND100000148	Hutton St Units	Growth	Industrial
322	LND024006	LND100000149	Mill Lane Units	Growth	Industrial
323	LND024008	LND100000150	Red Rose Court Industrial Units	Growth	Industrial
324	LND024009	LND100000151	Walker St Industrial Units	Growth	Industrial
325	LND024010	LND100000152	Watford Street Units	Growth	Industrial
326	LND024011	LND100000153	Whalley Banks Units	Growth	Industrial
327	LND141002	LND100000155	Blackburn Town Hall	Corporate	Town Hall
328	LND141007	LND100000156	10 Duke Street	Corporate	Town Hall
329	LND011006	LND100000158	Darwen Market Hall	Environment	Market
330	LND023002	LND100000174	Ainsworth St (Broseley House)	Growth	Industrial
331	LND023007	LND100000175	Darwen FC Football Ground	Growth	Sundry Commercial
332	LND023089	LND100000176	Parkinson St (Station Garage)	Growth	Sundry Commercial
333	LND023193	LND100000177	Unit 2 Belgrave Square, Darwen	Growth	Sundry Commercial
334	LND154006	LND100000178	Shadsworth Childrens Centre	Childrens	Childrens Centres
335	LND093005	LND100000179	Turton Tower	Environment	Museum Public Halls
336	LND052054	LND100000197	Carl Fogarty Way (Plot 4)	Growth	Commercial Development S
337	LND062262	LND100000198	Land North of Carl Fogarty Way (Plot 2)	Growth	Commercial Development S
338	LND151009	LND200000001	Seven Trees Childrens Centre	Childrens	Childrens Centres
339	LND154002	LND200000002	Audley Childrens Centre	Childrens	Childrens Centres
340	LND154008	LND200000004	Mill Hill Childrens Centre	Childrens	Childrens Centres
341	LND154012	LND200000005	Hancock Street Childrens Centre	Childrens	Childrens Centres
342	LND154013	LND200000006	Highercroft Children's Centre	Childrens	Childrens Centres
343	LND154014	LND200000007	St James' CoE Nursery (Fmr John Smethur	Childrens	Childrens Centres
344	LND095017	LND200000008	All Weather Sports Pitch Withers Street	Environment	Outdoor Sports Amenity
345	LND151007	LND200000009	Brunel Nursery	Schools	Schools
346	LND151011	LND200000010	Ashworth Nursery School	Schools	Schools
347	LND151021	LND200000011	Meadowhead Infants	Schools	Schools
348	LND151024	LND200000012	Roe Lee Park School	Schools	Schools
349	LND151026	LND200000013	Daisyfield School	Schools	Schools
350	LND151030	LND200000014	Griffin Park School	Schools	Schools
351	LND151039	LND200000015	Avondale School	Schools	Schools
352	LND151042	LND200000016	St Thomas Centre Lower School	Schools	Schools
353	LND151043	LND200000017	Belmont County Primary School	Schools	Schools
354	LND151044	LND200000018	Fenisowles Primary School	Schools	Schools
355	LND151045	LND200000019	Intack School	Schools	Schools
356	LND151048	LND200000020	Lower Darwen School	Schools	Schools
357	LND151049	LND200000021	Shadsworth Junior School	Schools	Schools
358	LND151068	LND200000022	Meadowhead Junior School	Schools	Schools
359	LND151071	LND200000023	Newfield School	Schools	Schools
360	LND151073	LND200000024	Longshaw Nursery	Schools	Schools
361	LND151074	LND200000025	Turncroft Nursery	Schools	Schools
362	LND152010	LND200000026	St Michael & St John CoE	Schools	Schools
363	LND153029	LND200000027	Apple Trees Respite Centre	Childrens	Miscellaneous Education
364	LND153004	LND200000028	St Thomas - Pupil Referral Unit	Schools	Schools
365	LND161047	LND200000029	St Aidans Respite Care Centre	Adults	Adult Care
366	LND061240	LND200000030	North Road Ball Court	Environment	Open Space Amenity Land
367	LND095001	LND200000031	Blacksnap Playing Fields (Pavilion)	Environment	Outdoor Sports Amenity
368	LND095009	LND200000032	Hollin Bridge Street Recreation Ground	Environment	Outdoor Sports Amenity
369	LND095012	LND200000033	Olive Lane Recreational Ground	Environment	Outdoor Sports Amenity
370	LND096004	LND200000034	Pleasington Cemetery & Crematorium	Environment	Cemetery Crematoria
371	LND098002	LND200000035	Cherry Tree Library	Environment	Libraries
372	LND092002	LND200000036	Audley Sports Centre	Environment	Sports Centre

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
373	LND092004	LND200000037	Darwen Leisure Centre	Environment	Sports Centre
374	LND095026	LND200000038	Witton Sports Facilities	Environment	Outdoor Sports Amenity
375	LND131007	LND200000039	The Data Centre	Corporate	Depot Store
376	LND154009	LND200000040	Earcroft Children's Centre	Childrens	Childrens Centres
377	LND154010	LND200000041	Wensley Fold Childrens Centre	Childrens	Childrens Centres
378	LND151076	LND200000043	Ashleigh Primary School	Schools	Schools
379	LND900077	LND200000044	Blackburn Sports and Leisure Centre	Environment	Sports Centre
380	LND092001	LND200000045	Daisyfield Swimming Pool	Environment	Sports Centre
381	LND092006	LND200000046	Shadsworth Leisure Centre	Environment	Surplus Assets
382	LND092007	LND200000047	Junction 4 Skate Park (Former BRSA)	Environment	Sports Centre
383	LND093002	LND200000048	Blackburn Museum	Environment	Museum Public Halls
384	LND093003	LND200000049	King Georges Hall	Environment	Museum Public Halls
385	LND095004	LND200000050	Everton street Bowling Green	Environment	Outdoor Sports Amenity
386	LND095015	LND200000051	Pleasington Playing Fields	Environment	Outdoor Sports Amenity
387	LND095018	LND200000052	Delph Lane Ball Court	Environment	Outdoor Sports Amenity
388	LND095021	LND200000053	Fmr Burnley Road Playground	Growth	Commercial Development S
389	LND095024	LND200000054	Delph Lane Play Area	Environment	Outdoor Sports Amenity
390	LND098001	LND200000055	Darwen Library	Environment	Libraries
391	LND098004	LND200000056	Roman Road Library	Environment	Libraries
392	LND098006	LND200000057	Blackburn Library	Environment	Libraries
393	LND131023	LND200000058	Winter Salt Barn	Environment	Depot Store
394	LND151017	LND200000059	Cedars Primary School	Schools	Schools
395	LND151020	LND200000060	Longshaw Infant School	Schools	Schools
396	LND151022	LND200000061	Brookhouse School	Schools	Schools
397	LND151025	LND200000062	Audley Junior School	Schools	Schools
398	LND151033	LND200000063	Lammack Junior School	Schools	Schools
399	LND151035	LND200000064	Shadsworth Infant School	Schools	Schools
400	LND151067	LND200000065	Longshaw Junior School	Schools	Schools
401	LND152031	LND200000066	Witton Park High School	Schools	Schools
402	LND153015	LND200000067	Seven Trees Family Centre	Childrens	Miscellaneous Education
403	LND153030	LND200000068	Sunnyhurst Centre	Schools	Schools
404	LND154005	LND200000069	Pringle Street Children's Centre	Childrens	Childrens Centres
405	LND154007	LND200000070	Darwen Children's Centre	Childrens	Childrens Centres
406	LND154011	LND200000071	Little Harwood Childrens Centre	Childrens	Childrens Centres
407	LND161011	LND200000072	Stansfeld Centre	Growth	Surplus Assets
408	LND161032	LND200000073	Hopwood Court Day Centre	Adults	Adult Care
409	LND127080	LND200000075	Bus Station Ainsworth Street	Environment	Highways
410	LND151055	LND200000078	School of Autism at Newfield	Schools	Schools
411	LND151006	LND200000079	Fmr Blakewater College	Schools	Schools
412	LND152008	LND200000080	St Barnabas & St Pauls	Schools	Schools
413	LND095031	LND200000081	Witton 3G Pitches	Environment	Outdoor Sports Amenity
414	LND021002	LND300000001	Birley St (Lancs Enterprises-Site1)	Growth	Industrial
415	LND021004	LND300000002	Birley St (Peter Todd Meats Ltd)	Growth	Industrial
416	LND021006	LND300000003	Bottomgate Petrol Station	Growth	Industrial
417	LND021025	LND300000004	Whitebirk Ind Estate - Croft Head Road	Growth	Industrial
418	LND021034	LND300000005	Thompson St Ind Est (Remploy Ltd)	Growth	Industrial
419	LND021039	LND300000006	Globe Car Shop Ltd - Plot 1	Growth	Industrial
420	LND021040	LND300000007	Globe Car Shop - Site 2	Growth	Industrial
421	LND021045	LND300000008	Cherry Tree Court 1-4 Gladstone Terr	Growth	Industrial
422	LND021089	LND300000009	Ordnance Street Plot 1	Growth	Industrial
423	LND021096	LND300000012	whitebirk Ind (Wellfield Precision)	Growth	Industrial
424	LND021097	LND300000013	Whitebirk Ind (Pets Choice Ltd)	Growth	Industrial
425	LND021098	LND300000014	Car Wash	Growth	Industrial
426	LND021105	LND300000015	Kalu's Auto Centre	Growth	Industrial
427	LND021124	LND300000016	Ordnance Street Plot 2	Growth	Industrial
428	LND021125	LND300000017	Ordnance Street Unit 3	Growth	Industrial
429	LND021126	LND300000018	Ordnance Street Unit 4	Growth	Industrial
430	LND021127	LND300000019	Ordnance Street Unit 5	Growth	Industrial
431	LND021128	LND300000020	Ordnance Street Unit 6	Growth	Industrial
432	LND021129	LND300000021	Ordnance St	Growth	Industrial
433	LND021132	LND300000022	Phillips Rd (Lodgecart Limited)	Growth	Industrial
434	LND021134	LND300000023	Pickup St (Speedy Hire)	Growth	Industrial

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
435	LND021135	LND300000024	Pickup st (Rowlec Ltd)	Growth	Industrial
436	LND021136	LND300000025	Pickup St (VG Tec)	Growth	Industrial
437	LND021138	LND300000026	Pickup St (I.D.C. Engraving Ltd)	Growth	Industrial
438	LND021139	LND300000027	Fort St (Johnson Plant Hire)	Growth	Industrial
439	LND021150	LND300000028	Sett End Rd (Cavalier Carpets Ltd)	Growth	Industrial
440	LND021179	LND300000029	Whalley Banks Calderhall Properties Ltd	Growth	Industrial
441	LND021184	LND300000030	Premier Site Whitebirk Drive	Growth	Industrial
442	LND021185	LND300000031	Woolwich St (Laycourt Properties)	Growth	Industrial
443	LND021189	LND300000032	Ordnance Street	Growth	Industrial
444	LND023011	LND300000033	Barton Street Pay and Display Car Park	Growth	Sundry Commercial
445	LND023016	LND300000034	Boltons Court (Farleys Car Park)	Growth	Sundry Commercial
446	LND023025	LND300000035	Brookhouse Lane (Assoc Dairies Ltd)	Growth	Sundry Commercial
447	LND023026	LND300000036	Canterbury St (Commercial Site)	Growth	Sundry Commercial
448	LND023032	LND300000037	Mincing Lane (Co-Op Funeral Parlour)	Growth	Sundry Commercial
449	LND023034	LND300000038	Royal British Legion H.A.	Growth	Sundry Commercial
450	LND023041	LND300000039	Dukes Brow Garage (Hendersons Ltd)	Growth	Sundry Commercial
451	LND023051	LND300000040	Forrest St (Henry Ibbotson & Son Ltd)	Growth	Sundry Commercial
452	LND023055	LND300000041	George St West (Pasta Products)	Growth	Sundry Commercial
453	LND023056	LND300000042	George St West (Cavalier Carpets Ltd)	Growth	Sundry Commercial
454	LND023063	LND300000043	Jewson Ltd, Higher Barn St	Growth	Sundry Commercial
455	LND023067	LND300000044	James St (Car Park)	Growth	Sundry Commercial
456	LND023070	LND300000045	King St (Birkenshaw Tyre Co Ltd)	Growth	Sundry Commercial
457	LND023079	LND300000046	Mincing Lane (West End Youth Club)	Growth	Sundry Commercial
458	LND023081	LND300000047	Mill Hill Working Mens Club	Growth	Sundry Commercial
459	LND023087	LND300000048	Perry's Motor Sales Ltd (Mr H Bagas)	Growth	Sundry Commercial
460	LND023099	LND300000049	Richmond Terr (Ramsbottoms Car Park)	Growth	Sundry Commercial
461	LND023102	LND300000050	Richmond Terr (t/a Heyfold Garages)	Growth	Sundry Commercial
462	LND023110	LND300000051	Simmons St (now Forbes)	Growth	Sundry Commercial
463	LND023125	LND300000052	Tontine St (Peter Roberts Ltd)	Growth	Sundry Commercial
464	LND023141	LND300000053	Junction Pleckgate Rd / Royal Oak Ave	Growth	Sundry Commercial
465	LND023152	LND300000054	Spring Vale Rd (Household Waste Dispos	Growth	Sundry Commercial
466	LND031005	LND300000055	Lower Intack Farmlands	Growth	Agricultural Tenancy
467	LND031006	LND300000056	Park Lane Farmlands	Growth	Agricultural Tenancy
468	LND031009	LND300000057	Pleasington Old Hall Under Billinge	Growth	Agricultural Tenancy
469	LND031011	LND300000059	Under Billinge Farmlands	Growth	Agricultural Tenancy
470	LND031013	LND300000060	Bunkers Hill	Growth	Agricultural Tenancy
471	LND031014	LND300000061	Limefield Farmlands	Growth	Agricultural Tenancy
472	LND031015	LND300000062	Woods Brow Myerscough	Growth	Agricultural Tenancy
473	LND031016	LND300000063	Eddyholes (North)	Growth	Agricultural Tenancy
474	LND031017	LND300000064	Eddyholes (South)	Growth	Agricultural Tenancy
475	LND031018	LND300000065	Cunliffe Farmlands (North & South)	Growth	Agricultural Tenancy
476	LND031019	LND300000066	Shakerley Farmlands	Growth	Agricultural Tenancy
477	LND031020	LND300000067	Bolton Rd - Grainings	Growth	Agricultural Tenancy
478	LND031023	LND300000068	Carter Fold Agricultural Land	Growth	Agricultural Tenancy
479	LND032001	LND300000069	Blackburn Rd Earcroft	Growth	Agricultural Tenancy
480	LND032028	LND300000070	Long Hey Lane Huddlesden	Growth	Agricultural Tenancy
481	BLD051003	LND300000071	Chapels South Development Site	Growth	Commercial Development S
482	LND052039	LND300000075	Old Bank Lane Car Park	Environment	Formal Car Park
483	LND053069	LND300000077	Site Of Queens Park Flats	Growth	Residential Development Si
484	LND053083	LND300000079	Haslingden Road	Growth	Residential Development Si
485	LND053110	LND300000082	Whinney Heights	Growth	Residential Development Si
486	LND061028	LND300000083	Darwen Valley Parkway Ext West	Environment	Open Space Amenity Land
487	LND061103	LND300000084	Darwen Valley Parkway East	Environment	Open Space Amenity Land
488	LND061127	LND300000085	Roman Rd Ind (Landscaped Buffer-Rear)	Environment	Open Space Amenity Land
489	LND061138	LND300000086	Darwen Valley Parkway Off Sough Rd	Environment	Open Space Amenity Land
490	LND061325	LND300000088	Grainings Wood (Bull Hill Refuse Tip)	Environment	Open Space Amenity Land
491	LND062071	LND300000091	Higher Croft Road (Land To West)	Growth	Residential Development Si
492	LND062109	LND300000092	Pearl St Rubber Works	Growth	Vacant Land
493	LND062133	LND300000094	Shaw Street (Sites 24-82&2-44 Higson St)	Growth	Vacant Land
494	LND062149	LND300000095	Woodside Mill (Garage Site Closed)	Growth	Vacant Land
495	LND062165	LND300000096	Rhodes Farmlands (Former Grazing)	Growth	Vacant Land
496	LND071080	LND300000097	Cromwell Street (Garage Site)	Growth	Domestic Garage Site

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
497	LND073042	LND300000098	Albion Road Car Park	Environment	Formal Car Park
498	LND073044	LND300000099	Former lorry park Ewood	Growth	Vacant Land
499	LND121007	LND300000100	Charnley Street Car Park	Environment	Formal Car Park
500	LND121013	LND300000101	Foundry Street Car Park (sites 9 - 16)	Environment	Formal Car Park
501	LND121014	LND300000102	Foundry Street Car Park (Land Opp 9-16)	Environment	Formal Car Park
502	LND121037	LND300000103	Simmons Street Car Park	Environment	Formal Car Park
503	LND126005	LND300000104	Accrington Road (former Printers Arms)	Growth	Vacant Land
504	LND153026	LND300000105	Land Off Livingstone Road	Growth	Agricultural Tenancy
505	LND021078	LND300000106	F/Gate Ind/Harwood St (Training 2000)	Growth	Industrial
506	LND021205	LND300000107	Site 6 Mayfield Street	Growth	Industrial
507	LND021241	LND300000108	Land north side of Cuncliffe Road	Growth	Industrial
508	LND023098	LND300000109	Land North of Revidge Road (Golf course)	Growth	Sundry Commercial
509	LND031012	LND300000111	Spew Spout Farmland	Growth	Agricultural Tenancy
510	LND031021	LND300000112	Bolton Road East Darwen	Growth	Agricultural Tenancy
511	LND032015	LND300000113	Punstock Road Darwen	Growth	Agricultural Tenancy
512	BLD052048	LND300000114	Simmons Street Development Site	Growth	Commercial Development S
513	LND061043	LND300000115	Copy Nook/Bottomgate (Inner Relief Rd)	Environment	Open Space Amenity Land
514	LND061140	LND300000116	St Albans Rd (Landscaping)	Environment	Open Space Amenity Land
515	LND061203	LND300000117	Land Off Lower Audley St (Urban) Park	Environment	Open Space Amenity Land
516	LND061339	LND300000118	Haslingden Rd School La Lions Drive	Environment	Open Space Amenity Land
517	LND062003	LND300000119	Land off Accrington Road Intack	Growth	Vacant Land
518	LND062025	LND300000121	Bottomgate (Land 3500 sqm)	Growth	Vacant Land
519	LND062026	LND300000122	Bower St/Young St/Primrose Terr (Land)	Growth	Vacant Land
520	LND062035	LND300000123	Charles St/Edward St (Land)	Growth	Vacant Land
521	LND062041	LND300000124	Copy Nook/Bottomgate/Audley (Land)	Growth	Vacant Land
522	LND062048	LND300000125	Duckworth St (Rear Opp Orchard Mill)	Growth	Vacant Land
523	LND062089	LND300000126	Lightbown St (Vacant Land)	Growth	Vacant Land
524	LND062110	LND300000127	Peter/Moss St (Vacant Land)	Growth	Vacant Land
525	LND062122	LND300000128	Redvers Rd Estate (Land Adj)	Growth	Vacant Land
526	LND062248	LND300000129	Fmr Petrol Station Car Prk Whitebirk Rd	Growth	Vacant Land
527	LND062249	LND300000130	Land at Whitebirk Road	Growth	Vacant Land
528	LND073049	LND300000131	Ewood Gyrotory Car Park	Environment	Formal Car Park
529	LND122007	LND300000133	Edward Street Car Park	Environment	Formal Car Park
530	LND023006	LND300000137	Harrison Street (former Byrom Supplies)	Growth	Sundry Commercial
531	LND021022	LND300000141	Clarence St (Plot 21)	Growth	Industrial
532	LND021023	LND300000142	Clarence St (14A/B/C Car Dismantling)	Growth	Industrial
533	LND021024	LND300000143	Clarence Street (plot 20A P Turner)	Growth	Industrial
534	LND021130	LND300000144	F Phillips and Co	Growth	Industrial
535	LND021193	LND300000145	Philips Road (Lodgecart Ltd 2)	Growth	Industrial
536	LND023054	LND300000146	George St West (Household Waste Dispos	Growth	Sundry Commercial
537	LND023210	LND300000147	Simmons Street	Growth	Sundry Commercial
538	LND031008	LND300000148	Lower Fold Farm	Growth	Agricultural Tenancy
539	BLD052041	LND300000149	Carl Fogarty Way Development Sites	Growth	Commercial Development S
540	LND053064	LND300000150	Fismoor (Parcel 4)	Growth	Residential Development Si
541	LND053103	LND300000152	Griffin Regen Area (Bank Top) Phase 2	Growth	Residential Development Si
542	LND061324	LND300000153	Royshaw Playing Fields	Environment	Open Space Amenity Land
543	LND061334	LND300000154	Land at Newfield Drive	Environment	Open Space Amenity Land
544	LND062074	LND300000155	Cuncliffe (Part) & HR Cuncliffe	Growth	Vacant Land
545	LND062079	LND300000156	Jacks Key East (Part Of Land)	Growth	Vacant Land
546	LND071004	LND300000159	Avondale Road (Garage Site)	Growth	Domestic Garage Site
547	LND071009	LND300000160	Branch Road (Garage Site)	Growth	Domestic Garage Site
548	LND071015	LND300000161	Buncer Lane (Garage Site)	Growth	Domestic Garage Site
549	LND071025	LND300000162	Geddes Street (Garage Site)	Growth	Domestic Garage Site
550	LND071031	LND300000163	Higher London Terrace (Garage Site)	Growth	Domestic Garage Site
551	LND071038	LND300000164	Marlton Road (Garage Site)	Growth	Domestic Garage Site
552	LND071053	LND300000166	Pole Lane (Garage Site)	Growth	Domestic Garage Site
553	LND071059	LND300000168	Wagtail Quarry (Garage Site)	Growth	Domestic Garage Site
554	LND071063	LND300000169	School Lane Guide (Garage Site)	Growth	Domestic Garage Site
555	LND071064	LND300000170	Snape Street (Garage Site)	Growth	Domestic Garage Site
556	LND071068	LND300000171	Wellington Road (Garage Site)	Growth	Domestic Garage Site
557	LND071071	LND300000172	Westwell Street (Garage Site)	Growth	Domestic Garage Site
558	LND071072	LND300000173	Whalley Street (Garage Site)	Growth	Domestic Garage Site

# Blackburn with Darwen Council

## SAMP Asset List

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
559	LND073043	LND300000174	Ewood Car Park	Environment	Formal Car Park
560	LND121015	LND300000175	Green Street Car Park	Environment	Formal Car Park
561	LND121038	LND300000176	Salford Car Park (East)	Environment	Formal Car Park
562	LND126006	LND300000178	St Peter Street (Kingdom Hall Car Park)	Growth	Vacant Land
563	LND052050	LND300000180	Brown Street Car Park	Environment	Formal Car Park
564	LND061055	LND300000181	Fore St Lower Darwen (Landscaped)	Environment	Open Space Amenity Land
565	LND061067	LND300000182	Higher Croft (Former Shale Quarry)	Environment	Open Space Amenity Land
566	LND062059	LND300000183	Furthergate/Accrington Rd (Land)	Growth	Vacant Land
567	LND062143	LND300000184	Darwen River Parkway & Higher Croft Wood	Growth	Vacant Land
568	LND095007	LND300000185	Green Lane Playing Fields	Environment	Outdoor Sports Amenity
569	LND095010	LND300000186	Everton Playing Fields	Environment	Outdoor Sports Amenity
570	LND121003	LND300000187	Atlas Road Car Park	Environment	Formal Car Park
571	LND121005	LND300000188	Barton Street Car Park	Environment	Formal Car Park
572	LND121010	LND300000189	Duckworth Street Car Park	Environment	Formal Car Park
573	LND121016	LND300000190	King Street/Paradise Lane Car Park	Environment	Formal Car Park
574	LND121018	LND300000191	Knott Street/Railway Road Car Park	Environment	Formal Car Park
575	LND121019	LND300000192	Lorne Street Car Park	Environment	Formal Car Park
576	LND121020	LND300000193	Mill Lane Car Park	Environment	Formal Car Park
577	LND121024	LND300000194	Railway/Atlas Road Car Park	Environment	Formal Car Park
578	LND152002	LND300000195	Holy Souls RC (Playing Fields)	Schools	Playing Fields
579	LND152003	LND300000196	St Francis C of E (Playing Fields)	Schools	Playing Fields
580	LND152004	LND300000197	St Pauls R C (Playing Fields)	Schools	Playing Fields
581	LND152005	LND300000198	Our Lady of Perpetual Succour (Playing Fields)	Schools	Playing Fields
582	LND152009	LND300000199	St James CofE Junior Bbn (Playing Fields)	Schools	Playing Fields
583	LND152015	LND300000200	St Cuthberts CofE Primary (Playing Fields)	Schools	Playing Fields
584	LND152016	LND300000201	St Edwards R C (Playing Fields)	Schools	Playing Fields
585	LND152017	LND300000202	St Josephs RC Junior Sch P(aying Fields)	Schools	Playing Fields
586	LND152018	LND300000203	St Pauls C of E (Playing Fields)	Schools	Playing Fields
587	LND152020	LND300000204	Tockholes C of E Primary (Playing Fields)	Schools	Playing Fields
588	LND152025	LND300000205	St Mary/St Joseph RC (Playing Fields)	Schools	Playing Fields
589	LND152027	LND300000206	Avondale C P (Playing Fields)	Schools	Playing Fields
590	LND152033	LND300000207	Fernhurst School (Playing Field)	Schools	Playing Fields
591	LND052051	LND300000209	Reel Cinema	Growth	Sundry Commercial
592	LND062253	LND300000210	Former Mowbray Lodge Sites	Growth	Vacant Land
593	LND097018	LND300000211	Darwen Former 3 Day Market	Environment	Open Space Amenity Land
594	LND121009	LND300000212	Darwen Market Car Park	Environment	Formal Car Park
595	LND121011	LND300000213	Fleming Square Car Park	Environment	Formal Car Park
596	LND121021	LND300000214	Mincing Lane/Weir Street Car Park	Environment	Formal Car Park
597	LND152001	LND300000216	Our Lady & St John RC High (Playing Field)	Schools	Playing Fields
598	LND152006	LND300000217	St Andrews C of E (Playing Fields)	Schools	Playing Fields
599	LND152022	LND300000218	Pleckgate/Woolridge (Playing Fields)	Schools	Playing Fields
600	LND152024	LND300000219	Pleckgate Sch/Ramsgreave Ave (Playing F	Schools	Playing Fields
601	LND152026	LND300000220	St Stephens Junior (Playing Fields)	Schools	Playing Fields
602	LND152019	LND300000221	St James C of E (Playing Fields)	Schools	Playing Fields
603	LND061041	LND300000222	Landscaped Entrance Cloisters Drive	Growth	Vacant Land
604	LND061246	LND300000223	Arran Trail - Rear Shadsworth Estate	Growth	Vacant Land
605	LND061106	LND300000224	Land to North West of Pole Lane	Growth	Vacant Land
606	LND061033	LND300000225	Land to West of Darwen Valley Parkway	Growth	Vacant Land
607	LND084011	LND300000226	St Barnabas C of E School (Playing Fields)	Schools	Playing Fields
608	LND152007	LND300000230	St Anthonys (Playing Fields)	Schools	Playing Fields
609	LND062038	LND300000231	Clarendon Road	Growth	Residential Development Si
610	LND061198	LND300000232	Whalley Old Rd/Brownhill Dr/Whitebirk Dr	Growth	Vacant Land
611	LND061347	LND300000233	Brownhill Dr / Whalley Old Rd	Growth	Vacant Land
612	LND062062	LND300000234	Queens Road	Growth	Residential Development Si
613	LND097013	LND300000235	Delph Meadow Playing Fields	Environment	Open Space Amenity Land
614	LND127056	LND300000236	14-34 Kenyon Street	Growth	Vacant Land
615	LND071027	LND300000237	Harvest Mill (Garage Site)	Growth	Domestic Garage Site
616	LND900003	LND300000238	Penny Street Car Park	Environment	Formal Car Park
617	LND075003	LND300000239	Burnley Road Allotments	Growth	Allotments
618	LND053056	LND300000241	Robin Bank Vacant Land	Growth	Vacant Land
619	BLD052051	LND300000243	Cinema Undercroft Car Park	Environment	Formal Car Park
620	LND061254	LND300000245	Manxman Road (fronting 69-113)	Growth	Vacant Land

Blackburn with Darwen Council

**SAMP Asset List**

(Referenced from Civica on 31st October 2022)

No.	UPRN	Civica Code	Asset Name	Department	Asset Description
621	LND121038	LND300000246	Salford Car Park (land adjacent)	Environment	Formal Car Park
622	LND095022	LND400000004	Shadsworth Skate Park	Growth	Vacant Land

## **APPENDIX E – INVESTMENT ESTATE 2021/22 INCOME**

**BLACKBURN WITH DARWEN COUNCIL  
2021/22 INVESTMENT ESTATE INCOME SUMMARY**

INDUSTRIAL	
Total units	169
Voids	0
Annual rent forecast (as per latest monitoring)	£1,355,324
FRV Voids	£0
Total rent received 2022/23	£1,355,324
% RENT ACHIEVED	100.00%
% UNITS OCCUPIED	100.00%

INVESTMENT ESTATE SUMMARY	
Total units	318
Voids	3
Annual rent forecast (as per latest monitoring)	£2,216,540
FRV Voids	£33,000
Total rent received 2022/23	£2,249,540
% RENT ACHIEVED	98.53%
% UNITS OCCUPIED	99.06%

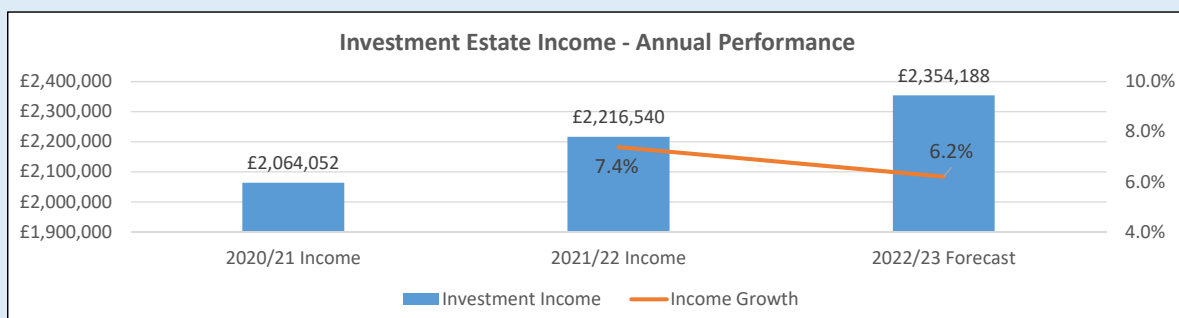
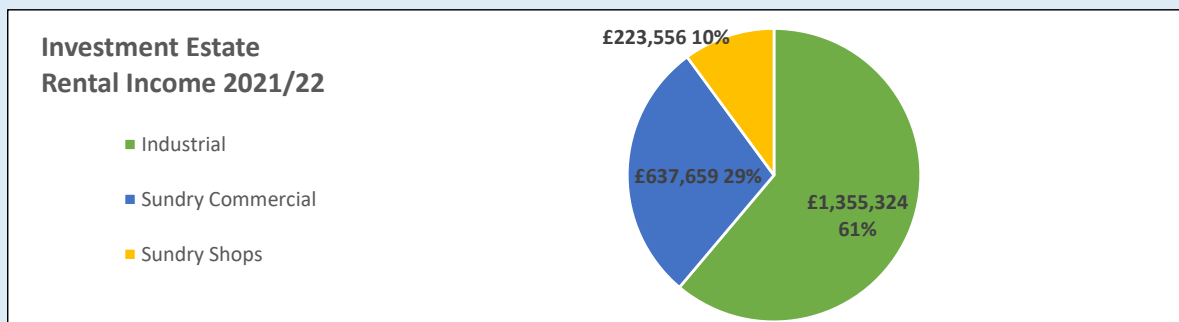
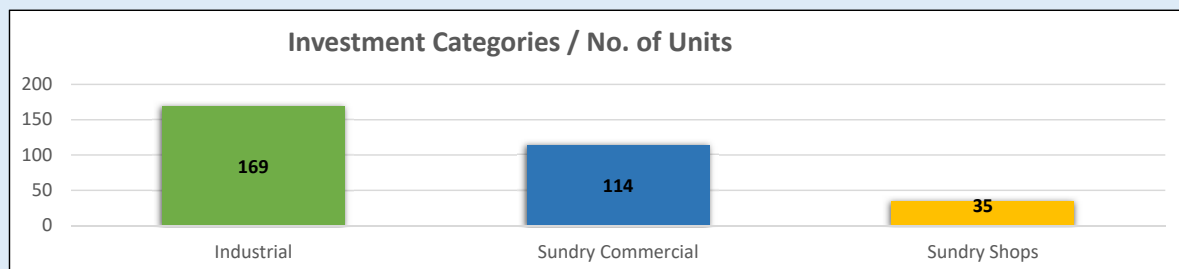
SUNDRY COMMERCIAL	
Total units	114
Voids	2
Annual rent forecast (as per latest monitoring)	£637,659
FRV Voids	£18,000
Total rent received 2022/23	£655,659
% RENT ACHIEVED	97.25%
% UNITS OCCUPIED	98.25%

VOIDS	
Simmons Street Informal Car Park	£7,000
1st Floor 50-54 Church Street	£11,000
26 CHURCH ST (Unit 1)	£15,000
Total	£33,000

SUNDRY SHOPS	
Total units	35
Voids	1
Annual rent forecast (as per latest monitoring)	£223,556
FRV Voids	£15,000
Total rent received 2022/23	£238,556
% RENT ACHIEVED	93.71%
% UNITS OCCUPIED	97.14%

NOTES	
1. Business centre income excluded	
2. One Cathedral Square income excluded	
3. Formal Car Park income excluded	
4. Third party income from operational buildings excluded	
5. Mall shopping centre income excluded	

OTHER INVESTMENT ESTATE	
Agricultural, Grazing, Garages, Gardens, Allotments- Annual Rent Forecast	£105,593





## **APPENDIX F – INVESTMENT ESTATE EXAMPLE KPI DASHBOARD**

BLACKBURN WITH DARWEN BOROUGH COUNCIL  
INVESTMENT ESTATE INCOME SUMMARY @

January 2023

INDUSTRIAL	
Total units	166
No. of Voids	2
Annual rent forecast (as per latest monitoring)	£1,392,903
FRV Voids	£4,160
Total rent achievable (as per latest monitoring)	£1,397,063
% RENT ACHIEVED	99.7%
% UNITS OCCUPIED	98.8%

SUNDRY COMMERCIAL	
Total units	115
No. of Voids	3
Annual rent forecast (as per latest monitoring)	£629,512
FRV Voids	£67,000
Total rent achievable (as per latest monitoring)	£696,512
% RENT ACHIEVED	90.4%
% UNITS OCCUPIED	97.4%

SUNDRY SHOPS	
Total units	35
Voids	1
Annual rent forecast (as per latest monitoring)	£226,180
FRV Voids	£11,000
Total rent achievable (as per latest monitoring)	£237,180
% RENT ACHIEVED	95.4%
% UNITS OCCUPIED	97.1%

OTHER INVESTMENT INCOME	
Agricultural, Garages, Gardens, Allotments	£105,593

NOTES	
1. Business centre income excluded	
2. One Cathedral Square income excluded	
3. Formal Car Park income excluded	
4. Third party income from operational buildings excluded	
5. Mall shopping centre income excluded	

VOIDS		
Unit 6H Red Rose Court	VOID	£1,560
Unit 6G & J Red Rose Court	VOID	£2,600
2nd floor - 50-52 Church Street	VOID	£11,000
35 Northgate	VOID	£25,000
Resturant premises at King Georges Hall	VOID	£31,000
48 Northgate	VOID	£11,000
Total		£82,160

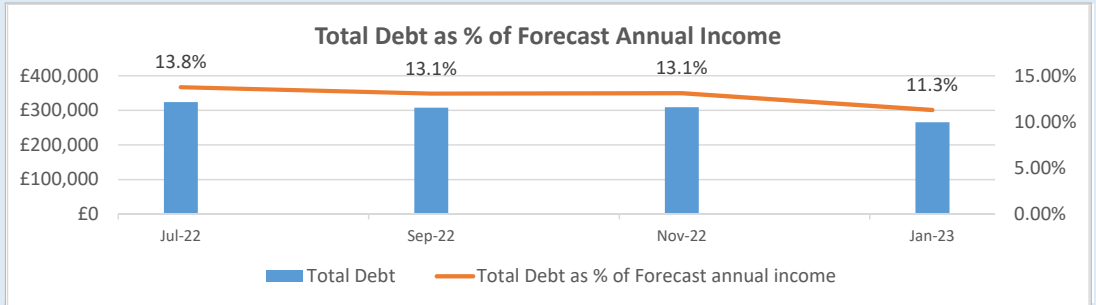
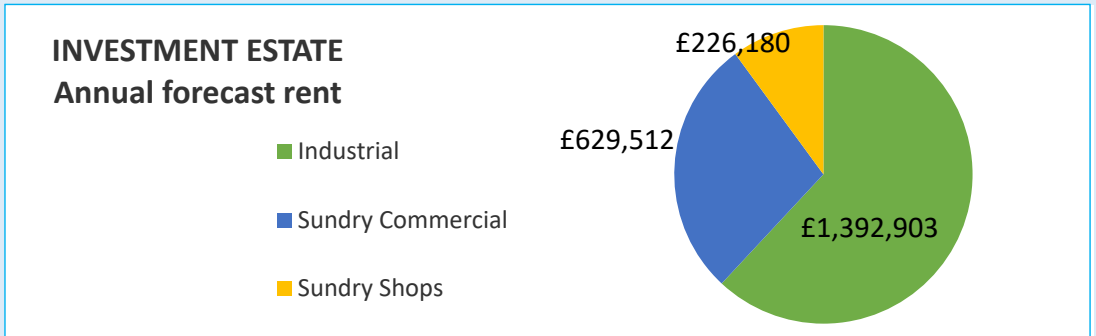
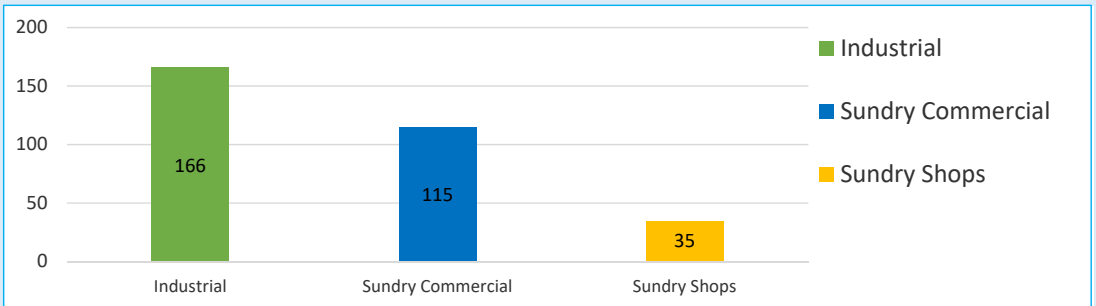
RENT/LEASE REVIEWS	
Number of rent/lease reviews in 2022/23	68
Number of rent/lease reviews complete to date	63
Number of rent/lease reviews in progress	5
% Completed rent/lease reviews to date	92.6%
% rent/lease reviews as % of total units	21.5%
Income subject to rent/lease Reviews	£465,762
% rent/lease reviews as % of total income	19.8%

INVESTMENT ESTATE OCCUPANCY LEVELS	
Total units	316
No. of Voids	6
Annual rent forecast (as per latest monitoring)	£2,354,188
FRV Voids	£82,160
Total rent achievable (as per latest monitoring)	£2,436,348
% RENT ACHIEVED ACROSS INVESTMENT	96.63%
% UNITS OCCUPIED ACROSS INVESTMENT	98.10%

INVESTMENT ESTATE FINANCE SUMMARY to date	
Total units	316
CIVICA income (in codes 5661 and 5688)	£2,058,982
Annual income budget as per CIVICA	£2,271,661
% income budget billed to date	91%
Forecast annual income (as per latest monitoring)	£2,354,188
22/23 income surplus (actual v CIVICA budget)	£82,527
Total rent achievable (as per latest monitoring)	£2,436,348
% RENT ACHIEVED ACROSS INVESTMENT	96.63%

AGED DEBTOR ANALYSIS	Jul-22	Sep-22	Nov-22	Jan-23	Mar-23
Total Debt	£323,981.13	£307,423.72	£308,833.05	£265,640.85	tbc
Top 15 Debts	£228,107.71	£222,062.84	£238,552.17	£201,390.36	tbc
Top 15 Debts as % of Total Debt	70.4%	72.2%	77.2%	75.8%	tbc
Debt > 12 months old (historic debt)	£182,336.13	£156,984.89	£140,506.62	£153,088.96	tbc
Debt < 12 months old (current debt)	£141,645.00	£150,438.83	£168,326.43	£112,551.89	tbc
Debt < 12 months old as % of Forecast annual income	6.0%	6.4%	7.2%	4.8%	tbc
Total Debt as % of Forecast annual income	13.8%	13.1%	13.1%	11.3%	tbc

TOP 15 DEBTS BY VALUE			
Debtor	Unit / Property	Outstanding debt	Action
Tenant 1	Unit 1	£28,018	Payment plan agreed
Tenant 2	Unit 2	£27,713	Payment plan agreed
Tenant 3	Unit 3	£24,958	Payment plan agreed
Tenant 4	Unit 4	£23,761	Referred to legal
Tenant 5	Unit 5	£14,647	Payment plan agreed
Tenant 6	Unit 6	£14,115	Payment plan agreed
Tenant 7	Unit 7	£9,672	Bailiff to be instructed
Tenant 8	Unit 8	£9,182	Payment plan agreed
Tenant 9	Unit 9	£8,982	Payment plan agreed
Tenant 10	Unit 10	£8,760	Referred to legal
Tenant 11	Unit 11	£7,683	Referred to legal
Tenant 12	Unit 12	£7,277	Referred to legal
Tenant 13	Unit 13	£7,000	Payment plan agreed
Tenant 14	Unit 14	£5,000	Payment plan agreed
Tenant 15	Unit 15	£4,623	Payment plan agreed
Top 15 Debts		£201,390	



## **APPENDIX G - DISPOSAL POLICY**

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## BLACKBURN WITH DARWEN BOROUGH COUNCIL

# DISPOSAL POLICY

REVISED EDITION 2023

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## **1 INTRODUCTION**

An owner of land is usually free to dispose of land as and when they choose. But local authorities are subject to constraints when they come to sell land in their ownership. Some of these constraints are enshrined in law; others arise because of a general expectation that local authorities should be seen to act fairly when disposing of land.

The Council introduced its first Disposal Policy in 1991 which provided a 'best practice' framework for processing land sales. It further identified the appropriate method of disposal for the sale of different types of property where varying service objectives and marketing considerations are presented, including the treatment of special purchaser applications. The policy has been updated periodically and changes relating to the Council's objectives, subsidy control legislation prompts a further review of the policy. This document centres on policy and practice following a decision to sell a property asset.

## **2 CONSIDERATION OF CORPORATE POLICY OBJECTIVES**

Property disposals contribute towards the achievement of several important service objectives, namely:

### **1. Releasing land for development to aid growth**

- For economic and employment uses.
- Land for new house building, both private and social housing schemes.
- Development and refurbishment opportunities created by disposals linked to the Growth Strategy.

### **2. Supporting key Council partners by making available sites and / or buildings to them for schemes that deliver specific community benefits**

### **3. Programming disposals to attract grant allocation for delivery of schemes**

### **4. Supporting the Council's Capital Programme and Property Re-investment Programme**

### **5. Improving efficiency by disposing of "surplus" or under-performing properties**

These themes further flow through the Council's corporate planning process and strategies. Conducting a systematic programme of property review assessments to identify surplus properties for disposal is integral to the Asset Management process. Disposals guided by policy objectives, other than the simple generation of a monetary receipt, may be affected in two ways:

- **Disposal for preferred use may reduce receipt**

Sometimes a disposal for a preferred or restricted use does not produce the highest receipt. An example would be the promotion of an office scheme to create greater employment opportunities on a site where retail development could also be obtained and give a higher land value.

- **Disposal to a preferred purchaser (“special purchaser”) may conflict with equal opportunity and fairness principles**

Disposal to a particular party without the property being first offered on the open market exposes the Council to the challenge that equal opportunity for others to submit an alternative scheme and/or higher price has been denied.

The considerations and procedures to deal with these issues, within a legal and audit framework, are detailed in the following two sections of this report.

### **3 BEST CONSIDERATION ISSUES**

Section 123 of the Local Government Act 1972 requires Local Authorities except with consent of the Secretary of State not to sell land for a “consideration less than the best that can reasonably be obtained”. However, the Local Government Act 2000 provides Council with a power to carry out any transaction provided they can prove it achieves the promotion of social, economic or environmental well-being.

In 2003, the General Disposal Consent was amended to allow Disposals to occur without Secretary of State consent to assist to deliver the 2000 Act, with the proviso that the disposal of the land where the difference between the unrestricted value of the interests to be disposed of and the consideration accepted (“the undervalue”) is £2 million or less. The Consent does not apply to land held for housing purposes (which is usually held under the Housing Act 1985) or planning purposes (which, in relation to disposal, is subject to the Town and Country Planning Act 1990, s 233). Appropriation under section 122 of the 1972 Act may have to be considered.

The Council’s disposal procedures fully reflect this fundamental legal duty.

Although it is accepted that “best consideration” need not be best price, this is often the most obvious criteria by which to measure the acceptability of terms of disposal. Circumstances in which other forms of consideration can apply and how they can be quantified are not always clear cut and a cautionary approach is required.

When a property disposal is promoted to achieve non-monetary policy objectives with the potential result that best consideration will not be realised the following methodology needs to be adopted:

- Identify the relevant corporate policy objectives affecting the potential disposal and evaluate the depreciation in value it causes.
- Service Portfolios Executive Board / Executive Members (depending on delegation) to consider the financial and operational implications of implementing a policy objective via a proposed property disposal:
  - Approval is needed if the receipt is going to be less than best consideration. With regard to the General Disposal Consent, Members must be made aware of the implications of approving acceptance of an undervalue.
  - The disposal may be part of a wider scheme that will require additional capital resources, which would also require approval.

- Note, the majority of capital receipts are not earmarked to fund specific schemes. The receipts are generally viewed as a resource pot that can be applied wherever required across the entire capital programme. Occasionally a scheme will have an associated capital receipt which the Council may want to identify separately and keep aside.
- Where the difference between open market value and undervalue exceeds £2m, then Secretary of State Approval must be sought for the Disposal.
- The imposition of covenants (included in the transfer agreement) to be subsequently monitored to ensure that the policy objectives intended are achieved.

In considering what amounts to 'monetary value' in terms of best consideration, the creation of jobs or desirable social outcomes cannot be considered by the Council.

A key consideration with regard to dealing with Corporate Policy Objectives relates to the Council's financial position and competing needs for both revenue income and capital receipts. The achievement of capital receipts targets may necessitate the disposal of income producing property investments. The issue of maximisation of rental income and rental growth and the need for capital receipts from disposal of property, including freehold reversions, is dealt with under property strategy and the property review programme.

The Royal Institution of Chartered Surveyors has produced a guidance document in relation to best consideration aimed at Councillors and senior officials and this is attached as an appendix to this report.

#### **4 DEALING WITH SPECIAL PURCHASERS**

The general approach to disposing of Council properties is to offer them for sale on the open market and invite offers by way of tender or by auction. These methods are chosen to ensure that a transaction is fair and transparent and that best consideration will be achieved.

Negotiation with a single (special) purchaser is not precluded. There will be occasions when the benefits to the Council lie in dealing with special purchasers. These benefits may relate to policy of the Council, or the locality of an adjoining interest, or an interest already owned in the property by the special purchaser. Where the Council is involved in a site assembly venture with other landowners, special purchaser arrangements are appropriate when the assembled site is sold to the scheme developer, particularly where the developer has done a significant amount of land assembly. Special purchaser is also relevant with the Housing Strategy and the selection of preferred development partners to meet specific housing needs.

Circumstances vary considerably as to whether the grant of special purchaser status may be justified. However, typical tests to be applied include the following:

- Identification of relevant policy objectives (e.g. housing, jobs, business growth – noting that not all of these easily amount to monetary value for best consideration purposes)
- Assess degree to which objectives supported and identify any specific outputs/outcomes;

- Identify linkages to other corporate policies/strategies;
- Identify Partnership Working considerations.
- Assess any financial benefit to the Council - premium price and/or marriage value;
- Assess whether any general market for property - determine whether property is of interest or value to one party only by virtue of its particular location, access or other characteristic.

When a Special Purchaser application is received and where time allows, a report shall be submitted to the Executive Member of Resources (or Executive Board) for consideration of direct negotiations prior to their commencement. Once negotiations are underway, the Council's Property Professionals will be able to determine and endeavour to seek the best price and other non-monetary terms (as appropriate) for the property to be disposed of.

Where time is limited, or the transaction is relatively minor a two-part approval is acceptable; i.e. consideration of award of Special Purchaser status in principle and then, if approval given, consideration of provisionally agreed disposal terms.

Best consideration rules apply to "special purchaser" transactions in the same way as other disposals. It is usual for the Council's Property Professionals to undertake negotiations with confirmed Special Purchasers and report recommended terms. Where this cannot be achieved the parties could agree to appoint an impartial MRICS Surveyor (with registered valuer status) to provide an independent valuation to give the Council protection from future challenge. Alternatively, where it is thought that a Special Purchaser is seeking to take unfair advantage of the situation, it may be prudent to market the property generally to stimulate a serious offer from the applicant.

To demonstrate that the agreed terms represent best consideration, and protect the Council from challenge, it is good audit practice for an impartial MRICS Surveyor (with registered valuer status) to supply a "franking" report for transactions of a significant nature. A minimum value of £250,000 is proposed as a policy requirement.

## **5 MARKETING CONSIDERATIONS**

When marketing a distinction to be made is the difference between property that has significant development potential (identified through planning allocation, demand assessment etc), and that which has not. Some of the property being dealt with will probably have little or no development potential because it is already fully developed, and planning consent is unlikely to be available for another use.

Properties with development potential might range from an existing building where planning consent might be available to change to a more valuable use, to a vacant site which is ripe for development. It is essential to identify development potential before the sale process gets underway. Within the Borough there are numerous sites with development potential, some of which can easily be marketed, and others that will require careful handling before marketing commences. Of those which are ready for the market, two considerations need attention. Firstly, what is the level of demand, and when should a particular property be sold to maximise capital receipts.



Secondly, which sites and property should be actively promoted to attract inward investment to the Borough. Both of these considerations mean the release of land needs to be phased prudently to maximise potential receipts.

A long term capital receipts programme means that some sites and premises will be dealt with in future financial years. This can mean that some properties may be vacant for a long period of time. There is a need to assess which vacant properties are most vulnerable to vandalism and damage, and thereby erosion of the capital value. This will enable the formulation of a priority action list in the disposal programme with vacant buildings at the top of the list.

Temporary treatment of long term vacant properties should be pursued in order to positively promote the Borough. This may involve making sites and premises secure in the interest of public health and safety, and keeping property in a neat and tidy condition. This might be enhanced by the inclusion of income producing advertising hoardings subject to planning. Where long term disuse of land is envisaged, funding sources should be explored to create temporary landscaping schemes.

The Disposal Policy also need to take into account capital financing considerations as the value and timing of capital receipts will impact on the cost of financing the Council's capital programme. Whilst the phasing outlined above may generate one approach, the aspirations of the Authority in one particular year may force another. On the other hand, where the capital programme can be easily funded out of receipts from, say, residential land sales, it may be more prudent to seek only leasehold disposals on Industrial Estates unless market conditions dictate that freehold disposals are preferred. Where leases are granted, it could ensure that a well-secured rental income, linked to the growth in the industrial sector, can be available for future years. A flexible corporate property strategy will help to attain these objectives.

Costs incurred in achieving the disposal of assets and realisation of capital receipts include surveyor's fees, legal costs and costs in processing formal approval of disposals. Where the Council is keen to dispose of surplus land or property for which there is little demand, this may be dealt with on the basis of each party bears their own costs, so the views should be sought in advance e.g. from legal services to waive their fees. In cases where a significant market interest is anticipated, or where a direct approach is made say from a special purchaser or a tenant of the Council wishing to purchase the freehold reversion, then the Council should seek to recover its costs from the purchaser. This approach may have a slightly depressing effect on the purchase price offered. There may, however, be instances where the regeneration benefits for example arising from a direct approach to purchase may be such that the transaction reverts to each party paying their own costs in order to secure an agreement and the Disposal Policy needs to be flexible enough to accommodate this.

## **6 LEGISLATION CONSIDERATIONS**

### **A. SUBSIDY CONTROL**

All disposals need to comply with the Subsidy Control Act 2022 ("SCA") as a disposal at less than best consideration may constitute the provision of a subsidy and this will involve an assessment as to whether it is on terms more favourable than on the open market. If the subsidy does not fall within an exception (minimum financial assistance or a service of public economic interest) or within one of the governments permitted schemes then the subsidy will have to be considered against the principles set out in the SCA. Failure to follow the SCA can result in judicial review. Depending on the value of the subsidy it may have to be referred to the Competition and Markets

Authority for review before award and all subsidies over £100k have to be published on the government database.

As referred to above a key element of the definition of a subsidy is if it is on terms more favourable than the open market therefore a sale through an open and unconditional bidding procedure, which is sufficiently well publicised so that the selling price is determined by the market value is unlikely to be a subsidy. If there is a sale without an unconditional bidding procedure the property should be assessed by one or more reputable independent RICS registered valuers prior to the sale negotiations in order to establish the market value on the basis of generally accepted market indicators and valuation standards. The market price is the minimum purchase price that can be agreed without granting a subsidy.

## **B. SALE OF LAND AND PROCUREMENT OF WORKS**

The procurement regulations do not apply to the straightforward sale of land or grant of a long lease where building obligations do not arise, since nothing is being 'procured'. However, a land disposal will be caught if it forms part of a larger transaction where a public body needs something built to its specification or it is conditional on provision of a particular service. For example, a local authority may, in the case of a town centre development, want to impose controls on what is being built and when to the extent that this is not available through the planning regime. As there is an obligation to undertake works and typically within a time frame it brings the contract within the rules.

**The rules are likely to apply if:**

- the work or provision of services is required or specified by a contracting authority;
- the developer/contractor enters into an enforceable written obligation (under a development agreement) to carry out the work/services; and
- there is some pecuniary interest – which need not necessarily be a cash payment – in carrying out the work.

This will capture the majority of development agreements, even those that do not involve public work. However, the rules would not catch a requirement to ensure any development is in accordance with national or local land use policies where the developer submits their own proposals and the contracting authority does not specify the function of the building and any work to be carried out.

## **C. MIXED LAND OWNERSHIP AND PHASED DEVELOPMENT**

The application of the procurement regulations will depend on the specific facts if the proposed development includes land in public and private ownership. The contracting authority may invite tenders for those aspects of the development that have the characteristics of a public works contract and use a development agreement for the remainder. On the other hand, if the specific circumstances of the contract make it impractical or impossible to separate the two elements there may be a question as to whether the transaction as a whole falls within or outside the rules.

A land disposal under which both parties intend the developer to undertake particular work in accordance with a contracting authority's general needs may not of itself sufficient to engage the

public procurement rules, even if the contracting authority has a contractual right to reacquire the land if the work is left unfinished or not undertaken within a given time frame. However, the law in this area is complex and so in advance of any marketing, specific advice should be sought in each and every case where works maybe required by the Council to be undertaken by a purchaser to ascertain whether the procurement rules apply. This may mean following a process that complies with the regulations in formally procuring land development projects. Apart from removing the risk of challenge, the procurement route brings control to the Council as regards the development of the site, i.e. the Council is able to control what the developer has to build. Conversely, under an unrestricted or an unconditioned disposal, the Council has no such control other than via the planning controls and they may not be sufficient in prominent locations such as the town centre. This of course has to be weighed against the potential larger capital receipt likely to be generated from an unconditioned land disposal.

## **7 SPECIFIC RESTRICTIONS ON FORMER SCHOOL SITES**

Former schools' sites and associated school playing fields are subject to specific legislation permitting disposal only when approval has been gained from the Secretary of State for Education. Disposal of surplus school sites used within the preceding 8 years and playing fields used within the preceding 10 years require the Ministerial approval of the SoS under specific Acts.

## **8 MINOR LAND ENQUIRIES**

Mechanisms have evolved to actively manage minor miscellaneous land enquiries without compromising customer care. These included setting a minimum disposal consideration to at least cover the costs of disposal.

Many disposals relate to miscellaneous sites of relatively low value (say £5,000). In the interest of efficiency and value the Council may consider deferring of a case by designating it a lower priority.

The current minimum disposal consideration of £2,000 does not always cover legal costs and surveyors fees. This is still considered applicable where the transaction is straightforward. Where a modest land and property transaction is more complicated and therefore costly to achieve, the disposal price will be reviewed on a case by case basis. However, it is not proposed to increase the minimum price as the Council needs to retain the flexibility to dispose of small sites that are a liability.

With regard to the disposal of the Council's interest in minor residential ground rents or rent charges where the value of the interest is very low (typically less than £100), it is proposed that the minimum disposal price of this category be retained at £1,000.

## **9 DISPOSAL PROCESS**

The appendix accompanying this document provides guidance for the treatment of transactions through the disposal process. It consolidates and updates best practice gained through the development of previous disposal policies and draws on experience in processing transactions over many years. The preparation work required for a success disposal is outlined, together with an analysis of the available methods of disposal (particularly the tender mechanism). Topics relating to the grant property options and the monitoring of disposals are further discussed.

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## **APPENDICES**

### **A. PREPARATION FOR DISPOSAL**

To assist in meeting the corporate targets set for capital receipts, a strict timetable should be set for the sale process, since the proceeds of sale will be required as quickly as possible. The stages of preparation for disposal need to be clearly defined and carefully followed, so that misconceptions and delay are kept to a minimum. These stages need to include the following:

#### **I. Internal Circulation**

Under normal circumstances, the Property Professional will be aware of all Departments' strategic needs for property in future, via the Asset Management Plan. There may be a need to provide a safety net, by offering potentially surplus property to Service Departments at market value, or at the very least notifying departments of a prospective disposal, subject to reasonable timescales.

#### **II. Inspection**

The purpose of inspection is to spot any matter that is likely to hinder the disposal. This may be some physical defect in a building or land encroachments. These matters will have to be dealt with before the property comes onto the market. The property to be sold should be as "clean" as possible. The inspection should bring to light any potential for development about which the Council is not already aware.

#### **III. Special Purchaser**

At an early date, it should be established whether the balance of advantage is likely to lie in dealing with a special purchaser. There will be situations where the adjoining owner wishes to acquire the Council's land, for example where the purchaser desires to extend their current land ownership, or where they may own an overriding interest over the Council's land, such as a right of way. In dealing with this party direct it may produce marriage value which would enhance the capital receipts above that which would be paid in the general market. In such circumstances, it may be prudent to deal with the special purchaser against a strict time limit and go to the market if negotiations cannot be progressed.

#### **IV. Legal Matters**

The Legal Department should be instructed to report fully on the Council's title and any rights or obligations which might affect it. Typical examples could include restrictive covenants, rights of way and reversion clauses. It is often too late if any problems become apparent once marketing and negotiations are under way, as these tend to prejudice the Council's position. In addition, where it is intended to include covenants or conditions, it is essential to obtain legal advice at an early stage to ensure that these can be fulfilled in practice, prior to negotiations.

V. **Physical Constraints and Services**

Certain physical constraints will be obvious from inspection; others (e.g. underground cables etc) may not be. It will be necessary, therefore, to check the Council's own records, and also to check with statutory undertakers. The merit of undertaking condition surveys will need to be considered in relation to each site, and the extent of the restrictions which the Authority intends to place on the development activity.

VI. **Development Sites**

At this stage, a view will have been formed on any development potential which might exist, and any matters affecting potential value will have been brought to light. It will also be necessary to decide if any identified constraints should be dealt with before marketing takes place. For those properties with development potential, it is essential, in order to maximise the realisation from disposal, to give potential purchasers the most detailed possible guidance on planning approvals which may be available. In some cases, the equivalent of an "outline planning consent" for the most valuable use available might be considered. Where a range of development options is possible, a "planning brief" should be agreed which gives some scope for the "flair" of individual developers. Where the Council wishes to consider ensuring a desired use of property to achieve its policy objectives, it will be necessary to introduce absolute user clauses in leases and restrictive covenants, where appropriate. In addition, disposals should include provisions to ensure that development proceeds according to a pre-determined timescale.

In the disposal of property, there is a possibility that the "planning consent" agreed may not be as beneficial as that which might be achieved by a third party on appeal to the Minister. In such cases, the Council can negotiate a clawback provision, so that it can participate in the benefits of the development at a later stage. For this reason, appraisal of potential disposal property should always consider the means by which maximum sale proceeds can be generated.

VII. **Land Assembly**

There may be circumstances where assembly of adjoining land, in the absence of a joint venture for example, is recommended in order to improve accessibility or site dimensions and layout with a result that the value of the assembled site is greater than the sum of the individual parts. This must be given consideration as part of any preparation for disposal. An Acquisition Strategy will cover the detail of land assembly mechanisms and good practice.

B. **METHODS OF DISPOSAL**

In view of the potential scale and sensitivity of land transactions, a high standard of probity is necessary to avoid any possible allegation of corruption. The chosen method of disposal must therefore be fair and consistent, transparent and in accordance with the Council's Constitution.

Where the property is marketed, as opposed to negotiations with a special purchaser or through a Joint Venture arrangement, there are five principal methods of disposal available:

- I. Private Treaty
- II. Informal Tender (sealed bids)
- III. Formal Tender (contractual bids)
- IV. Formal Tender creating Framework Agreement
- V. Public Auction

Clearly, each method of disposal engenders varying degrees of ensuring fairness and transparency with the sale by formal tender probably being the most likely to avoid any challenge. However, it is not always appropriate to adopt the formal tender route, nor does it always guarantee best consideration when potential purchasers are put off by the sometimes complex and lengthy procedures. The Property Professional should recommend to the Council which other method of disposal is appropriate provided that best consideration can be achieved. For transparency purposes, normally one person should decide the method and another should carry out the negotiations.

The Council's Constitution applies to property disposals that are dealt with by way of tender (whether formal, informal, contractual or sealed bids) in the same manner as they apply to contracts for goods and services.

It will also be noted in the Constitution that the decision on the method of any disposal will be taken in accordance with the principles and guidelines set out in this policy document. Further, it will be noted in the Constitution that any disposal method other than by tender will follow the procedures described in this policy document that are designed to enable fairness, consistency and transparency in all transactions.

The characteristics and constraints of each method of disposal are as follows:

**(i) Private Treaty**

This is the simplest to adopt, and the asking price can be at a pre-determined figure. It allows a flexible approach, time pressures are seldom imposed and it is widely accepted by the public. A disadvantage is potential for claims of unfairness, and it is therefore a method to be used with caution. To overcome potential problems, unless a special purchaser situation applies, all properties to be sold under this method should be advertised for sale, in any event, so that all interested parties have an opportunity to participate.

This approach is suitable for properties whose sale value is reasonably easy to predict, and therefore settlement of an asking price is straightforward, e.g. dwelling-houses. An acceptable price is generally given at the outset and it is considered bad practice to play parties against each other to build up their offers. Strict time limits can mitigate this.

This procedure can be time-consuming, since time limits are difficult to fix, and there may be many individual negotiations before a satisfactory transaction takes place. It is the method with the least openness and, therefore, the most susceptible to abuse. There are procedures such as segregation of valuation and negotiation duties to ensure transparency in this type of transaction.

The Council should clearly set a time limit against potentially tardy prospective purchasers, and the Council must satisfy itself as to the financial ability of the prospective purchaser to complete, before negotiations become too advanced.

**(ii) Informal Tender (sealed bids falling outside the scope of procurement regulations)**

Here, tenderers may put forward conditional offers which will only become binding once the conditions have been resolved. The Council may pursue discussions with more than one tenderer in order to achieve the most advantageous transaction. Since considerable time and effort may be spent on such discussions, it is essential that *bona fide* shortlisted tenderers should be established at the outset, with guarantees that finance is available.

There is more opportunity to arrive at a deal which suits both parties. Some conditions may not be capable of fulfilment for a time, but provisions can be included for the Council to take advantage of a better planning consent or better receipts above an agreed threshold.

For more complex development sites, interested parties may be interviewed and an outline of their development schemes presented, before the tender procedure starts. This is in line with key criteria: quality of the scheme, deliverability and the financial bid. A selected list of purchasers can then be compiled. This saves wasted effort from potential purchasers, and cuts down the possibility of abortive tender negotiations. The Council should not seek to increase the basic tenders put forward, nor accept increased offers from unsuccessful tenderers. However, the Council may seek increased rewards from the fulfilment of conditions which would create more value than the original offer envisaged.

Informal Tender lacks the advantage of speed and the certainty of the Formal Tender procedure, since negotiations may not be successful. There is greater burden on the professional skills of the Council's advisers, as the requirement to negotiate raises some of the disadvantages of a sale by private treaty. For this method to be a success, the rules for Informal Tenders must be laid down very clearly. The main advantage of the Informal Tender process is that the most advantageous terms for the Council can be formulated even in very complex cases.

**(iii) Formal Tender (contractual bids falling outside the scope of procurement regulations)**

The Formal or Contractual Tender procedure requires a great deal of preparation, as the tender document forms the contract for sale. A full appraisal of the transaction needs to be carried out in order to have a baseline against which to assess the tenders when they are returned, and provide a guide price during the course of marketing. The Council will need to indicate in the tender documents that it is not bound to accept the highest or any tender. Tenderers must be required to provide evidence that finance is available to proceed. In order to ensure fairness and the best chance of an acceptable offer, the tender will be widely publicised, and all parties given the chance to participate.

The advantages of the Formal Tender procedure are that a transaction can be concluded quickly where it is unconditional, it avoids tentative time-wasting enquiries, the Council does not need to accept any tender if the offer is not satisfactory, the tender procedure should guarantee complete fairness and tenderers should put forward their best offer, rather than, as at auction, a figure marginally more than the second bid.



This method does have its disadvantages: some potential purchasers may be put off by the procedure whereby they commit themselves contractually upon making the financial offer. All matters must be completely clear before the procedure starts. There is little room for discussion about the scheme itself although this could take place with prospective purchasers during the marketing preparation provided care is taken not to compromise the transparency of the transaction.

This method of disposal is inappropriate for straightforward transactions where conditions of substance remain to be overcome before the bid can be finalised. In development situations, it could, for example, be effective in the sale of cleared sites for residential development where planning consent is available and the density of development is not in question. It would not be appropriate where several development schemes might be possible and negotiations with various parties will be required to achieve the best scheme and best consideration. It is however, common in residential land sales for Formal Tenders to take place conditional upon detailed planning consent where outline consent has been previously obtained.

Formal Tenders are appropriate for disposal of development sites. These can include sale incorporating development agreements, Joint Venture land disposals (which may or may not involve a JV Company) and consideration of freehold or leasehold disposals, the latter adopted where there is a need for estate management controls or where there is the prospect of a change in planning to a more valuable use at some point in the future. Development Agreements, Joint Ventures and leasehold disposals could equally apply following informal tenders although less common.

The Authority's Constitution requires tenders for disposal which are in a similar form to the more common tenders for the provision of goods and services. The rules for formal tenders for sale cover:-

- advertising that tenderers are to be sought;
- procedure for pre-tender shortlisting of applicants, where appropriate;
- evidence of financial standing required from tenderers;
- the principal contents of the tender package, including a clear tender return date;
- inclusion of a pre-addressed envelope indicating tender details and opening date;
- Method of recording and safekeeping tenders prior to the opening date;
- the constitution of the Council's team which should be present at opening of tenders;
- arrangements for listing and witnessing tenders on opening;
- the form of Committee Report recommending which tender(s) should be accepted;
- rules for informing successful tenderers;
- instructions not to solicit or accept increased basic offers after receipt of tenders;
- Members should not engage in negotiations under any circumstances; and
- the external advisers should be bound by similar rules.

**(iv) Formal Tender (Growth Framework Agreement)**

This is a hybrid of the Formal or Contractual Tender procedure and involves a competitive process to arrive at a shortlist of developers/purchasers with the capacity and capability of delivering schemes on future development sites yet to be brought forward for development.



This will result in a number of companies being entered as Partners onto the Growth Framework Agreement. The competitive process is also designed to secure certainty and competitive bids for elements of value and cost contained in a residual valuation for the proposed sites. When sites are brought forward for development and disposal, the Growth Framework Agreement enables a simpler second stage of bidding/negotiations to achieve best consideration offers from the Framework Partners. Considerations noted in (iii) above will apply with regard to such matters of acceptance of tenders and disposal methodology to ensure development takes place and land banking is avoided.

**(v) Public Auction**

To achieve success with this method of disposal, external auctioneers are normally used. The auctioneer is briefed at an early stage, and fully involved in preparing conditions of sale and fixing the reserved price. The reserve should be approved by the Council and conveyed to the auctioneer immediately before the auction. It should also be recorded in a sealed letter which the auctioneer will have available at the time of sale. Sale by auction requires preparation of all contractual details beforehand in order that a binding contract may be effected immediately a bid is accepted.

The advantages of an auction are openness and swift completion of the transaction if an acceptable bid is generated. Disadvantages are the principle of sale by auction falls in and out of favour with the market, and there are times when auction should not be considered as the interest from the market will be low. Success of an auction depends on the atmosphere generated in the sale room which may depend on the quality of other lots on offer and a great deal will rest with the skill of the auctioneer. As a contract must be entered into immediately a bid is accepted, funds to meet the sale price must be available within 28 days. This may exclude purchasers who need to raise finance. There may be little time for potential purchasers to consider the transaction, and no opportunity to discuss alternative ways to structure the deal. The winning bid need only be marginally more than the second highest bid, and may not represent the maximum the purchaser would have been willing to pay. In view of the above, auctions are only considered appropriate for property where they do not hold any major strategic influence.

**C. CONSIDERATIONS FOR DEVELOPMENT SITES**

Disposal of development sites, notably valuable major sites in town centres or those sites aligned to major regeneration and employment projects in the borough require special mention and often special treatment to achieve multiple objectives. Invariably, disposal of such sites will be subject to a rigorous tender procedure which may involve a number of steps to filter out potentially weak purchasers and often culminating in formal presentations to lead officers and Members. In view of the profile of key development sites, development agreements are often employed in the sale transaction as a mechanism to avoid land banking, ensuring delivery of the development within a reasonable time and securing a preferred type and quality of development. This will most likely mean following the Public Contracts Regulations 2015 process in formally procuring land development projects

Building licences, as an alternative to a development agreement, allows the Council to retain the freehold and ensure the purchaser's construction activities comply with specific land obligations. Once this work has been done then the freehold is transferred.

A building licence is not be subject to the procurement rules provided that the purpose of the licence is to ensure the purchaser does not go back on its own intended proposals or activities made at the time of purchase.

For very high profile and valuable sites, and where a straight disposal of land cannot produce wider development objectives, a Joint Venture Development Agreement is worthy of consideration. This is essentially a business agreement in which the parties agree to develop, for a finite time, new assets by contributing respective "equity". The parties jointly exercise control over the project and consequently share revenues, profits, assets and expenses (typically in proportion to the inputs). In the context of a JV between a Local Authority and Private Company/Developer the respective contributions can achieve results that would be unlikely where each was operating in isolation. The LA can contribute land and other property assets, local knowledge and experience, political support, additional capital funding if necessary and, crucially in some cases, CPO powers. The private developer brings external funding, extensive development expertise, a professional team specialising in property development if not present in the LA, the ability and willingness to take greater risks and ultimately the profit motive to drive results. As with other major disposals, the process for selection of the JV partner must be robust and compliant with legislation.

#### **D. DEALING WITH LATE BIDS**

In the context of sale of land and property by tender, the issue of dealing with late bids is one area that can lead to challenges against the Council of maladministration and judicial review.

Whilst it may be appropriate to maintain a policy of disregarding any late bids in a tender exercise, the Council may miss the opportunity to secure best consideration where a late bid substantially exceeds bids received on time. Indeed, a Council could be found to fall short of achieving best consideration if rival bids are not fully investigated.

The policy of the Council in respect of late bids should be as follows:

- The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.
- Late bids cannot be considered where land is being disposed of by public auction after a successful bid has been accepted.
- Where a land and property is sold by tender, whether informal or formal, any bids received after the specified closing date and time will not be accepted.
- This will at all times be made quite clear in the tender documentation.
- In the case of a tender where the highest bid is less than £50,000 the Property Consultant will seek approval of all bids received on time and exchange contracts with the approved bidder accordingly.
- In the case of a tender where the highest bid opened is £50,000 or more the Property Consultant will seek approval of all bids received on time. If at any time before exchange of contracts a higher bid is received the Property Consultant will bring such a bid, or bids, to the attention of the Council.
- Where late bids are brought to the attention of the Council, a re-tender exercise should be undertaken, unless the late bid is less than £5,000 above the highest bid, in which case best consideration would be compromised by a re-tender exercise.

- Late bids will not be considered unless there are good commercial reasons. This should be explained to any purchaser in sales particulars.
- Consideration of a late bid does not mean that it will necessarily be accepted even if it is the 'highest bid'.
- The Council may ask both the late bidder and the original highest bidder to submit their last and final bids by a set deadline.
- Late bids cannot be accepted where procurement rules apply and the monitoring officer must be consulted to ensure compliance with procurement rules and regulations.

Dealing with late bids would be less of an issue where the period between receipt of tenders and exchange of contracts is minimised. The Property Consultancy will, therefore use all practical means to reduce the time taken to complete transactions after receipt of bids.

#### **E. OPTIONS**

In relation to land and property, these are rights enabling a party to acquire property at a future date if certain pre-conditions are satisfied. Options are used to assist with long term business planning and expansion or to give developers an opportunity and comfort to work up expensive development proposals on complex schemes. The latter can sometimes be linked to a “Lock Out” agreement whereby the Council would agree to withdraw a piece of property from the disposal market for a fixed period of time, usually of short term duration.

Options are favourable where market conditions have deteriorated, and they are needed to bring confidence to future investment. Should options be considered they need to be tightened up from those offered previously, and should give the Council the right to trigger the termination of the option quickly, should market conditions change. In any event, there is invariably a potential value to an option, and in the right commercial circumstances, the Council should negotiate a suitable consideration before granting an option on land or property.

#### **F. MONITORING DISPOSALS**

Disposals of land and property play a key role in both realisation of policy objectives, and in maintaining an acceptable capital programme through the generation of capital receipts. The Property Review process has helped to bring forward substantial capital receipts in recent years, but it is proving more difficult to identify opportunities, as assets reduce. Nevertheless, important links have been established with the Director of Finance to successfully monitor the situation and, with the limitations of capital controls, the free flow of up-to-date information is always important.

To assist in the monitoring role, the Property Consultant reports on a regular basis progress with disposals through the Capital Receipts Monitoring Report. This information schedule provides senior managers with regularly updated information and target action to progress individual cases. This report links closely to the existing financial monitoring system that can help tie-up target priority cases. These monitoring reports will contain information of a confidential nature, fundamental to the Council’s success in negotiations, and distribution needs to be carefully controlled so that problems do not arise.

This monitoring process needs to stretch through to completion, as the availability of capital receipts greatly affects the flexibility of the Council's actions. Targets for legal completion are fundamental to an improved process. Where disposals at restricted values are agreed, it will be important for the Council to monitor the position on the ground to ensure that its objectives are achieved, and, where developments change, to seek clawback. Post-disposal monitoring also extends to checks to ensure that purchasers comply fully and timely with any conditions of sale or covenants specifically imposed in order to achieve Council Policy objectives. As part of wider property management best practice, post- monitoring procedures are followed to ensure that the Council does not miss any opportunities created in the past or in the future.

## **APPENDIX H – ASSET MANAGEMENT GROUP TERMS OF REFERENCE**



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## **Terms of Reference**

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## **Asset Management Group**

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## 1.0 Purpose

- 1.1 Property plays an important role in the delivery of the Council's Services. It provides accommodation for its staff and partner organisations helping them deliver high quality services to the community. It is also a valuable source of revenue to the Council and can perform an important role in an area's sense of identity and pride in their community.
- 1.2 The purpose of these Terms of Reference are to set out the best practices for maximising the efficiencies and revenue returns from the Council's existing and future property assets through the role of the **Asset Management Group**.
- 1.3 The Asset Management Group (AMG) is to provide oversight, guidance and recommendations on the most appropriate and financially prudent use of the Council's assets. It will report to the relevant Executive Member(s) and meetings of the Executive Board, in accordance with the Council's Constitution. The AMG will also provide regular progress reports to meetings of the Council's Corporate Leadership Team and Audit and Governance Group.



## 2.0 Membership

- 2.1 The initial AMG meetings will be chaired by the Strategic Director of Growth & Development, and attended by the Growth Director. Once the AMG's work programme is re-established, meetings will be chaired by the Property & Development Manager (Assets) and comprise representatives from the following Departments and teams from across the Council. The identified representatives are:

Department	Team	Name
<b>Growth &amp; Development</b>	Strategic Growth & Development Director	Martin Kelly
	Growth Director	Simon Jones
	Head of Growth & Development	Helen Holland
	Property & Development	Michael Hardman
	Strategic Housing	Subhan Ali
	Planning (Development Management)	Gavin Prescott
	Climate Change	Gwen Kinloch
<b>Environment &amp; Operations</b>	Environment	Tony Watson
	Commercial Services	Paul Taylor
	Building Maintenance	Rob Addison
<b>Resources</b>	Director	Dean Langton
	Legal	Asad Laher
	Finance	Simon Ross
<b>Adults &amp; Health</b>	Adult / Health	Rebecca Ramsay
<b>Children / Education</b>	Children / Education	Carol Grimshaw
<b>Chief Execs</b>	Chief Execs	Jenna Russett-Knott

- 2.2 Where a representative is unable to attend, the relevant Head of Service should ensure there is appropriate attendance by nominating an appropriate substitute. Other colleagues from across the Council will also be invited from time-to-time to attend AMG meetings when appropriate, depending on the business being considered.

Equally guest speakers will be invited when specific challenges or items of interest are being discussed.

## 3.0 Responsibilities

### 3.1 The Asset Management Group will:

- 3.11 Implement the objectives of the Council's strategic Asset Management Plan, reflecting the Council's Corporate Plan, service priorities and agreed budgets.
- 3.12 Establish a Corporate Dashboard to enable the Council and Departments to track progress and performance.
- 3.13 Aim to maximise revenues and increase value of the Council's property assets.
- 3.14 Support Departments with their responsibilities to manage their land and property assets to improve the delivery of key services and make more effective use of Council resources.
- 3.15 Consider and propose recommendations in relation to the Council's management of its assets (not only those within the Growth & Development portfolio), including disposals of assets with agreed exit plans, movement of assets between portfolios, recording of surplus assets, property reviews, and proposed leases to third parties.
- 3.16 Consider, advise and act upon key issues and policies, emerging evidence and legislative changes.
- 3.17 Foster collaborative working and promote the sharing of property intelligence within the Council.
- 3.18 Support Council communications and campaigns, where relevant, to reflect the efficient use of the Council's operational and investment property portfolios in the delivery of key services.

- 3.19 As required, propose recommendations to the Corporate Leadership Team, Audit and Governance Group, Executive Board, and relevant Executive Members, on matters relating to land and property.

## 4.0 Frequency of Meetings

- 4.1 The AMG will meet every two months, in person, with meetings hosted at Blackburn Town Hall.
- 4.2 Additional AMG meetings and/or virtual meetings may be called as required.

## 5.0 Accountability / Reporting

- 5.1 Any proposed recommendations requiring formal decisions will be reported to the appropriate decision-making group, in accordance with the Council Constitution.
- 5.2 The AMG will produce regular updates on the delivery of the AMP, including progress reports and a dashboard, aligned to key priorities, agreed actions and performance targets.

## 6.0 Organisation

- 6.1 An agenda and associated papers will be circulated by email to attendees 5 working days in advance of meetings taking place. Agendas will indicate items for subsequent approval, decision or discussion.
- 6.2 Minutes and actions arising from AMG meetings will be circulated no later than 5 working days after the meeting.
- 6.3 To ensure that the meetings run smoothly and efficiently, a forward plan for items of business will be developed and maintained and will be the basis upon which meeting agendas will be prepared. Suggestions for agenda items with appropriate supporting reports are to be received no later than 10 working days in advance of the date of the meeting.
- 6.4 When practicable to do so, accompanying reports, presentations, any working papers for consideration at AMG meetings will be circulated at least 5 working days before the meeting.
- 6.5 All attendees will be expected to have read the circulated reports in advance of the meeting, and discussions will follow planned agendas and items of business.
- 6.6 The AMG will operate by consensus, seeking general agreement where possible. When this is not possible the item will be withdrawn and revisited, allowing the author to develop and refine their case for undertaking particular actions.
- 6.7 Group members will discuss and debate agenda items, consider alternatives and challenge one and other appropriately, listen to all views and scrutinise assumptions to ensure effective decision making.
- 6.8 The Chair will identify actions that have resulted from the discussions and commit to monitoring those actions within an agreed and reasonable timescale.

## 7.0 Confidentiality

- 7.1 Documents and information, which is presented and shared with the AMG, along with meeting notes, should be treated as sensitive and commercially privileged, and managed in accordance with the Council's procedures regarding the handling, storage and dissemination of such information.

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## BLACKBURN WITH DARWEN BOROUGH COUNCIL

# DISPOSAL POLICY

REVISED EDITION 2023

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## **1 INTRODUCTION**

An owner of land is usually free to dispose of land as and when they choose. But local authorities are subject to constraints when they come to sell land in their ownership. Some of these constraints are enshrined in law; others arise because of a general expectation that local authorities should be seen to act fairly when disposing of land.

The Council introduced its first Disposal Policy in 1991 which provided a 'best practice' framework for processing land sales. It further identified the appropriate method of disposal for the sale of different types of property where varying service objectives and marketing considerations are presented, including the treatment of special purchaser applications. The policy has been updated periodically and changes relating to the Council's objectives, subsidy control legislation prompts a further review of the policy. This document centres on policy and practice following a decision to sell a property asset.

## **2 CONSIDERATION OF CORPORATE POLICY OBJECTIVES**

Property disposals contribute towards the achievement of several important service objectives, namely:

### **1. Releasing land for development to aid growth**

- For economic and employment uses.
- Land for new house building, both private and social housing schemes.
- Development and refurbishment opportunities created by disposals linked to the Growth Strategy.

### **2. Supporting key Council partners by making available sites and / or buildings to them for schemes that deliver specific community benefits**

### **3. Programming disposals to attract grant allocation for delivery of schemes**

### **4. Supporting the Council's Capital Programme and Property Re-investment Programme**

### **5. Improving efficiency by disposing of "surplus" or under-performing properties**

These themes further flow through the Council's corporate planning process and strategies. Conducting a systematic programme of property review assessments to identify surplus properties for disposal is integral to the Asset Management process. Disposals guided by policy objectives, other than the simple generation of a monetary receipt, may be affected in two ways:

- **Disposal for preferred use may reduce receipt**

Sometimes a disposal for a preferred or restricted use does not produce the highest receipt. An example would be the promotion of an office scheme to create greater employment opportunities on a site where retail development could also be obtained and give a higher land value.



- **Disposal to a preferred purchaser (“special purchaser”) may conflict with equal opportunity and fairness principles**

Disposal to a particular party without the property being first offered on the open market exposes the Council to the challenge that equal opportunity for others to submit an alternative scheme and/or higher price has been denied.

The considerations and procedures to deal with these issues, within a legal and audit framework, are detailed in the following two sections of this report.

### **3 BEST CONSIDERATION ISSUES**

Section 123 of the Local Government Act 1972 requires Local Authorities except with consent of the Secretary of State not to sell land for a “consideration less than the best that can reasonably be obtained”. However, the Local Government Act 2000 provides Council with a power to carry out any transaction provided they can prove it achieves the promotion of social, economic or environmental well-being.

In 2003, the General Disposal Consent was amended to allow Disposals to occur without Secretary of State consent to assist to deliver the 2000 Act, with the proviso that the disposal of the land where the difference between the unrestricted value of the interests to be disposed of and the consideration accepted (“the undervalue”) is £2 million or less. The Consent does not apply to land held for housing purposes (which is usually held under the Housing Act 1985) or planning purposes (which, in relation to disposal, is subject to the Town and Country Planning Act 1990, s 233). Appropriation under section 122 of the 1972 Act may have to be considered.

The Council’s disposal procedures fully reflect this fundamental legal duty.

Although it is accepted that “best consideration” need not be best price, this is often the most obvious criteria by which to measure the acceptability of terms of disposal. Circumstances in which other forms of consideration can apply and how they can be quantified are not always clear cut and a cautionary approach is required.

When a property disposal is promoted to achieve non-monetary policy objectives with the potential result that best consideration will not be realised the following methodology needs to be adopted:

- Identify the relevant corporate policy objectives affecting the potential disposal and evaluate the depreciation in value it causes.
- Service Portfolios Executive Board / Executive Members (depending on delegation) to consider the financial and operational implications of implementing a policy objective via a proposed property disposal:
  - Approval is needed if the receipt is going to be less than best consideration. With regard to the General Disposal Consent, Members must be made aware of the implications of approving acceptance of an undervalue.
  - The disposal may be part of a wider scheme that will require additional capital resources, which would also require approval.

- Note, the majority of capital receipts are not earmarked to fund specific schemes. The receipts are generally viewed as a resource pot that can be applied wherever required across the entire capital programme. Occasionally a scheme will have an associated capital receipt which the Council may want to identify separately and keep aside.
- Where the difference between open market value and undervalue exceeds £2m, then Secretary of State Approval must be sought for the Disposal.
- The imposition of covenants (included in the transfer agreement) to be subsequently monitored to ensure that the policy objectives intended are achieved.

In considering what amounts to 'monetary value' in terms of best consideration, the creation of jobs or desirable social outcomes cannot be considered by the Council.

A key consideration with regard to dealing with Corporate Policy Objectives relates to the Council's financial position and competing needs for both revenue income and capital receipts. The achievement of capital receipts targets may necessitate the disposal of income producing property investments. The issue of maximisation of rental income and rental growth and the need for capital receipts from disposal of property, including freehold reversions, is dealt with under property strategy and the property review programme.

The Royal Institution of Chartered Surveyors has produced a guidance document in relation to best consideration aimed at Councillors and senior officials and this is attached as an appendix to this report.

#### **4 DEALING WITH SPECIAL PURCHASERS**

The general approach to disposing of Council properties is to offer them for sale on the open market and invite offers by way of tender or by auction. These methods are chosen to ensure that a transaction is fair and transparent and that best consideration will be achieved.

Negotiation with a single (special) purchaser is not precluded. There will be occasions when the benefits to the Council lie in dealing with special purchasers. These benefits may relate to policy of the Council, or the locality of an adjoining interest, or an interest already owned in the property by the special purchaser. Where the Council is involved in a site assembly venture with other landowners, special purchaser arrangements are appropriate when the assembled site is sold to the scheme developer, particularly where the developer has done a significant amount of land assembly. Special purchaser is also relevant with the Housing Strategy and the selection of preferred development partners to meet specific housing needs.

Circumstances vary considerably as to whether the grant of special purchaser status may be justified. However, typical tests to be applied include the following:

- Identification of relevant policy objectives (e.g. housing, jobs, business growth – noting that not all of these easily amount to monetary value for best consideration purposes)
- Assess degree to which objectives supported and identify any specific outputs/outcomes;

- Identify linkages to other corporate policies/strategies;
- Identify Partnership Working considerations.
- Assess any financial benefit to the Council - premium price and/or marriage value;
- Assess whether any general market for property - determine whether property is of interest or value to one party only by virtue of its particular location, access or other characteristic.

When a Special Purchaser application is received and where time allows, a report shall be submitted to the Executive Member of Resources (or Executive Board) for consideration of direct negotiations prior to their commencement. Once negotiations are underway, the Council's Property Professionals will be able to determine and endeavour to seek the best price and other non-monetary terms (as appropriate) for the property to be disposed of.

Where time is limited, or the transaction is relatively minor a two-part approval is acceptable; i.e. consideration of award of Special Purchaser status in principle and then, if approval given, consideration of provisionally agreed disposal terms.

Best consideration rules apply to "special purchaser" transactions in the same way as other disposals. It is usual for the Council's Property Professionals to undertake negotiations with confirmed Special Purchasers and report recommended terms. Where this cannot be achieved the parties could agree to appoint an impartial MRICS Surveyor (with registered valuer status) to provide an independent valuation to give the Council protection from future challenge. Alternatively, where it is thought that a Special Purchaser is seeking to take unfair advantage of the situation, it may be prudent to market the property generally to stimulate a serious offer from the applicant.

To demonstrate that the agreed terms represent best consideration, and protect the Council from challenge, it is good audit practice for an impartial MRICS Surveyor (with registered valuer status) to supply a "franking" report for transactions of a significant nature. A minimum value of £250,000 is proposed as a policy requirement.

## **5 MARKETING CONSIDERATIONS**

When marketing a distinction to be made is the difference between property that has significant development potential (identified through planning allocation, demand assessment etc), and that which has not. Some of the property being dealt with will probably have little or no development potential because it is already fully developed, and planning consent is unlikely to be available for another use.

Properties with development potential might range from an existing building where planning consent might be available to change to a more valuable use, to a vacant site which is ripe for development. It is essential to identify development potential before the sale process gets underway. Within the Borough there are numerous sites with development potential, some of which can easily be marketed, and others that will require careful handling before marketing commences. Of those which are ready for the market, two considerations need attention. Firstly, what is the level of demand, and when should a particular property be sold to maximise capital receipts.

Secondly, which sites and property should be actively promoted to attract inward investment to the Borough. Both of these considerations mean the release of land needs to be phased prudently to maximise potential receipts.

A long term capital receipts programme means that some sites and premises will be dealt with in future financial years. This can mean that some properties may be vacant for a long period of time. There is a need to assess which vacant properties are most vulnerable to vandalism and damage, and thereby erosion of the capital value. This will enable the formulation of a priority action list in the disposal programme with vacant buildings at the top of the list.

Temporary treatment of long term vacant properties should be pursued in order to positively promote the Borough. This may involve making sites and premises secure in the interest of public health and safety, and keeping property in a neat and tidy condition. This might be enhanced by the inclusion of income producing advertising hoardings subject to planning. Where long term disuse of land is envisaged, funding sources should be explored to create temporary landscaping schemes.

The Disposal Policy also need to take into account capital financing considerations as the value and timing of capital receipts will impact on the cost of financing the Council's capital programme. Whilst the phasing outlined above may generate one approach, the aspirations of the Authority in one particular year may force another. On the other hand, where the capital programme can be easily funded out of receipts from, say, residential land sales, it may be more prudent to seek only leasehold disposals on Industrial Estates unless market conditions dictate that freehold disposals are preferred. Where leases are granted, it could ensure that a well-secured rental income, linked to the growth in the industrial sector, can be available for future years. A flexible corporate property strategy will help to attain these objectives.

Costs incurred in achieving the disposal of assets and realisation of capital receipts include surveyor's fees, legal costs and costs in processing formal approval of disposals. Where the Council is keen to dispose of surplus land or property for which there is little demand, this may be dealt with on the basis of each party bears their own costs, so the views should be sought in advance e.g. from legal services to waive their fees. In cases where a significant market interest is anticipated, or where a direct approach is made say from a special purchaser or a tenant of the Council wishing to purchase the freehold reversion, then the Council should seek to recover its costs from the purchaser. This approach may have a slightly depressing effect on the purchase price offered. There may, however, be instances where the regeneration benefits for example arising from a direct approach to purchase may be such that the transaction reverts to each party paying their own costs in order to secure an agreement and the Disposal Policy needs to be flexible enough to accommodate this.

## **6 LEGISLATION CONSIDERATIONS**

### **A. SUBSIDY CONTROL**

All disposals need to comply with the Subsidy Control Act 2022 ("SCA") as a disposal at less than best consideration may constitute the provision of a subsidy and this will involve an assessment as to whether it is on terms more favourable than on the open market. If the subsidy does not fall within an exception (minimum financial assistance or a service of public economic interest) or within one of the governments permitted schemes then the subsidy will have to be considered against the principles set out in the SCA. Failure to follow the SCA can result in judicial review. Depending on the value of the subsidy it may have to be referred to the Competition and Markets

Authority for review before award and all subsidies over £100k have to be published on the government database.

As referred to above a key element of the definition of a subsidy is if it is on terms more favourable than the open market therefore a sale through an open and unconditional bidding procedure, which is sufficiently well publicised so that the selling price is determined by the market value is unlikely to be a subsidy. If there is a sale without an unconditional bidding procedure the property should be assessed by one or more reputable independent RICS registered valuers prior to the sale negotiations in order to establish the market value on the basis of generally accepted market indicators and valuation standards. The market price is the minimum purchase price that can be agreed without granting a subsidy.

## **B. SALE OF LAND AND PROCUREMENT OF WORKS**

The procurement regulations do not apply to the straightforward sale of land or grant of a long lease where building obligations do not arise, since nothing is being 'procured'. However, a land disposal will be caught if it forms part of a larger transaction where a public body needs something built to its specification or it is conditional on provision of a particular service. For example, a local authority may, in the case of a town centre development, want to impose controls on what is being built and when to the extent that this is not available through the planning regime. As there is an obligation to undertake works and typically within a time frame it brings the contract within the rules.

**The rules are likely to apply if:**

- the work or provision of services is required or specified by a contracting authority;
- the developer/contractor enters into an enforceable written obligation (under a development agreement) to carry out the work/services; and
- there is some pecuniary interest – which need not necessarily be a cash payment – in carrying out the work.

This will capture the majority of development agreements, even those that do not involve public work. However, the rules would not catch a requirement to ensure any development is in accordance with national or local land use policies where the developer submits their own proposals and the contracting authority does not specify the function of the building and any work to be carried out.

## **C. MIXED LAND OWNERSHIP AND PHASED DEVELOPMENT**

The application of the procurement regulations will depend on the specific facts if the proposed development includes land in public and private ownership. The contracting authority may invite tenders for those aspects of the development that have the characteristics of a public works contract and use a development agreement for the remainder. On the other hand, if the specific circumstances of the contract make it impractical or impossible to separate the two elements there may be a question as to whether the transaction as a whole falls within or outside the rules.

A land disposal under which both parties intend the developer to undertake particular work in accordance with a contracting authority's general needs may not of itself sufficient to engage the

public procurement rules, even if the contracting authority has a contractual right to reacquire the land if the work is left unfinished or not undertaken within a given time frame. However, the law in this area is complex and so in advance of any marketing, specific advice should be sought in each and every case where works maybe required by the Council to be undertaken by a purchaser to ascertain whether the procurement rules apply. This may mean following a process that complies with the regulations in formally procuring land development projects. Apart from removing the risk of challenge, the procurement route brings control to the Council as regards the development of the site, i.e. the Council is able to control what the developer has to build. Conversely, under an unrestricted or an unconditioned disposal, the Council has no such control other than via the planning controls and they may not be sufficient in prominent locations such as the town centre. This of course has to be weighed against the potential larger capital receipt likely to be generated from an unconditioned land disposal.

## **7 SPECIFIC RESTRICTIONS ON FORMER SCHOOL SITES**

Former schools' sites and associated school playing fields are subject to specific legislation permitting disposal only when approval has been gained from the Secretary of State for Education. Disposal of surplus school sites used within the preceding 8 years and playing fields used within the preceding 10 years require the Ministerial approval of the SoS under specific Acts.

## **8 MINOR LAND ENQUIRIES**

Mechanisms have evolved to actively manage minor miscellaneous land enquiries without compromising customer care. These included setting a minimum disposal consideration to at least cover the costs of disposal.

Many disposals relate to miscellaneous sites of relatively low value (say £5,000). In the interest of efficiency and value the Council may consider deferring of a case by designating it a lower priority.

The current minimum disposal consideration of £2,000 does not always cover legal costs and surveyors fees. This is still considered applicable where the transaction is straightforward. Where a modest land and property transaction is more complicated and therefore costly to achieve, the disposal price will be reviewed on a case by case basis. However, it is not proposed to increase the minimum price as the Council needs to retain the flexibility to dispose of small sites that are a liability.

With regard to the disposal of the Council's interest in minor residential ground rents or rent charges where the value of the interest is very low (typically less than £100), it is proposed that the minimum disposal price of this category be retained at £1,000.

## **9 DISPOSAL PROCESS**

The appendix accompanying this document provides guidance for the treatment of transactions through the disposal process. It consolidates and updates best practice gained through the development of previous disposal policies and draws on experience in processing transactions over many years. The preparation work required for a success disposal is outlined, together with an analysis of the available methods of disposal (particularly the tender mechanism). Topics relating to the grant property options and the monitoring of disposals are further discussed.

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## **APPENDICES**

### **A. PREPARATION FOR DISPOSAL**

To assist in meeting the corporate targets set for capital receipts, a strict timetable should be set for the sale process, since the proceeds of sale will be required as quickly as possible. The stages of preparation for disposal need to be clearly defined and carefully followed, so that misconceptions and delay are kept to a minimum. These stages need to include the following:

#### **I. Internal Circulation**

Under normal circumstances, the Property Professional will be aware of all Departments' strategic needs for property in future, via the Asset Management Plan. There may be a need to provide a safety net, by offering potentially surplus property to Service Departments at market value, or at the very least notifying departments of a prospective disposal, subject to reasonable timescales.

#### **II. Inspection**

The purpose of inspection is to spot any matter that is likely to hinder the disposal. This may be some physical defect in a building or land encroachments. These matters will have to be dealt with before the property comes onto the market. The property to be sold should be as "clean" as possible. The inspection should bring to light any potential for development about which the Council is not already aware.

#### **III. Special Purchaser**

At an early date, it should be established whether the balance of advantage is likely to lie in dealing with a special purchaser. There will be situations where the adjoining owner wishes to acquire the Council's land, for example where the purchaser desires to extend their current land ownership, or where they may own an overriding interest over the Council's land, such as a right of way. In dealing with this party direct it may produce marriage value which would enhance the capital receipts above that which would be paid in the general market. In such circumstances, it may be prudent to deal with the special purchaser against a strict time limit and go to the market if negotiations cannot be progressed.

#### **IV. Legal Matters**

The Legal Department should be instructed to report fully on the Council's title and any rights or obligations which might affect it. Typical examples could include restrictive covenants, rights of way and reversion clauses. It is often too late if any problems become apparent once marketing and negotiations are under way, as these tend to prejudice the Council's position. In addition, where it is intended to include covenants or conditions, it is essential to obtain legal advice at an early stage to ensure that these can be fulfilled in practice, prior to negotiations.



V. **Physical Constraints and Services**

Certain physical constraints will be obvious from inspection; others (e.g. underground cables etc) may not be. It will be necessary, therefore, to check the Council's own records, and also to check with statutory undertakers. The merit of undertaking condition surveys will need to be considered in relation to each site, and the extent of the restrictions which the Authority intends to place on the development activity.

VI. **Development Sites**

At this stage, a view will have been formed on any development potential which might exist, and any matters affecting potential value will have been brought to light. It will also be necessary to decide if any identified constraints should be dealt with before marketing takes place. For those properties with development potential, it is essential, in order to maximise the realisation from disposal, to give potential purchasers the most detailed possible guidance on planning approvals which may be available. In some cases, the equivalent of an "outline planning consent" for the most valuable use available might be considered. Where a range of development options is possible, a "planning brief" should be agreed which gives some scope for the "flair" of individual developers. Where the Council wishes to consider ensuring a desired use of property to achieve its policy objectives, it will be necessary to introduce absolute user clauses in leases and restrictive covenants, where appropriate. In addition, disposals should include provisions to ensure that development proceeds according to a pre-determined timescale.

In the disposal of property, there is a possibility that the "planning consent" agreed may not be as beneficial as that which might be achieved by a third party on appeal to the Minister. In such cases, the Council can negotiate a clawback provision, so that it can participate in the benefits of the development at a later stage. For this reason, appraisal of potential disposal property should always consider the means by which maximum sale proceeds can be generated.

VII. **Land Assembly**

There may be circumstances where assembly of adjoining land, in the absence of a joint venture for example, is recommended in order to improve accessibility or site dimensions and layout with a result that the value of the assembled site is greater than the sum of the individual parts. This must be given consideration as part of any preparation for disposal. An Acquisition Strategy will cover the detail of land assembly mechanisms and good practice.

B. **METHODS OF DISPOSAL**

In view of the potential scale and sensitivity of land transactions, a high standard of probity is necessary to avoid any possible allegation of corruption. The chosen method of disposal must therefore be fair and consistent, transparent and in accordance with the Council's Constitution.



Where the property is marketed, as opposed to negotiations with a special purchaser or through a Joint Venture arrangement, there are five principal methods of disposal available:

- I. Private Treaty
- II. Informal Tender (sealed bids)
- III. Formal Tender (contractual bids)
- IV. Formal Tender creating Framework Agreement
- V. Public Auction

Clearly, each method of disposal engenders varying degrees of ensuring fairness and transparency with the sale by formal tender probably being the most likely to avoid any challenge. However, it is not always appropriate to adopt the formal tender route, nor does it always guarantee best consideration when potential purchasers are put off by the sometimes complex and lengthy procedures. The Property Professional should recommend to the Council which other method of disposal is appropriate provided that best consideration can be achieved. For transparency purposes, normally one person should decide the method and another should carry out the negotiations.

The Council's Constitution applies to property disposals that are dealt with by way of tender (whether formal, informal, contractual or sealed bids) in the same manner as they as they apply to contracts for goods and services.

It will also be noted in the Constitution that the decision on the method of any disposal will be taken in accordance with the principles and guidelines set out in this policy document. Further, it will be noted in the Constitution that any disposal method other than by tender will follow the procedures described in this policy document that are designed to enable fairness, consistency and transparency in all transactions.

The characteristics and constraints of each method of disposal are as follows:

**(i) Private Treaty**

This is the simplest to adopt, and the asking price can be at a pre-determined figure. It allows a flexible approach, time pressures are seldom imposed and it is widely accepted by the public. A disadvantage is potential for claims of unfairness, and it is therefore a method to be used with caution. To overcome potential problems, unless a special purchaser situation applies, all properties to be sold under this method should be advertised for sale, in any event, so that all interested parties have an opportunity to participate.

This approach is suitable for properties whose sale value is reasonably easy to predict, and therefore settlement of an asking price is straightforward, e.g. dwelling-houses. An acceptable price is generally given at the outset and it is considered bad practice to play parties against each other to build up their offers. Strict time limits can mitigate this.

This procedure can be time-consuming, since time limits are difficult to fix, and there may be many individual negotiations before a satisfactory transaction takes place. It is the method with the least openness and, therefore, the most susceptible to abuse. There are procedures such as segregation of valuation and negotiation duties to ensure transparency in this type of transaction.

The Council should clearly set a time limit against potentially tardy prospective purchasers, and the Council must satisfy itself as to the financial ability of the prospective purchaser to complete, before negotiations become too advanced.

**(ii) Informal Tender (sealed bids falling outside the scope of procurement regulations)**

Here, tenderers may put forward conditional offers which will only become binding once the conditions have been resolved. The Council may pursue discussions with more than one tenderer in order to achieve the most advantageous transaction. Since considerable time and effort may be spent on such discussions, it is essential that *bona fide* shortlisted tenderers should be established at the outset, with guarantees that finance is available.

There is more opportunity to arrive at a deal which suits both parties. Some conditions may not be capable of fulfilment for a time, but provisions can be included for the Council to take advantage of a better planning consent or better receipts above an agreed threshold.

For more complex development sites, interested parties may be interviewed and an outline of their development schemes presented, before the tender procedure starts. This is in line with key criteria: quality of the scheme, deliverability and the financial bid. A selected list of purchasers can then be compiled. This saves wasted effort from potential purchasers, and cuts down the possibility of abortive tender negotiations. The Council should not seek to increase the basic tenders put forward, nor accept increased offers from unsuccessful tenderers. However, the Council may seek increased rewards from the fulfilment of conditions which would create more value than the original offer envisaged.

Informal Tender lacks the advantage of speed and the certainty of the Formal Tender procedure, since negotiations may not be successful. There is greater burden on the professional skills of the Council's advisers, as the requirement to negotiate raises some of the disadvantages of a sale by private treaty. For this method to be a success, the rules for Informal Tenders must be laid down very clearly. The main advantage of the Informal Tender process is that the most advantageous terms for the Council can be formulated even in very complex cases.

**(iii) Formal Tender (contractual bids falling outside the scope of procurement regulations)**

The Formal or Contractual Tender procedure requires a great deal of preparation, as the tender document forms the contract for sale. A full appraisal of the transaction needs to be carried out in order to have a baseline against which to assess the tenders when they are returned, and provide a guide price during the course of marketing. The Council will need to indicate in the tender documents that it is not bound to accept the highest or any tender. Tenderers must be required to provide evidence that finance is available to proceed. In order to ensure fairness and the best chance of an acceptable offer, the tender will be widely publicised, and all parties given the chance to participate.

The advantages of the Formal Tender procedure are that a transaction can be concluded quickly where it is unconditional, it avoids tentative time-wasting enquiries, the Council does not need to accept any tender if the offer is not satisfactory, the tender procedure should guarantee complete fairness and tenderers should put forward their best offer, rather than, as at auction, a figure marginally more than the second bid.

This method does have its disadvantages: some potential purchasers may be put off by the procedure whereby they commit themselves contractually upon making the financial offer. All matters must be completely clear before the procedure starts. There is little room for discussion about the scheme itself although this could take place with prospective purchasers during the marketing preparation provided care is taken not to compromise the transparency of the transaction.

This method of disposal is inappropriate for straightforward transactions where conditions of substance remain to be overcome before the bid can be finalised. In development situations, it could, for example, be effective in the sale of cleared sites for residential development where planning consent is available and the density of development is not in question. It would not be appropriate where several development schemes might be possible and negotiations with various parties will be required to achieve the best scheme and best consideration. It is however, common in residential land sales for Formal Tenders to take place conditional upon detailed planning consent where outline consent has been previously obtained.

Formal Tenders are appropriate for disposal of development sites. These can include sale incorporating development agreements, Joint Venture land disposals (which may or may not involve a JV Company) and consideration of freehold or leasehold disposals, the latter adopted where there is a need for estate management controls or where there is the prospect of a change in planning to a more valuable use at some point in the future. Development Agreements, Joint Ventures and leasehold disposals could equally apply following informal tenders although less common.

The Authority's Constitution requires tenders for disposal which are in a similar form to the more common tenders for the provision of goods and services. The rules for formal tenders for sale cover:-

- advertising that tenderers are to be sought;
- procedure for pre-tender shortlisting of applicants, where appropriate;
- evidence of financial standing required from tenderers;
- the principal contents of the tender package, including a clear tender return date;
- inclusion of a pre-addressed envelope indicating tender details and opening date;
- Method of recording and safekeeping tenders prior to the opening date;
- the constitution of the Council's team which should be present at opening of tenders;
- arrangements for listing and witnessing tenders on opening;
- the form of Committee Report recommending which tender(s) should be accepted;
- rules for informing successful tenderers;
- instructions not to solicit or accept increased basic offers after receipt of tenders;
- Members should not engage in negotiations under any circumstances; and
- the external advisers should be bound by similar rules.

**(iv) Formal Tender (Growth Framework Agreement)**

This is a hybrid of the Formal or Contractual Tender procedure and involves a competitive process to arrive at a shortlist of developers/purchasers with the capacity and capability of delivering schemes on future development sites yet to be brought forward for development.

This will result in a number of companies being entered as Partners onto the Growth Framework Agreement. The competitive process is also designed to secure certainty and competitive bids for elements of value and cost contained in a residual valuation for the proposed sites. When sites are brought forward for development and disposal, the Growth Framework Agreement enables a simpler second stage of bidding/negotiations to achieve best consideration offers from the Framework Partners. Considerations noted in (iii) above will apply with regard to such matters of acceptance of tenders and disposal methodology to ensure development takes place and land banking is avoided.

**(v) Public Auction**

To achieve success with this method of disposal, external auctioneers are normally used. The auctioneer is briefed at an early stage, and fully involved in preparing conditions of sale and fixing the reserved price. The reserve should be approved by the Council and conveyed to the auctioneer immediately before the auction. It should also be recorded in a sealed letter which the auctioneer will have available at the time of sale. Sale by auction requires preparation of all contractual details beforehand in order that a binding contract may be effected immediately a bid is accepted.

The advantages of an auction are openness and swift completion of the transaction if an acceptable bid is generated. Disadvantages are the principle of sale by auction falls in and out of favour with the market, and there are times when auction should not be considered as the interest from the market will be low. Success of an auction depends on the atmosphere generated in the sale room which may depend on the quality of other lots on offer and a great deal will rest with the skill of the auctioneer. As a contract must be entered into immediately a bid is accepted, funds to meet the sale price must be available within 28 days. This may exclude purchasers who need to raise finance. There may be little time for potential purchasers to consider the transaction, and no opportunity to discuss alternative ways to structure the deal. The winning bid need only be marginally more than the second highest bid, and may not represent the maximum the purchaser would have been willing to pay. In view of the above, auctions are only considered appropriate for property where they do not hold any major strategic influence.

**C. CONSIDERATIONS FOR DEVELOPMENT SITES**

Disposal of development sites, notably valuable major sites in town centres or those sites aligned to major regeneration and employment projects in the borough require special mention and often special treatment to achieve multiple objectives. Invariably, disposal of such sites will be subject to a rigorous tender procedure which may involve a number of steps to filter out potentially weak purchasers and often culminating in formal presentations to lead officers and Members. In view of the profile of key development sites, development agreements are often employed in the sale transaction as a mechanism to avoid land banking, ensuring delivery of the development within a reasonable time and securing a preferred type and quality of development. This will most likely mean following the Public Contracts Regulations 2015 process in formally procuring land development projects

Building licences, as an alternative to a development agreement, allows the Council to retain the freehold and ensure the purchaser's construction activities comply with specific land obligations. Once this work has been done then the freehold is transferred.

A building licence is not be subject to the procurement rules provided that the purpose of the licence is to ensure the purchaser does not go back on its own intended proposals or activities made at the time of purchase.

For very high profile and valuable sites, and where a straight disposal of land cannot produce wider development objectives, a Joint Venture Development Agreement is worthy of consideration. This is essentially a business agreement in which the parties agree to develop, for a finite time, new assets by contributing respective "equity". The parties jointly exercise control over the project and consequently share revenues, profits, assets and expenses (typically in proportion to the inputs). In the context of a JV between a Local Authority and Private Company/Developer the respective contributions can achieve results that would be unlikely where each was operating in isolation. The LA can contribute land and other property assets, local knowledge and experience, political support, additional capital funding if necessary and, crucially in some cases, CPO powers. The private developer brings external funding, extensive development expertise, a professional team specialising in property development if not present in the LA, the ability and willingness to take greater risks and ultimately the profit motive to drive results. As with other major disposals, the process for selection of the JV partner must be robust and compliant with legislation.

#### **D. DEALING WITH LATE BIDS**

In the context of sale of land and property by tender, the issue of dealing with late bids is one area that can lead to challenges against the Council of maladministration and judicial review.

Whilst it may be appropriate to maintain a policy of disregarding any late bids in a tender exercise, the Council may miss the opportunity to secure best consideration where a late bid substantially exceeds bids received on time. Indeed, a Council could be found to fall short of achieving best consideration if rival bids are not fully investigated.

The policy of the Council in respect of late bids should be as follows:

- The Council discourages the submission of late bids in all cases when it is disposing of land. It will attempt to minimise problems by aiming for early exchange of contracts.
- Late bids cannot be considered where land is being disposed of by public auction after a successful bid has been accepted.
- Where a land and property is sold by tender, whether informal or formal, any bids received after the specified closing date and time will not be accepted.
- This will at all times be made quite clear in the tender documentation.
- In the case of a tender where the highest bid is less than £50,000 the Property Consultant will seek approval of all bids received on time and exchange contracts with the approved bidder accordingly.
- In the case of a tender where the highest bid opened is £50,000 or more the Property Consultant will seek approval of all bids received on time. If at any time before exchange of contracts a higher bid is received the Property Consultant will bring such a bid, or bids, to the attention of the Council.
- Where late bids are brought to the attention of the Council, a re-tender exercise should be undertaken, unless the late bid is less than £5,000 above the highest bid, in which case best consideration would be compromised by a re-tender exercise.

- Late bids will not be considered unless there are good commercial reasons. This should be explained to any purchaser in sales particulars.
- Consideration of a late bid does not mean that it will necessarily be accepted even if it is the 'highest bid'.
- The Council may ask both the late bidder and the original highest bidder to submit their last and final bids by a set deadline.
- Late bids cannot be accepted where procurement rules apply and the monitoring officer must be consulted to ensure compliance with procurement rules and regulations.

Dealing with late bids would be less of an issue where the period between receipt of tenders and exchange of contracts is minimised. The Property Consultancy will, therefore use all practical means to reduce the time taken to complete transactions after receipt of bids.

#### **E. OPTIONS**

In relation to land and property, these are rights enabling a party to acquire property at a future date if certain pre-conditions are satisfied. Options are used to assist with long term business planning and expansion or to give developers an opportunity and comfort to work up expensive development proposals on complex schemes. The latter can sometimes be linked to a “Lock Out” agreement whereby the Council would agree to withdraw a piece of property from the disposal market for a fixed period of time, usually of short term duration.

Options are favourable where market conditions have deteriorated, and they are needed to bring confidence to future investment. Should options be considered they need to be tightened up from those offered previously, and should give the Council the right to trigger the termination of the option quickly, should market conditions change. In any event, there is invariably a potential value to an option, and in the right commercial circumstances, the Council should negotiate a suitable consideration before granting an option on land or property.

#### **F. MONITORING DISPOSALS**

Disposals of land and property play a key role in both realisation of policy objectives, and in maintaining an acceptable capital programme through the generation of capital receipts. The Property Review process has helped to bring forward substantial capital receipts in recent years, but it is proving more difficult to identify opportunities, as assets reduce. Nevertheless, important links have been established with the Director of Finance to successfully monitor the situation and, with the limitations of capital controls, the free flow of up-to-date information is always important.

To assist in the monitoring role, the Property Consultant reports on a regular basis progress with disposals through the Capital Receipts Monitoring Report. This information schedule provides senior managers with regularly updated information and target action to progress individual cases. This report links closely to the existing financial monitoring system that can help tie-up target priority cases. These monitoring reports will contain information of a confidential nature, fundamental to the Council’s success in negotiations, and distribution needs to be carefully controlled so that problems do not arise.

This monitoring process needs to stretch through to completion, as the availability of capital receipts greatly affects the flexibility of the Council's actions. Targets for legal completion are fundamental to an improved process. Where disposals at restricted values are agreed, it will be important for the Council to monitor the position on the ground to ensure that its objectives are achieved, and, where developments change, to seek clawback. Post-disposal monitoring also extends to checks to ensure that purchasers comply fully and timely with any conditions of sale or covenants specifically imposed in order to achieve Council Policy objectives. As part of wider property management best practice, post- monitoring procedures are followed to ensure that the Council does not miss any opportunities created in the past or in the future.



## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICERS:</b>	Director of Finance
<b>DATE:</b>	Thursday, 9 March 2023

<b>PORTFOLIO/S AFFECTED:</b>	Finance and Governance
<b>WARD/S AFFECTED:</b>	All
<b>KEY DECISION:</b>	Y

**SUBJECT: Award of Contract for Long Term Agreement for Council Insurance Policies and Cover**

### 1. EXECUTIVE SUMMARY

The Council's current long term agreement for insurance ends on 31 March 2023. The Constitution and Financial Procedure Rules requires the Director of Finance to arrange and administer all insurance cover subject to Executive Board approval. To ensure that there is continuity of cover an appropriate re-procurement exercise has been carried out for the Council's insurance requirements, in accordance with the UK Public Procurement Regulations. The results have been evaluated, with support from the Head of Corporate Contracting & Procurement and the Council's insurance broker Aon UK Limited, in order to have new insurance policies in place from 1 April 2023.

### 2. RECOMMENDATIONS

That the Executive Board approves:

- i) The award of the insurance contracts to the successful bidders for an initial period of three years, with option to extend for a further two year period;
- ii) The amendment levels of cover relating to elements of the Council's property and casualty cover to provide improved cover to the Council in the event of claims for these areas.

### 3. BACKGROUND

- 3.1. Under the Council's Constitution and Financial Procedure Rules there is a requirement for the Council and its schools, most of whom buy into the Council's insurance services under service level agreements, to have adequate insurance cover in place. There is also a statutory requirement for the Council to have certain insurances in place to cover areas such as employers liability, public liability, and motor vehicles. The current policies, which have been in place under a long term agreement since 1 April 2017, are due to expire on 31 March 2023.



- 3.2. As the value of the insurance contracts is over the threshold prescribed under the Public Procurement Regulations 2015, a formal procurement for the main insurances was carried out using a YPO Framework. This commenced in November 2022. Separate procurements for specialist areas of insurance were carried out concurrently through quotation exercises agreed with the Head of Corporate Contracting & Procurement and Aon.
- 3.3. The main Council insurances and related services were re-tendered in lots. The specification allowed for bids to be made for any or all lots and included the following main areas:
- Property, including material damage, work in progress, all risks, business interruption, money, and theft;
  - Casualty, including public and employers liability, officials indemnity, libel and slander and professional negligence;
  - Motor fleet;
  - Engineering and engineering inspection; and
  - Schools.
- 3.4. Quotes were also obtained for specialist areas of cover including terrorism, marine and hired in plant.
- 3.5. As part of the tender preparation the Insurance team reviewed the Council's existing insurance cover requirements, excesses, stop loss levels and indemnity limits with Aon. Alternative excess options and extensions of cover were identified for the future insurance arrangements for tenderers to bid on for the Property, Casualty and Motor Vehicle classes of cover. This was to enable an assessment to be carried out to determine if the alternatives identify would provide cost saving opportunities and to assess any increased costs associated with obtaining improved level of cover to the Council, whilst also making the Council a more attractive insurance risk for insurers.
- 3.6. The tender process aimed to select the providers of the Council's insurance cover for the next three years, with an option to extend this for a further two years. The process has been supported by the Council's insurance brokers, Aon UK Limited, who provided technical guidance. Colleagues from the Council Corporate Procurement team have also provided advice and support to the process.
- 3.7. Following an extensive tendering process bids were received from four interested parties. The bids received ranged from companies quoting for one lot to those who quoted for the full range of cover required by the Council.
- 3.8. Evaluation templates were prepared in accordance with the Council's Contract and Procurement Rules. The main evaluation criteria for all lots except engineering were price and price structure (60%), scope of policy (20%), and quality, range of service and claims handling (20%). The criteria for the engineering lot was price (30%), service (60%) and scope of cover (10%). Lots 5 and 8 were scored on a standalone basis. For the other lots there was the possibility for package discounts and so the Council's evaluation methodology was designed to compare what was the best overall package. Where a bidder bid for a lot the score for that bid was therefore based on the overall price/quality of that bid in combination with the best bids for the lots.
- 3.9. The bids submitted provided full details of the scope of all the policy cover, staff experience, training and development arrangements as well as their claims handling arrangements.
- 3.10. For Lots 1 to 4 and 6 to 7 based on the results of the tender evaluation – Combination A, which was to award all lots to Zurich Municipal, as the most economically advantageous overall package of policies for the Council based on the criteria set out in the tender document. The overall evaluation scores are set out in the table below.

Lot	Combination A	Combination B	Combination C	Combination D
Combined price score	60%	54.94%	57.90	59.74
Combined quality score	27.10	26.84	27.23	27.20
Combined total score	87.10%	81.78	85.13	86.94

- 3.11. For Lot 5 there were two bids, Bid A from Zurich scored 88.46% and Bid B scored 82.26%. For Lot 8 only one bid was received, from Zurich.
- 3.12. In addition, Aon have recommended that the smaller specialist areas of cover are placed with the following insurers based on the quotes received:
- Terrorism - Lloyds of London via Aon Underwriting Managers
  - Marine – Travelers; and
  - Hired In Plant – HSB Engineering.
- 3.13. Based on the quotes received and evaluation results the preferred insurance cover has a gross cost of approximately £1,685,660 including schools but excluding any discounts and commission. The exact final cost will not be known until the final analysis of the policies has been agreed. The 2023/24 insurance budget, excluding schools, is £1,002,800.
- 3.14. Following the evaluation of the tenders, and consideration of the options available to the Council, the following changes to excesses levels and levels of cover are recommended:
- Employer's liability – increasing the excess from £25,000 to £50,000.
  - Corporate Properties - increasing the level of cover on from basic cover for Fire, Lightening, Explosion and Aircraft (FLEA) to All-risk cover.
  - Fidelity Guarantee – changing the policy from fidelity guarantee to crime.
  - Professional Negligence – increasing the blanket limit of indemnity from £2m to £5m.
  - Moving the Museum contents and items of historical significance from the All-risk policy to a Fine Arts policy.
- 3.15. The increase in the level of excess for Employer's Liability cover would save approximately £25k (including Insurance Premium Tax (IPT)) per annum, compared to continuing with a £25k excess. In the past 5 years there have only been two cases where the £25k excess has been exceeded; once by £2.6k and once by £36.7k. Therefore, based on the past claims experience for this policy, the increase in the level of self-insurance is an acceptable risk for the savings that this would generate.
- 3.16. Consideration was given to also increasing the excess for Public Liability cover from £25k to £50k. This option is not considered to be cost effective. Using the last 5 years claims experience as a guide the saving in premium that would be achieved would be outweighed by the additional excess costs that would be borne by the Council for these claims.
- 3.17. Aon have strongly recommended that we increase the level of cover on the Council's corporate property portfolio to an All risk policy. Whilst this would be an increase in premium of £12,522 (including IPT) it would extend the cover to include All Risks to the properties, which are valued as over £362.8m for insurance purposes. An All-risk policy would include cover for accidental damage and theft to the Council corporate property portfolio. The insured perils would be extended to include subsidence, escape of water and damage by Council vehicle. Aon consider that the cost of the additional premium is far outweighed by the additional cover that this policy would provide.
- 3.18. Changing the Council's Fidelity Guarantee policy to a Crime Policy would give improved cover. The current policy provides £5m cover for eleven designated officers and only £500k for all other Council staff. The benefits of changing to a Crime Policy includes extending the £5m cover to all staff in respect of any claim relating employee dishonesty and including third party computer and funds transfer fraud.
- 3.19. The Council currently has a blanket Professional Negligence policy in place which has a £2m limit of indemnity for the majority of the Page 202 provided. However we have increased the limit

to £5m during the current long term agreement specifically for Legal Services and Adult Learning due to particular requirements of these teams. It is recommended that the limit of indemnity on this policy is increased to blanket cover of £5m for all services given the increasing volume, value and complexity of professional services that the Council is now providing to third parties, and the increasing costs associated with any claims that may be made against this policy.

3.20. The Museum contents and items of historical significance in the Old Town Hall and Blackburn Library are currently included in the All-risk policy. It is recommended that these items are transferred to a specialist Fine Arts policy. This type of policy has the following benefits in when compared to the existing cover:

- Wider transit, temporary removed and incoming loans limits, GBP 500,000 (compared to £50,000 under the current policy).
- 5% No Claims Bonus on renewal with the same market.
- Emergency Evacuation of the Museum collection.
- Minimum liability not covered by the Government Indemnity Scheme for items on loan from national institutions.
- Uneconomic Cost of Restoration.
- Support in the preparation and review of disaster recovery plans.
- One-on-one consultation with a dedicated member of the Fine Art team.
- Schedule reviews.
- Reconciliation of existing schedules, appraisals, and invoices.
- Current market data for fine art.
- Referrals to the leading specialists for appraisal, advisory, and conservation services.
- Consultation on storage and protective measures for your collections.
- Introduction to experts in collections handling and transit.

3.21. Once the award of the long term insurance agreement has been approved there is a requirement to allow a 10 day 'standstill' period to enable challenges to the process to be lodged.

3.22. The Executive Board is therefore requested to approve the successful bidders to provide the insurance cover and policies on behalf of the Council commencing on 1 April 2023, subject to any challenges being received during the standstill period referred to in 3.21 above.

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

- 4.1. Executive Board approval is required due to the nature and value of the contract.
- 4.2 Under the Council Constitution and Financial Regulations the Council and schools are required to have adequate insurance cover in place. The current policies are due to expire on 31 March 2023 and there is a need to appoint an insurance company to provide the relevant policies and cover immediately after this date.
- 4.3 If the Council does not have the required insurance cover in place it is breaching its statutory responsibilities. The Council would have to fund legal costs associated with defending any claims and pay any proven claims along with associated third party costs from the Council's revenue budget and reserves. Depending on the nature of the claims these could be significant sums.

#### **5. POLICY IMPLICATIONS**

- 5.1. None

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## 6. FINANCIAL IMPLICATIONS

- 6.1. The Council provides for the insurance premium in its Revenue Budget. The Council's 2023/24 insurance budget is £1,002,800.
- 6.2. The final insurance costs will not be fully known until the full details for each of the policies is finalised.

## 7. LEGAL IMPLICATIONS

- 7.1. Failure to procure adequate and appropriate insurance cover will place the Council in breach of its statutory responsibilities. It will give rise to a significant risk of litigation, claims and complaints. The associated costs would have to be borne directly by the Council.
- 7.2. Procurement staff have been consulted throughout the re-procurement process to advise on compliance with the Council's contract procurement rules and procurement law and to mitigate the risk of a challenge.
- 7.3. The new contracts will commence from 1 April 2023 and will last for an initial period of three years, ending on 31 March 2026, with an option to extend for a further two years.

## 8. RESOURCE IMPLICATIONS

- 8.1. None

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## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

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## 9. CONSULTATIONS

- 9.1. Director of Finance

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## 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 any additional expenditure. They are also compliant with

equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect the core principles of good governance set out in the Council's Code of Corporate Governance.

## **12. DECLARATION OF INTEREST**

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

<b>VERSION:</b>	<b>1</b>
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<b>CONTACT OFFICER:</b>	<b>Colin Ferguson</b>
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<b>DATE:</b>	10/02/23
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<b>BACKGROUND PAPER:</b>	Strategy for Re-Procurement of Council's Insurance Requirements From 1 April 2023 approved by the Executive Member for Finance and Governance on 6 July 2022.
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## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICERS:</b>	Director of Finance
<b>DATE:</b>	9 <sup>th</sup> March 2023

**PORTFOLIO/S AFFECTED:** Finance and Governance

**WARD/S AFFECTED:** All

**KEY DECISION:** YES ☒ NO ☐

### SUBJECT: TREASURY MANAGEMENT STRATEGY REPORT 2022/23

#### 1. EXECUTIVE SUMMARY

1.1 Treasury risk management is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the Treasury Management Code) which requires the Council to approve a Treasury Management Strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.

#### 2. RECOMMENDATIONS

It is recommended that the Executive Board:

2.1 Approves the proposed Treasury Management Strategy for 2023/24, detailed in **Appendix 1**, including the proposed Treasury Management Indicators.

#### 3. BACKGROUND

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

3.2 Investments held for service purposes or for commercial profit are considered in the Capital Strategy report, approved by Finance Council in February 2023.

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#### 4. RATIONALE

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

#### 5. KEY ISSUES

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

#### 6. POLICY IMPLICATIONS

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

#### 7. FINANCIAL IMPLICATIONS

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

#### 8. LEGAL IMPLICATIONS

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

#### 9. RESOURCE IMPLICATIONS

None as a direct consequence of this report.

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#### 10. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

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## 11. CONSULTATIONS

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

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## 12. 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.

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## 13. 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.

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<b>VERSION:</b>	<b>1.0</b>
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<b>CONTACT OFFICER:</b>	<b>Jenny Bradley (Ext 267681)</b>
<b>DATE:</b>	February 2023
<b>BACKGROUND PAPER:</b>	None



## **TREASURY MANAGEMENT STRATEGY 2023/24**

### **1 Introduction**

- 1.1 Treasury management is the management of the Authority's cash flows, borrowing and investments, and the associated risks. The Authority has borrowed and invested substantial sums of money and is therefore exposed to financial risks including the loss of invested funds and the revenue effect of changing interest rates. The successful identification, monitoring and control of financial risk are therefore central to the Authority's prudent financial management.
- 1.2 Treasury risk management at the Authority is conducted within the framework of the Chartered Institute of Public Finance and Accountancy's Treasury Management in the Public Services: Code of Practice 2021 Edition (the CIPFA Code) which requires the Authority to approve a treasury management strategy before the start of each financial year. This report fulfils the Authority's legal obligation under the Local Government Act 2003 to have regard to the CIPFA Code.
- 1.3 Investments held for service purposes or for commercial profit are considered in a different report, the Capital Strategy.
- 1.4 Should the assumptions on which this report is based change significantly, it may be necessary to seek approval to a revised Treasury Management Strategy. Such circumstances could include, for example, a large unexpected change in interest rates, or in the Authority's capital programme or in the level of investments made or borrowing required.

### **2 External Context**

#### **Economic Background:**

- 2.1 The ongoing impact on the UK from the war in Ukraine, together with higher inflation, higher interest rates, uncertain government policy, and a deteriorating economic outlook, will be major influences on the Authority's treasury management strategy for 2023/24.
- 2.2 The Bank of England (BoE) increased Bank Rate by 0.5% to 4.0% in February 2023. This followed a 0.5% rise in December and a 0.75% rise in November which was the largest single rate hike since 1989 and the ninth successive rise since December 2021. The February decision was voted for by a 7-2 majority of the Monetary Policy Committee (MPC), with two dissenters voting for a no-change at 3.5%.
- 2.3 The November quarterly Monetary Policy Report (MPR) forecast a prolonged but shallow recession in the UK with CPI inflation remaining elevated at over 10% in the near-term. While the projected peak of inflation is lower than in the August report, due in part to the government's support package for household energy costs, inflation is expected to remain higher for longer over the forecast horizon and the economic outlook remains weak, with unemployment projected to start rising.
- 2.4 The UK economy contracted by 0.3% between July and September 2022 according to the Office for National Statistics, and the BoE forecasts Gross Domestic Product (GDP) will decline 0.75% in the second half of the calendar year due to the squeeze on household income from higher energy costs and goods prices. Growth is then expected to continue to fall throughout 2023 and the first half of 2024.

- 2.5 CPI inflation is expected to have peaked at around 11% in the last calendar quarter of 2022 and then fall sharply to 1.4%, below the 2% target, in two years' time and to 0% in three years' time if Bank Rate follows the path implied by financial markets at the time of the November MPR (a peak of 5.25%). However, the BoE stated it considered this path to be too high, suggesting that the peak in interest rates will be lower, reducing the risk of inflation falling too far below target. Market rates have fallen since the time of the November MPR.
- 2.6 The labour market remains tight for now, with the most recent statistics showing the unemployment rate was 3.7%. Earnings were up strongly in nominal terms by 6.1% for both total pay and for regular pay but factoring in inflation means real pay for both measures was -2.7%. Looking forward, the November MPR shows the labour market weakening in response to the deteriorating outlook for growth, leading to the unemployment rate rising to around 6.5% in 2025.
- 2.7 Interest rates have also been rising sharply in the US, with the Federal Reserve increasing the range on its key interest rate by 0.5% in December 2022 to 4.25%-4.5%. This rise follows four successive 0.75% rises in a pace of tightening that has seen rates increase from 0.25%-0.50% in March 2022. Annual inflation has been slowing in the US but remains above 7%. GDP grew at an annualised rate of 3.2% (revised up from 2.9%) between July and September 2022, but with official interest rates expected to rise even further in the coming months, a recession in the region is widely expected at some point during 2023.
- 2.8 Inflation has risen consistently in the Euro Zone since the start of the year, hitting a peak annual rate of 10.6% in October 2022, before declining to 10.1% in November. Economic growth has been weakening with an upwardly revised expansion of 0.3% (from 0.2%) in the three months to September 2022. As with the UK and US, the European Central Bank has been on an interest rate tightening cycle, pushing up its three key interest rates by 0.50% in December, following two consecutive 0.75% rises, taking its main refinancing rate to 2.5% and deposit facility rate to 2.0%.

### **Credit Outlook:**

- 2.9 Credit default swap (CDS) prices have followed an upward trend throughout the year, indicating higher credit risk. They have been boosted by the war in Ukraine, increasing economic and political uncertainty and a weaker global and UK outlook, but remain well below the levels seen at the beginning of the Covid-19 pandemic.
- 2.10 CDS price volatility was higher in 2022 compared to 2021 and the divergence in prices between ringfenced (retail) and non-ringfenced (investment) banking entities has emerged once again.
- 2.11 The weakening economic picture during 2022 led the credit rating agencies to reflect this in their assessment of the outlook for the UK sovereign as well as several local authorities and financial institutions, revising them to negative from stable.
- 2.12 There are competing tensions in the banking sector which could impact bank balance sheet strength going forward. The weakening economic outlook and likely recessions in many regions increase the possibility of a deterioration in the quality of banks' assets, while higher interest rates provide a boost to net income and profitability.
- 2.13 However, the institutions on our adviser Arlingclose's counterparty list remain well-capitalised and their counterparty advice on both recommended institutions and maximum duration remain under constant review and will continue to reflect economic conditions and the credit outlook.

## Interest Rate Forecast (December 2022):

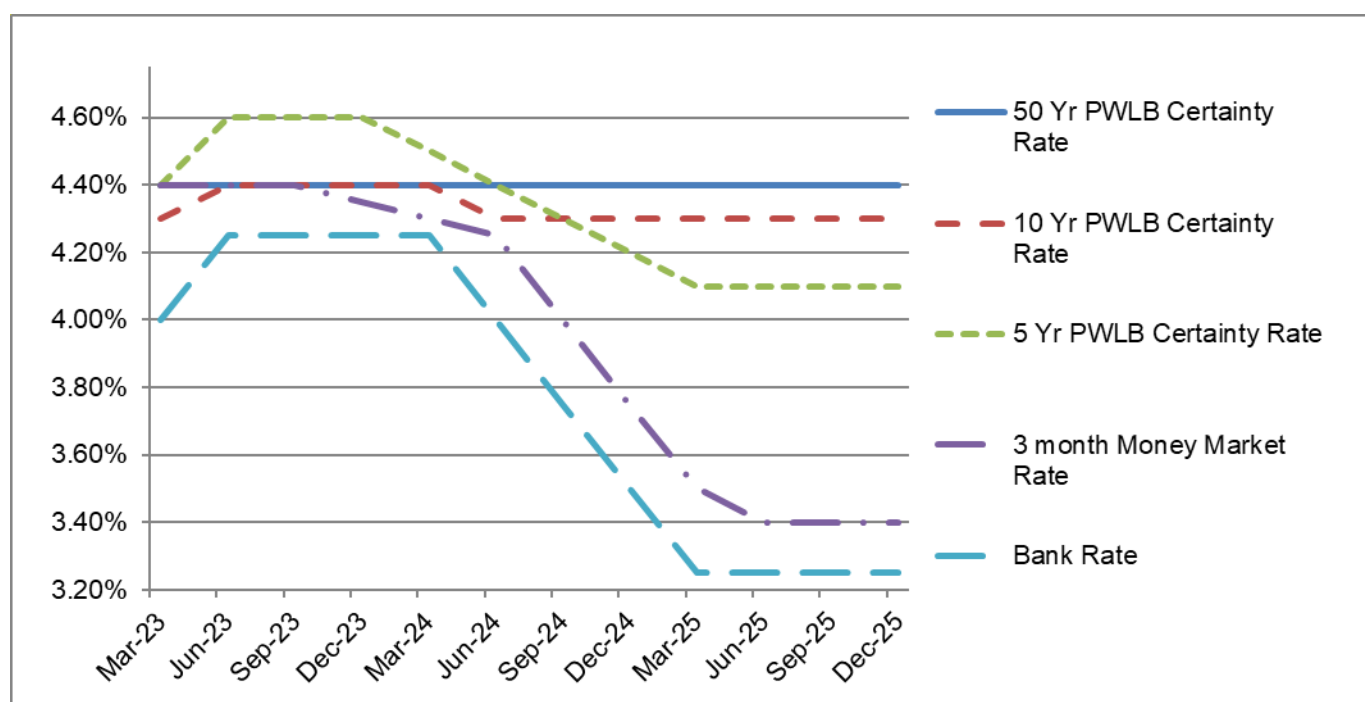
2.14 The Authority's treasury management adviser Arlingclose forecasts that Bank Rate will continue to rise in 2023 as the Bank of England attempts to subdue inflation which is significantly above its 2% target.

2.15 While interest rate expectations reduced during October and November 2022, multiple interest rate rises are still expected over the forecast horizon despite looming recession. Arlingclose expects Bank Rate to rise to 4.25% by June 2023 under its central case, with the risks in the near- and medium-term to the upside should inflation not evolve as the Bank forecasts and remains persistently higher.

2.16 Yields are expected to remain broadly at current levels over the medium-term, with 5-, 10- and 20-year gilt yields expected to average around 3.5%, 3.5%, and 3.85% respectively over the 3-year period to December 2025. The risks for short, medium and longer-term yields are judged to be broadly balanced over the forecast horizon. As ever, there will undoubtedly be short-term volatility due to economic and political uncertainty and events.

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

The Public Works Loan Board (PWLB) rates relate to potential long-term borrowing, and the Money Market rate to short-term borrowing and investment.



For the purpose of setting the budget for 2023/24, it was assumed that:

- any new investments would be at an average rate of 4.00%, and
- new borrowing would be available, if required, at rates around 5.5%.

### 3 Local Context

At the end of January 2023 the Council held around £215.3M of borrowing and £71.9M of treasury investments:

*Table 1: Existing Debt and Investment Portfolio Position*

	£m
Short-Term Debt – maturing 22/23	5.0
Short-Term Debt – maturing 23/24	0.0
Long-Term Debt	139.8
Lancashire County Council (LCC) Debt	12.6
Debt re PFI Arrangements	57.9
<b>Gross Borrowings</b>	<b>215.3</b>
This was offset by investments of:	71.9
Net Borrowing (gross borrowing less investments)	143.4
Net Borrowing (if LCC and PFI debt are excluded)	<b>72.9</b>

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

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

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

**LESS** any capital receipts applied to finance outstanding debt.

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

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

*Table 2: Balance Sheet Summary and Forecast*

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
General Fund CFR	289.6	284.3	291.8	296.2	298.4
Less: CFR re Other debt liabilities *1	-84.0	-83.6	-83.2	-82.8	-82.3
<b>Loans CFR</b>	<b>205.6</b>	<b>200.7</b>	<b>208.6</b>	<b>213.4</b>	<b>216.1</b>
Less: External borrowing *2	-141.8	-138.0	-134.6	-124.5	-116.3
<b>Internal Borrowing</b>	<b>63.8</b>	<b>62.7</b>	<b>74.0</b>	<b>88.9</b>	<b>99.8</b>
Less: Usable reserves *3	-90.4	-82.1	-74.0	-74.0	-74.0
Plus/Minus: Working capital	4.4	-23.3	-2.4	-2.9	-3.3
<b>Remaining Net Borrowing Need</b>	<b>-22.2</b>	<b>-42.7</b>	<b>-2.4</b>	<b>12.0</b>	<b>22.5</b>

Net Borrowing Need addressed by		
Short Term Borrowing	20.0	0.0
Treasury Investments	-42.2	-42.7

\*1 CFR regarding PFI liabilities and transferred debt that form part of the Council's total debt

\*2 Only loans to which the Council is committed over the longer term

\*3 Includes schools balances and grants received in advance of need

The underlying need to borrow for capital purposes is measured by the Capital Financing Requirement (CFR), while balance sheet resources are the underlying sums available for investment. The Authority's current strategy is to maintain borrowing below their underlying levels, sometimes known as internal borrowing.

The Council's "Loans CFR" remains relatively steady in the medium-term because, based on current Capital Programme plans, the level of MRP being made is broadly similar to the increase in CFR resulting from additional spend financed from borrowing.

- 3.3 CIPFA's *Prudential Code for Capital Finance in Local Authorities* recommends that total debt should be lower than the highest forecast CFR over the next three years. Table 2 shows that the Council expects to comply with this recommendation during 2023/24.

## 4 Liability Benchmark

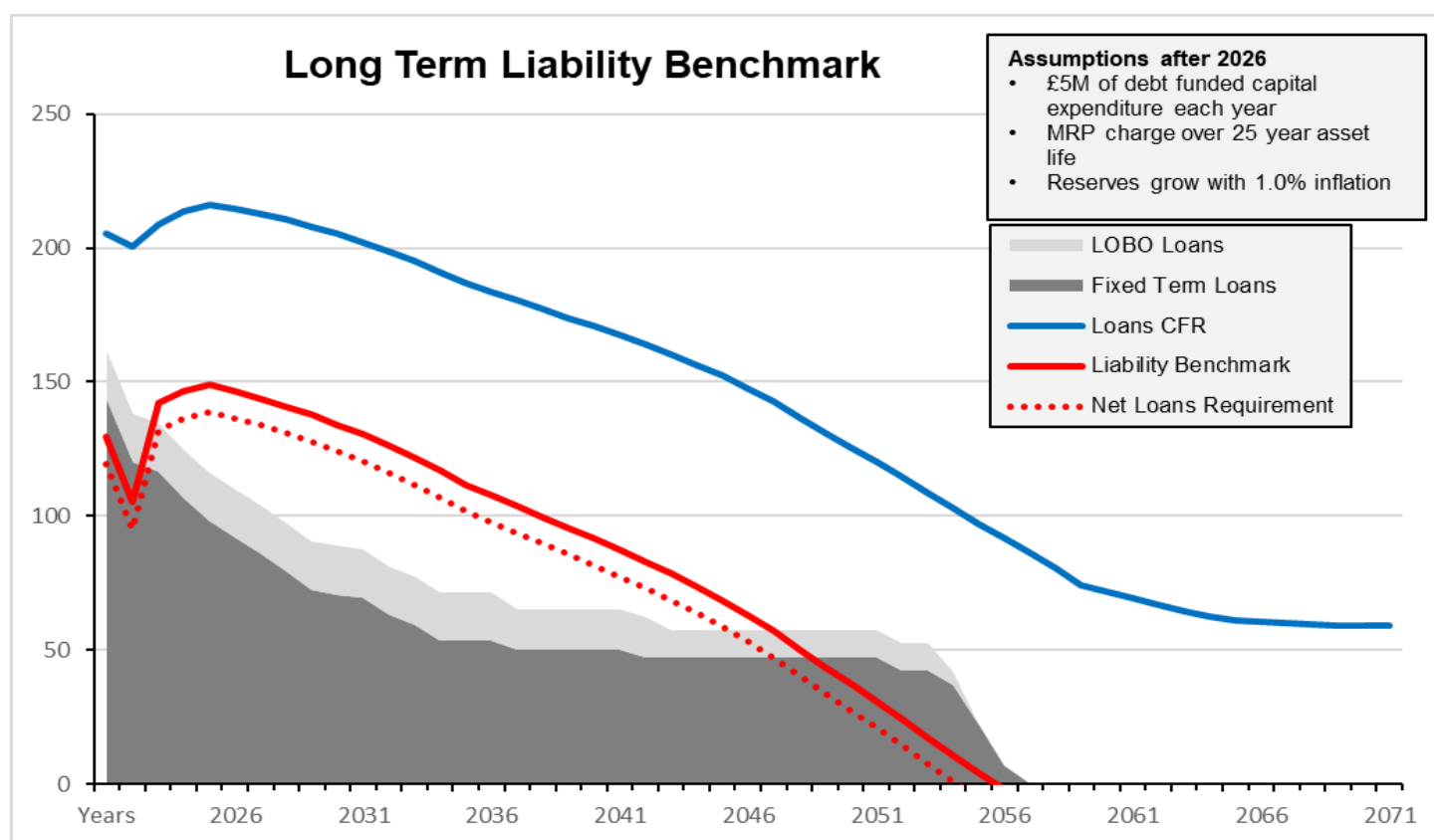
- 4.1 To compare the Council's actual borrowing against an alternative strategy, a liability benchmark has been calculated showing the lowest risk level of borrowing. This assumes the same forecasts as Table 2 above, but that cash and investment balances are kept to a minimum level of £10M at each year-end to maintain sufficient liquidity but minimise credit risk.
- 4.2 The liability benchmark is an important tool to help establish whether the Council is likely to be a long-term borrower or long-term investor in the future, and so shape its strategic focus and decision making. The liability benchmark itself represents an estimate of the cumulative amount of external borrowing the Council must hold to fund its current capital and revenue plans while keeping treasury investments at the minimum level required to manage day-to-day cash flow.

*Table 3: Liability Benchmark*

	31.3.22 Actual £m	31.3.23 Estimate £m	31.3.24 Forecast £m	31.3.25 Forecast £m	31.3.26 Forecast £m
Loans CFR	205.6	200.7	208.6	213.4	216.1
Less: Balance sheet resources	-90.4	-82.1	-74.0	-74.0	-74.0
<b>Net loans requirement</b>	<b>115.2</b>	<b>118.6</b>	<b>134.6</b>	<b>139.4</b>	<b>142.1</b>
Plus: Liquidity allowance	14.4	-13.3	7.6	7.1	6.7
<b>Liability Benchmark</b>	<b>129.6</b>	<b>105.3</b>	<b>142.2</b>	<b>146.5</b>	<b>148.8</b>
<b>Actual Borrowing</b>	<b>161.8</b>	<b>138.0</b>	<b>134.6</b>	<b>124.5</b>	<b>116.3</b>

- 4.3 The above table shows that the borrowings the Council has already committed to are forecast to be below the liability benchmark in the future, and therefore the Council would be expecting to enter into new borrowings over the next 3 years. The majority of this would be replacing maturing short-term loans.

- 4.4 Current borrowing levels are above the liability benchmark for the following reasons:
- additional borrowings required for the advance of pension costs made in April 2020
  - low levels of capital expenditure during 2022/23 offset by high value capital receipts, reducing the borrowing requirement
  - high cash balances at the end of 2022/23, partly as a result of grant funding received but not spent during the year
- 4.5 Following on from the medium-term forecasts shown in Table 3 above, the long-term liability benchmark assumes capital expenditure funded by borrowing of £5m a year, minimum revenue provision on new capital expenditure based on a 25 year asset life and income, expenditure and reserves all increasing by inflation of 1.0% a year. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing:



## 5 Borrowing Strategy

- 5.1 The authority currently holds £139.8M of loans (excluding PFI and transferred debt), a decrease of £3.8M on the previous year, as part of its strategy for funding previous years' capital programmes. The balance sheet forecast in Table 2 shows the authority's borrowing expectations for the next three years. The authority may also borrow additional sums to pre-fund future years' requirements, providing this does not exceed the authorised limit for borrowing of £329.4M. However, given the current high level of interest rates, this is unlikely to be a strategy adopted in 2023/24.
- 5.2 **Objectives:** The authority's chief objective when borrowing money is to strike an appropriately low risk balance between securing low interest costs and achieving certainty of those costs over the period for which funds are required. The flexibility to renegotiate loans should the Authority's long-term plans change is a secondary objective.

- 5.3 **Strategy:** Given the significant cuts to public expenditure and in particular to local government funding, the authority's borrowing strategy continues to address the key issue of affordability without compromising the longer-term stability of the debt portfolio. With both short and long-term interest rates currently at high levels, it is likely to be more cost effective in the short-term to maximise the use of internal resources. By doing so, the Council can reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 5.4 Long-term borrowing rates, already high, are forecast to rise modestly in 2023/24 before dropping in 2024/25 and beyond. The benefits of deferring long-term borrowing for as long as possible will be monitored regularly against the costs of internal and short-term borrowing. Arlingclose will assist the Authority with this analysis.
- 5.5 The Authority has previously raised much of its long-term borrowing from the PWLB, but will consider long-term loans from other sources including banks, pensions and local authorities, and will investigate the possibility of issuing bonds and similar instruments, in order to lower interest costs and reduce over-reliance on one source of funding in line with the CIPFA Code. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield; if the Council was to undertake such activities, alternative long term funding options would need to be explored. It is likely that this would take longer to arrange, and the process would require additional resources to complete. The interest rates at which such borrowing could be obtained are uncertain but may be at rates higher than those currently available from the PWLB.
- 5.6 Alternatively, the Council may arrange forward starting loans, where the interest rate is fixed in advance, but the cash is received in later years. This would enable certainty of cost to be achieved without suffering a cost of carry in the intervening period.
- 5.7 In addition, the Council may take further short-term loans to cover cash flow requirements.
- 5.8 The authority will continue to maintain a flexible approach to borrowing.
- 5.9 **Sources of Borrowing:** The approved sources of long-term and short-term borrowing will be:
- HM Treasury's PWLB lending facility (formerly the Public Works Loan Board)
  - any institution approved for investments (see below)
  - any other bank or building society authorised to operate in the UK
  - any other UK public sector body
  - UK public and private sector pension funds (apart from the Lancashire County Council Pension Fund)
  - capital market bond investors
  - UK Municipal Bonds Agency plc and other special purpose companies created to enable local authority bond issues

**Other Sources of Debt Financing:** In addition, capital finance may be raised by the following methods that are not borrowing, but may be classed as other debt liabilities:

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

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

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

- (a) borrowing authorities will be required to provide bond investors with a guarantee to refund their investment in the event that the agency is unable to for any reason; and
- (b) there will be a lead time of several months between committing to borrow and knowing the interest rate payable.

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

**5.11 LOBOs:** The Council holds £13M of LOBO (Lender's Option Borrower's Option) loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Council has the option to either accept the new rate or to repay the loan at no additional cost. £8M of these LOBOs have options which may be exercised during 2023/24, and with interest rates having risen recently, there is now a reasonable chance that lenders will exercise their options. If they do, the Authority may take the option to repay LOBO loans to reduce refinancing risk in later years. It is not currently expected that the Council will take any further LOBO loans - however in order to allow for some flexibility, the Council will limit its total exposure to LOBO loans to £25M.

**5.12 Short-Term and Variable Rate Loans:** Short-term and variable rate loans leave the authority exposed to the risk of short-term interest rate rises and are therefore subject to the interest rate exposure limits in the treasury management indicators below. Financial derivatives may be used to manage this interest rate risk (see section below).

**5.13 Debt Rescheduling:** The PWLB allows authorities to repay loans before maturity and either pay a premium or receive a discount according to a set formula based on current interest rates. Other lenders may also be prepared to negotiate premature redemption terms. The Authority may take advantage of this and replace some loans with new loans, or repay loans without replacement, where this is expected to lead to an overall cost saving or a reduction in risk. The recent rise in interest rates means that more favourable debt rescheduling opportunities should arise than in previous years.

## **6 Treasury Investment Strategy**

**6.1** On a day-to-day basis the Council can hold significant invested funds representing income received in advance of expenditure requirements, in addition to balances and reserves held. In the past 12 months, the Council's treasury investment balance has ranged between £35M and £83M, reflecting in particular the profiles of capital spending, grant funding, short-term borrowing levels and long-term debt repayments. Treasury investment levels are expected to reduce over the forthcoming year based on forecast capital expenditure plans, and the spending of grants in 2023/24 that have been received in the current year.



- 6.2 **Objectives:** The CIPFA Code requires the Council to invest its treasury funds prudently, and to have regard to the security and liquidity of its investments before seeking the highest rate of return, or yield. The Council's objective when investing money is to strike an appropriate balance between risk and return, minimising the risk of incurring losses from defaults and the risk of receiving unsuitably low investment income. Where balances are expected to be invested for more than one year, the Council will try, whilst balancing the above, to achieve a total return that is equal or higher than the prevailing rate of inflation, in order to maintain the spending power of the sum invested. The Authority aims to be a responsible investor and will consider environmental, social and governance (ESG) issues when investing.
- 6.3 **Strategy:** As demonstrated by the liability benchmark above, the Authority expects to be a long-term borrower, but is likely to use internal resources to defer borrowing for as long as possible in the expectation of interest rate reductions by the end of 2023/24. This will inevitably diminish the funds available for investment, but there will be opportunities in the first half of the year to take advantage of current yields, albeit the focus will remain on relatively short-term, low risk opportunities. The existing portfolio of strategic pooled funds will be maintained to diversify risk into different sectors and boost investment income, and the Authority will work with its brokers to investigate other, appropriate lending opportunities.
- 6.4 In order to prioritise the security of investments, the Council sets limits on the amounts placed with different institutions and as to the duration of the investment. This is to maintain a diversified investment portfolio and to align amounts and durations of investments to the perceived risks associated with different counterparties.
- 6.5 **ESG policy:** Environmental, social and governance (ESG) considerations are increasingly a factor in global investors' decision making, but the framework for evaluating investment opportunities is still developing and therefore the Authority's ESG policy does not currently include ESG scoring or other real-time ESG criteria at an individual investment level. When investing in banks and funds, the Authority will prioritise banks that are signatories to the UN Principles for Responsible Banking and funds operated by managers that are signatories to the UN Principles for Responsible Investment, the Net Zero Asset Managers Alliance and/or the UK Stewardship Code.
- 6.6 **Business Models:** Under the IFRS 9 standard, the accounting for certain investments depends on the Authority's "business model" for managing them. The Authority aims to achieve value from its treasury investments by a business model of collecting the contractual cash flows and therefore, where other criteria are also met, these investments will continue to be accounted for at amortised cost.
- 6.7 **Approved Counterparties:** The Authority may invest its surplus fund with any of the counterparty types in Table 4 below, subject to the limits shown.
- 6.8 The counterparty limits set out below do allow for a wider range of investment opportunities to be taken up than have been used by the Council to date. Should the circumstances arise under which this would be appropriate, this would allow an increased diversification of the overall portfolio and in some instances, increase the security of investments made. The take up of any new investment opportunities will be closely managed by Officers in the Treasury Management Group, following advice given by the Council's Treasury Management Advisers.

Table 4: Treasury Investment Counterparties and Limits

Approved Investment Counterparties	Time Limit	Cash Limit	Sector Limit
The UK Government	50 years	Unlimited	N/A
Local Authorities* & Other Government Entities	25 years	£5M each	Unlimited
<i>* as defined in the Local Government Act 2003</i>			
<b>Banks and Building Societies - Secured</b>			
long-term credit ratings no lower than AA- (or equivalent)	25 years	£5M each	Unlimited
long-term credit ratings no lower than AA (or equivalent)	25 years	£4M each	
long-term credit ratings no lower than A- (or equivalent)	25 years	£3M each	
<b>Banks and Building Societies - Unsecured</b>			
long-term credit ratings no lower than AA- (or equivalent)	13 months	£5M each	Banks - Unlimited
long-term credit ratings no lower than AA (or equivalent)	13 months	£4M each	
long-term credit ratings no lower than A- (or equivalent)	13 months	£3M each	Building societies - £6M in total
The Council's <b>current account banker</b> - provided long-term credit rating no lower than BBB- (or equivalent)	next day	£3M each	
<b>Corporates or Registered Providers</b> with long-term credit ratings no lower than A- (or equivalent)	5 years	£3M each	£5M in total
<b>Money Market Funds</b>			
long-term credit ratings no lower than A- (or equivalent)	N/A	£5M each	Unlimited
unrated or long-term credit ratings under A- (or equivalent)	N/A	£4M each	
<b>Strategic Pooled Funds and Real Estate Investment Trusts</b> (incl. money market funds)			
long-term credit ratings no lower than A- (or equivalent)	N/A	£5M each	£10m in total
unrated or long-term credit ratings under A- (or equivalent)	N/A	£4M each	

Other Investment Limits	Cash Limits
Any group or organisation under the same ownership	Group or overall limit same as would be set for parent company
Foreign Countries - limited to those with sovereign credit rating of AA+ or better (from all agencies)	£5M each
UK investments will not be limited by the UK's sovereign credit rating	
Investments in pooled funds and multilateral development banks do not count against the limit for any single foreign country, since the risk is diversified over many countries.	

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

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

- (b) **Medium-term funds** that may be required in the next one to twelve months will be managed concentrating on security, with less importance attached to liquidity but a slightly higher emphasis on yield. The majority of investments in this period will be in the form of fixed term deposits with banks and building societies. A spread of counterparties and maturity dates will be maintained to maximise the diversification of credit and interest rate risks.
- (c) **Long-term funds** that are not required to meet any liquidity need and can be invested with a greater emphasis on achieving higher returns. Security remains fundamental however, as any losses from defaults will impact on the total return. Liquidity is of lesser concern, although it should still be possible to sell investments with due notice if large cash commitments arise unexpectedly. This is where a wider range of instruments, including structured deposits, certificates of deposit, gilts, corporate bonds and pooled funds in bond, equity and property funds, which could be used to diversify the portfolio.

6.10 The overall Investment Strategy will be to prioritise security of funds and maintain a mix of short-term (largely instant access) and medium-term investments to generate investment income as market conditions permit. If the Council expects to have funds available for long-term investment, the Council will consider its options for such funds, including potential investment in strategic pooled funds. However, long-term investment is unlikely in 2023/24 give the aspiration to defer borrowing.

6.11 **Government:** Loans to, and bonds and bills issued or guaranteed by, national government, regional and local authorities and multilateral development banks. These investments are not subject to bail-in, and there is generally a lower risk of insolvency, although they are not zero risk. Investments with the UK Government are deemed to be zero credit risk due to its ability to create additional currency and therefore may be made in unlimited amounts for up to 50 years.

6.12 **Secured investments:** Investments secured on the borrower's assets, which limits the potential losses in the event of insolvency. The amount and quality of the security will be a key factor in the investment decision. Covered bonds and reverse repurchase agreements with banks and building societies are exempt from bail-in. Where there is no investment specific credit rating, but the collateral upon which the investment is secured has a credit rating, the higher of the collateral credit rating and the counterparty credit rating will be used. The combined secured and unsecured investments with any one counterparty will not exceed the cash limit for secured investments.

6.13 **Banks and building societies (unsecured):** Accounts, deposits, certificates of deposit and senior unsecured bonds with banks and building societies, other than multilateral development banks. These investments are subject to the risk of credit loss via a bail-in should the regulator determine that the bank is failing or likely to fail. See below for arrangements relating to operational bank accounts.

6.14 **Registered providers (unsecured):** Loans to, and bonds issued or guaranteed by, registered providers of social housing or registered social landlords, formerly known as housing associations. These bodies are regulated by the Regulator of Social Housing (in England), the Scottish Housing Regulator, the Welsh Government and the Department for Communities (in Northern Ireland). As providers of public services, they retain the likelihood of receiving government support if needed.

- 6.15 **Money market funds:** Pooled funds that offer same-day or short notice liquidity and very low or no price volatility by investing in short-term money markets. They have the advantage over bank accounts of providing wide diversification of investment risks, coupled with the services of a professional fund manager in return for a small fee. Although no sector limit applies to money market funds, the Authority will take care to diversify its liquid investments over a variety of providers to ensure access to cash at all times.
- 6.16 **Strategic pooled funds:** Bond, equity and property funds that offer enhanced returns over the longer term but are more volatile in the short term. These allow the Authority to diversify into asset classes other than cash without the need to own and manage the underlying investments. Because these funds have no defined maturity date, but are available for withdrawal after a notice period, their performance and continued suitability in meeting the Authority's investment objectives will be monitored regularly.
- 6.17 **Real estate investment trusts:** Shares in companies that invest mainly in real estate and pay the majority of their rental income to investors in a similar manner to pooled property funds. As with property funds, REITs offer enhanced returns over the longer term, but are more volatile especially as the share price reflects changing demand for the shares as well as changes in the value of the underlying properties.
- 6.18 **Other investments:** This category covers treasury investments not listed above, for example unsecured corporate bonds and company loans. Non-bank companies cannot be bailed-in but can become insolvent placing the Authority's investment at risk.
- 6.19 **Operational Bank Accounts:** The Authority may incur operational exposures, for example though current accounts, collection accounts and merchant acquiring services, to any UK bank with credit ratings no lower than BBB- and with assets greater than £25 billion. These are not classed as investments but are still subject to the risk of a bank bail-in, and balances will therefore be kept below £3 million per bank. The Bank of England has stated that in the event of failure, banks with assets greater than £25 billion are more likely to be bailed-in than made insolvent, increasing the chance of the Authority maintaining operational continuity.
- 6.20 **Risk Assessment and Credit Ratings:** Credit ratings are obtained and monitored by the Authority's treasury advisers, who will notify changes in ratings as they occur. The credit rating agencies in current use are listed in the Treasury Management Practices document. Where an entity has its credit rating downgraded so that it fails to meet the approved investment criteria then:
- no new investments will be made,
  - any existing investments that can be recalled at no cost will be recalled and
  - full consideration will be given to the recall or sale of all other existing investments with the affected counterparty.
- 6.21 Where a credit rating agency announces that a credit rating is on review for possible downgrade (also known as "negative watch"), so that it may fall below the approved rating criteria, then only investments that can be withdrawn on the next working day will be made with that organisation until the outcome of the review is announced. This policy will not apply to negative outlooks, which indicate a long-term direction of travel rather than an imminent change of rating.

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

**6.22 Other Information on the Security of Investments:** The Authority understands that credit ratings are good, but not perfect, predictors of investment default. Full regard will therefore be given to other available information on the credit quality of the organisations in which it invests, including credit default swap prices, financial statements, information on potential government support, reports in the quality financial press and analysis and advice from the Authority's treasury management adviser. No investments will be made with an organisation if there are substantive doubts about its credit quality, even though it may otherwise meet the above criteria.

**6.23** When deteriorating financial market conditions affect the creditworthiness of all organisations, as happened in 2008 and 2020, this is not generally reflected in credit ratings, but can be seen in other market measures. In these circumstances, the Authority will restrict its investments to those organisations of higher credit quality and reduce the maximum duration of its investments to maintain the required level of security. The extent of these restrictions will be in line with prevailing financial market conditions. If these restrictions mean that insufficient commercial organisations of high credit quality are available to invest the Authority's cash balances, then the surplus will be deposited with the UK Government, or with other local authorities. This will cause investment returns to fall but will protect the principal sum invested. The Authority will continue to seek information and advice from Arlingclose when assessing the creditworthiness of potential counterparties.

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

The Authority will spread its liquid cash over at least four providers (e.g. bank accounts and money market funds) to ensure that access to cash is maintained in the event of operational difficulties at any one provider.

## **7 Treasury Management Prudential Indicators**

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

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

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

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

This indicator applies to the financial years 2023/24 and 2024/25, from the first day of each financial year. The maturity date of borrowing is the earliest date on which the lender can demand repayment. Where there is a prospect that a LOBO may be called, this has been reflected in setting these limits.

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

	2023/24 £M	2024/25 £M	2025/26 £M
Limit on principal invested beyond year end	7.0	5.0	3.0

So a maximum of £7M can be invested for a period of greater than one year, a maximum of £5M for a period of greater than two years and a maximum of £3M for a period of greater than three years.

Long-term investments with no fixed maturity date include strategic pooled funds and real estate investment trusts but exclude money market funds and bank accounts with no fixed maturity date as these are considered short-term.

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

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

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

	2023/24 £M	2024/25 £M	2025/26 £M
Upper limit on Fixed Interest rate exposures	212.1	216.6	219.3
Upper limit on Variable Interest rate exposures	92.8	95.0	96.2

The impact of a change in interest rates is calculated on the assumption that maturing loans and investments will be replaced at new market rates.

## 8 Related Matters

- 8.1 **Financial Derivatives:** Local authorities have previously made use of financial derivatives embedded into loans and investments both to reduce interest rate risk (e.g. interest rate collars and forward deals) and to reduce costs or increase income at the expense of greater risk (e.g. LOBO loans and callable deposits). The general power of competence in section 1 of the Localism Act 2011 removes much of the uncertainty over local authorities' use of standalone financial derivatives (i.e. those that are not embedded into a loan or investment).
- 8.2 The Authority will only use standalone financial derivatives (such as swaps, forwards, futures and options) where they can be clearly demonstrated to reduce the overall level of the financial risks that the Authority is exposed to. Additional risks presented, such as credit exposure to derivative counterparties, will be taken into account when determining the overall level of risk. Embedded derivatives, including those present in pooled funds and forward starting transactions, will not be subject to this policy, although the risks they present will be managed in line with the overall treasury risk management strategy.
- 8.3 Financial derivative transactions may be arranged with any organisation that meets the approved investment criteria, assessed using the appropriate credit rating for derivative exposures. An allowance for credit risk calculated using the methodology in the Treasury Management Practices document will count against the counterparty credit limit and the relevant foreign country limit.
- 8.4 In line with the CIPFA Code, the Authority will seek external advice and will consider that advice before entering into financial derivatives to ensure that it fully understands the implications.
- 8.5 **Markets in Financial Instruments Directive (MiFID):** The Authority has opted up to professional client status with its providers of financial services, including advisers, brokers and fund managers, allowing it access to a greater range of services but without the greater regulatory protections afforded to individuals and small companies. Given the size and range of the Authority's treasury management activities, the Director of Finance believes this to be the most appropriate status.

## 9 Financial Implications

- 9.1 Excluding PFI costs (which are offset by Government grant funding), the budget for debt interest payable in 2023/24 is £7.0M (including the interest element of payments to LCC for debt managed on our behalf), reflecting:
- (a) £5.9 million interest payable, at an average interest rate of around 3.8%, on the long-term debt portfolio (forecast to average £149 million over the year),
  - (b) up to £1.1 million for short-term borrowing, at interest rates averaging 5.5%. This is a prudent estimate given that, as described elsewhere in this strategy, internal resources will be used to defer borrowing for as long as possible.

Projected investment income in 2023/24 is around £1.3M, based on an average investment portfolio of circa £32.5M, and interest rates averaging 4.00%.

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

## 10 Other Options Considered

The CIPFA Code does not prescribe any particular treasury management strategy for local authorities to adopt. The Director of Finance, having consulted with the Executive Member for Finance and Governance, believes that the above strategy represents an appropriate balance between risk management and cost effectiveness. Some alternative strategies, with their financial and risk management implications, are listed below.

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



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

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