

# Public Document Pack

## Executive Board

Thursday, 9 November 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 October 2023** **4 - 11**
3. **Declarations of Interest**  
**DECLARATIONS OF INTEREST FORM** **12**
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**

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

- 8.1 Regional Fostering Hub**
  - Regional Fostering Recruitment and Retention Hub** 13 - 18
- 8.2 Youth Commissions**
  - EB Youth Commissions** 19 - 32
  - EB Youth Commissions EIA\_toolkit**

## **Environment & Operations**

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

- 8.3 Changing Futures Lancashire Funding and Financial Plan**
  - Nov 2023 Changing Futures Lancashire Funding and Financial Plan** 33 - 39
- 8.4 Future of Daisyfield Pools and the impact on users**
  - Daisyfield Pools** 40 - 79
  - EIAtoolkit**
  - Daisyfield consultation report October 2023**

## **Digital & Customer Services**

### **Growth & Development**

### **Finance & Governance**

- 8.5 Revenue Budget Monitoring Quarter 2 2023/24**
  - Revenue Monitoring** 80 - 96
  - App 1 Revenue Monitoring Quarter 2 23 24**
  - App 2 Revenue Monitoring Quarter 2 2023 24**
  - App 3 Revenue Monitoring Quarter 2 2023 24**
- 8.6 Capital Programme Monitoring 2023/24**
  - Capital Monitoring** 97 - 110
  - Capital Monitoring Q2 23 24 Appendix 1**
  - Capital Monitoring Q2 23 24 Appendix 2**
- 8.7 Mid-Year Treasury Management Report 2023/24**
  - Treasury Mgmt Report to Executive Board Sept 2023** 111 - 129
- 9. Corporate Issues**

9.1	Intermediate Care at Albion Mill	
	Intermediate Care at Albion Mill	130 - 134
9.2	Academy Conversions	
	Academy Conversions	135 - 138
10.	Matters referred to the Executive Board	

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

11.1	Intermediate Care at Albion Mill	
	Intermediate Care at Albion Mill enc. 3	139 - 144

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

## EXECUTIVE BOARD Thursday 12<sup>th</sup> October 2023

### PRESENT

#### **COUNCILLOR:**

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

#### **PORTFOLIO:**

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

#### **EXECUTIVE MEMBER**

Councillor John Slater

#### **NON PORTFOLIO**

Leader of the Conservative Group

#### **YOUTH FORUM**

#### **REPRESENTATIVES:**

Kasim Shah  
Mo Kharbari  
Faisal Ahmed

	Item	Action
1	<p><b><u>Welcome and Apologies</u></b></p> <p>The Leader of the Council, Councillor Phil Riley, welcomed all to the meeting. No apologies were received.</p> <p>The Leader referred to recent world events, reflecting on the shock at the violence in Israel and Gaza, and the tragic loss of innocent lives. The Leader expressed that this was deeply distressing, with many people in the Borough personally affected, and that the Council stood in solidarity with all those who wanted peace. There then followed a minute's silence.</p>	
2	<p><b><u>Minutes of the Previous Meeting</u></b></p> <p>The Minutes of the Meeting held on 7<sup>th</sup> September 2023 were agreed as a correct record.</p>	<b>Agreed</b>
3	<p><b><u>Declarations of Interest</u></b></p> <p>No Declarations of Interest were received.</p>	
4	<p><b><u>Equality Implications</u></b></p> <p>The Chair asked Members to confirm that they had considered and understood any Equality Impact Assessments associated with reports on the agenda ahead of making any decisions.</p>	<b>Confirmed</b>
5	<p><b><u>Public Forum</u></b></p>	

	Item	Action
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No questions from members of the public had been received.

**Questions by Non-Executive Members**

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:-

Name of Non-Executive Member asking the Question	Subject Area	Executive Member and Portfolio
Councillor Denise Gee	Home Match Day Parking – Blackburn Rovers	Councillor Quesir Mahmood, Growth & Development, and Councillor Jim Smith, Environment Operations.

Councillor Denise Gee asked a number of questions relating to Home Match Day parking for Blackburn Rovers, referencing the need for yellow lines to be repainted on Jack Walker way to assist enforcement, repainting of cycle lane markings to assist enforcement, the need for traffic warden enforcement and why was the Council not in discussions with the club about alternative arrangements, such as park and ride?

Councillor Mahmood responded to the first two questions, advising that the Council had allocated significant additional funding in the past two years to undertake road lining works, with Jack Walker Way scheduled to be relined during 2023. In terms of the current double yellow lines on Jack Walker Way, the lines were visible and enforceable and Civil Enforcement officers would issue a PCN to anyone who parked on the double yellow lines on match days if they were not entitled to park there. Blue badge holders could legally park on double yellow lines for up to three hours as a condition of the national blue badge scheme.

Councillor Jim Smith indicated that the cycle lane markings were installed when the housing estate was developed. They were merely advisory and are not covered by a Traffic Regulation Order therefore not enforceable. Civil Enforcement Officers (CEOs) were out on patrol on every match day. The match day parking scheme included areas in Infirmary, Mill Hill, Livesey and Lower Darwen, the CEOs also patrolled Jack Walker Way. Jack Walker Way had double yellow lines on one side from Bolton Road up to the housing estate and there is no lining on the other side of Jack Walker Way. The vast majority of cars parked on the double yellow

	Item	Action
	<p>lines on match days were blue badge holders.</p> <p>Civil Enforcement Officers had issued 111 PCNs in the match day parking scheme in the four home matches played in August and September.</p> <p>Councillor Smith advised that the only football club in the Premiership which operates a park and ride scheme is Brighton and Hove Albion FC, the only club in the Championship which operates a park and ride scheme is Southampton FC who are trialling a park and ride scheme this season for nine home matches. Blackburn Rovers did provide parking options at the stadium, and Darwen Vale High School opened their car park for football supporters to park on match days. The Football Stadium was also on several bus routes.</p> <p>Councillor John Slater asked Cllr Smith for a breakdown of the figures for the 111 PCNs issued.</p>	
7	<p><b><u>Youth MPs Update</u></b></p> <p>The Youth Forum representatives verbally reported on recent events and activities including :</p> <ul style="list-style-type: none"> <li>• Participation in the Summer Programme and residential visit.</li> <li>• Interview training for Young People.</li> <li>• Attendance at the recent Children and Young People OSC to present on the Young Inspectors Programme</li> <li>• Youthforia – which focussed this time on Black History Month and types of racism.</li> <li>• Forthcoming attendance at the Annual Sitting at the House of Commons, where the next campaigns would be voted on.</li> <li>• Involvement in consultation on the new Darwen Youth Centre.</li> <li>• Plans for the next Climate Change event in February.</li> </ul> <p>Councillor Julie Gunn praised the work and involvement reported.</p>	Noted
	<p><b><u>Leader's Update</u></b></p> <p>Councillor Phil Riley verbally updated the Executive Board on the progress of devolution discussions for Lancashire, with the Deal document sent to the Government on 11<sup>th</sup> October and a meeting involving the Leaders of the three Unitary Councils with the Levelling Up Minister Jacob Young on Monday 16<sup>th</sup> October 2023.</p>	Noted
8.1	<p><b><u>Family Hubs Update</u></b></p> <p>A report was submitted, which reminded Members that in October 2021, the government announced that £301.75 million would be</p>	

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	<p>available for 75 local authorities in England to deliver Start for Life and family services. The grant funding was over a three year term and the programme's core objective was to improve the universal Start for Life offer and transform delivery of family services in local authority areas with the highest levels of deprivation and disproportionately poor health and educational outcomes, to support the government's levelling up ambitions. Local authorities were expected to work with delivery partners (e.g. health, education, voluntary sector, and other partners) to design and implement their family hub model and Start for Life services.</p> <p>The report highlighted the significant progress made to date in terms of :</p> <ul style="list-style-type: none"> <li>• Transformation</li> <li>• Infant feeding</li> <li>• Early Language and Home Learning</li> <li>• Early Help</li> <li>• Parenting Support</li> <li>• Reducing Parental Conflict</li> <li>• Parent Carer Panels</li> <li>• Wider Services</li> </ul> <p>Four localities were delivering a family hub model, and future plans were outlined and the four hubs had now been aligned with the neighbourhood model of working and linked with Primary Care networks. The integrated offer was now providing Health, Care and Education services across the full 0- 19 age groups (25 with SEND) and becoming the 'front door' for families in their neighbourhoods. This would ensure a neighbourhood model of service delivery, aligned to the four Primary Care Neighbourhoods improving outcomes in early years and beyond.</p> <p><b>RESOLVED –</b></p> <p>That the Executive Board:</p> <p>Note the progress of the Family Hub development</p>	<p><b>Noted</b></p>

	Item	Action
8.2	<p data-bbox="336 136 973 170"><b><u>Climate Impacts Framework Consultation</u></b></p> <p data-bbox="336 212 1286 465">Members received a report which referenced that the Council had declared a Climate Emergency, and the Council's Corporate Plan included a mission to 'deliver our climate emergency action plan' (CEAP). The CEAP included an action to ensure that plans and strategies addressed climate change objectives, and that 'sound decisions' were made, ensuring that the Council would account for emissions in all decision making.</p> <p data-bbox="336 506 1286 902">The emerging new Local Plan (2021-2037), a key plan for the future of the Borough, contained a series of planning policies which sought to achieve sustainable development. The Local Plan included a specific policy, Policy CP5: Climate Change, which set out an expectation for new development to contribute to mitigating and adapting to climate change. To demonstrate the extent to which the design of new development addresses climatic (and other environmental) considerations, Policy CP5 confirmed a commitment to introduce a 'Climate Impacts Framework' (CIF) assessment tool which would act as both i) a design tool and ii) an assessment tool.</p> <p data-bbox="336 943 1286 1234">The Local Plan confirmed that the CIF tool, and its accompanying guidance, would form the basis of a Supplementary Planning Document (SPD), which would carry material weight in decision making once adopted. As required by national legislation, an SPD must be publically consulted upon for a statutory period of 4 weeks. The SPD did not introduce new policy, it just clarified the implementation of existing policy set out in the emerging new Local Plan.</p> <p data-bbox="336 1274 1286 1458">The report sought approval to consult on a draft of this SPD. Consultation would commence by the end of October, and subject to successful adoption of the new Local Plan a final revised SPD was expected to be brought back to Executive Board in February 2024 to seek approval to adopt.</p> <p data-bbox="336 1498 1286 1603">Councillor John Slater advised that he felt the assessment tools were incomplete and some of the RAG ratings were incorrect, and he advised he would inform Cllr Mahmood of these.</p> <p data-bbox="336 1677 544 1711"><b>RESOLVED –</b></p> <p data-bbox="336 1751 711 1785">That the Executive Board:</p> <ul data-bbox="384 1825 1241 1930" style="list-style-type: none"> <li>• Approves the proposed Climate Impacts Framework Supplementary Planning Document (CIF SPD) for public consultation.</li> </ul>	<p data-bbox="1326 1825 1481 1859"><b>Approved</b></p>

	Item	Action
8.3	<p><b><u>Treasury Management Quarter 1 2023-24</u></b></p> <p>A report was submitted which gave monitoring information relating to Treasury Management for the period 1<sup>st</sup> April 2023 to 30<sup>th</sup> June 2023.</p> <p><b>RESOLVED-</b></p> <p>That the Executive Board note the Treasury Management position for the period.</p>	Noted
9.1	<p><b><u>Long Lease Disposal of Land at Shadsworth to Together Housing Group</u></b></p> <p>Members were advised that Together Housing Group (THG) through their subsidiary Newground-Together had bid for and secured Youth Investment Fund (YIF) grant to build a new Children's Hub in the Shadsworth area.</p> <p>The project was supported by the Council and the location of the new building would be in a central area close to the existing Shadsworth Hub, local play area and open space. A condition of the YIF grant was that the land ownership should be in the name of the grant-receiving organisation. As such, THG had requested that the Council transfer the land to THG to allow the project to proceed in the form of a long lease disposal. In 2016, the Council transferred the site of the former Shadsworth community centre and adjacent land to THG, to develop the Shadsworth Hub for the provision of a new community centre facility and shops. The proposed new Children's Hub building would be adjacent to the Shadsworth Hub. Officers from the Council and THG identified the best course of action would be to grant a long lease to THG for the parcel of land which includes the park and open space adjacent to the Shadsworth Hub. This would enable Newground-Together to draw down grant and commence the building of the new Childrens Hub and maintain the whole hub, park and open space for the term of the lease.</p> <p><b>RESOLVED -</b></p> <p>That the Executive Board:</p> <p>2.1 Note that Newground-Together, a subsidiary of THG, has successfully secured YIF grant to build a new Childrens Hub.</p> <p>2.2 Note that since 2016, THG have provided a community centre facility on behalf of the Council on the Shadsworth Hub site (area C hatched grey on Appendix A).</p> <p>2.3 Note the Council's proposal to grant a lease for the adjacent land (area B hatched purple in Appendix A), which contains the park and open space to THG to build a new Childrens Hub, carry out upgrades to the park and manage and maintain the whole area</p>	Noted Noted Noted

	Item	Action
	for the duration of a 99 year lease.	
	2.4 Authorise officers to finalise negotiations with THG and prepare the lease for the transfer.	<b>Approved</b>
	2.5 Delegate authority to conclude negotiations, including terms of any land transfer and contracts to the Growth Programme Director in consultation with the Executive Member for Growth and Development to approve the final heads of terms.	<b>Approved</b>
	2.6 Authorise the Deputy Director, Legal & Governance (Monitoring Officer) to complete the necessary legal formalities.	<b>Approved</b>
	2.7 Authorise the Strategic Director Growth and Development to appropriate the land off Bute Road shown hatched purple, on the attached Appendix A, from the Environment and Operations portfolio to the Growth & Development department for planning purposes pursuant to s226 Town and Country Planning Act 1990.	<b>Approved</b>
	2.8 Noting that the land is construed as open space in character then such appropriation must also comply with s122(2A) of the Local Government Act 1972 and hence authorise the Deputy Director, Legal & Governance (Monitoring Officer) to advertise the proposal to appropriate accordingly.	<b>Approved</b>
	2.9 Authorise the Deputy Director, Legal & Governance (Monitoring Officer) to advertise the proposal to dispose of 'open space' in accordance with the statutory process under Section 123(2A) of the Local Government Act 1972.	<b>Approved</b>
	2.10 Note that in authorising the commencement of the appropriation process of the land off Bute Road, the Council has considered the provisions of the Equalities Act 2010 and the Human Rights Act 1998 as set out in this report.	<b>Noted</b>
	2.11 Authorise the Strategic Director Growth and Development for the consideration of any objections to both the appropriation proposal and 'open space' disposal.	<b>Approved</b>
	2.12 Note the Council's powers under section 203 – 206 of the Housing and Planning Act 2016 to override any third party rights and easements on the land once planning permission for the planning purpose has been obtained and so where necessary to enable the planning purpose to be achieved, authorise the Strategic Director of Growth & Development to override any said third party rights or easements.	<b>Noted</b>
	2.13 If the appropriation for planning purposes is approved and any third party rights and easements have been overridden, authorise the negotiation and payment of any compensation claims potentially emerging from the appropriation.	<b>Approved</b>
	<p>Signed at a meeting of the Board</p> <p>on 9<sup>th</sup> November 2023</p> <p>(being the ensuing meeting on the Board)</p>	
	<p>Chair of the meeting at which the Minutes were confirmed</p>	

	Item	Action

## 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:                              **9<sup>th</sup> November 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



**REPORT OF:** Executive Member for Children, Young People and Education

**LEAD OFFICERS:** Strategic Director of Children’s and Education

**DATE:** Thursday, 9 November 2023

**PORTFOLIO/S AFFECTED:** Children, Young People and Education

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

**KEY DECISION:** Y

**SUBJECT: Regional Fostering Recruitment and Retention Hub**

### 1. EXECUTIVE SUMMARY

Blackburn with Darwen, Cumbria , Furness, Blackpool and Lancashire Children’s Services have collaborated together and have been successful in regional bid to be a pathfinder for the Regional Fostering Recruitment and Retention Hub. The Pathfinder has been awarded £1.2 million. The pathfinder will help others learn how to successfully implement these regional approaches nationally. BWD are the lead local authority (LA).

This report informs the Executive Board about the Regional Fostering Recruitment and Retention Hub and, amongst other matters, seeks agreement for the Council to act as Accountable Body for the Project and to put in place the necessary budget provision for it to operate.

### 2. RECOMMENDATIONS

That the Executive Board:

- **Notes** the Regional Fostering Recruitment and Retention Hub work and the Council’s role as the lead local authority.
- **Gives approval for** the Council to act as the Accountable Body for the Regional Fostering and Retention Hub, subject to review and approval of any terms and conditions.
- **Approves** a supplementary revenue budget of £295,900 in 2023/24 to be funded via the Department for Education Grant.
- **Approves** a supplementary budget of £727,800 in 2024/25 to be funded via the Department for Education Grant.

- Give delegated authority to the Strategic Director of Children's and Education, in consultation with the Executive Member of Children, Young People and Education following legal approval to enter into a Partnership Agreement with the other Councils involved in this project.
- **Requests that** a further report be presented to Executive Board should any additional unfunded financial implications be identified throughout the duration of the project including, for example, those arising from the harmonisation of the offer to Foster Carers;
- That in view of the uncertainty of funding for the project post 2024/25, that this matter be subject to a further report to the Executive Board by no later than December 2024 setting out how the project will be funded from 2025/26 onwards.

### 3. BACKGROUND

The [Independent Review of Children's Social Care](#) and [Competition and Markets Authority \(CMA\) review into Children's Social Care](#) have called for urgent action to recruit more foster carers. There is a long-standing placement sufficiency problem in foster care, which is likely to worsen due to increasing concerns over the rising cost of living, with strong evidence this is negatively impacting on retention. The implications for this to children's outcomes, as well as local authority finances, demand action. In her oral statement, responding to the Independent Review, Secretary of State Keegan stated that we will 'reform the care system to make sure we have the right homes for children in the right places'. To do this, we must 'deliver a fostering programme to recruit and retain more foster carers'.

In the Government's response to the Independent Review of Children's Social Care, and CMA markets study, *Stable Homes, Built on Love*, DfE have pledged to put love, relationships, and a stable home at the heart of being a child in care. When care is the best choice for a child, it is critical that the care system provides stable, loving homes close to children's communities. Homes that provide consistency, stability and warmth. Nationally, as reviewed within the care review- the way we currently plan, commission and provide homes for children in care is not working. This means too often children are living far from where they would call home or in the wrong type of home for what they need. We need to transform the way we provide homes for children, so they are the right homes in the right places. We must also be ambitious for children in care and care leavers - to help them recover, thrive and achieve their potential into adulthood.

To nationally start changing the way we provide stable, loving homes for children in care, over the next two years the government has pledged to deliver a fostering recruitment and retention programme so foster care is available for more children who need it, investing over £27 million over the next two years. This will boost approvals of foster carers in areas of specific shortage, as well as addressing retention through better support to existing foster carers. We will test and develop a best practice regional model that can then be delivered more widely. This is called the Regional Fostering and Recruitment Hub.

#### **The Regional Fostering and Recruitment Hub**

Our intention is to build upon regional relationships to achieve our regional shared vision for foster care:

*To have a foster care recruitment service that meaningfully supports, enables and empowers our foster carers to care for all our children in local stable loving family homes.*

As well as a shared vision there is consistency in the sufficiency challenges we are experiencing in foster care recruitment, which we would like to address together through the hub. For example:

- Our foster care cohort is ageing across all the local authorities involved in the cluster.
- There are too many carers who want to care for younger children with far fewer willing and able to support older children who may have more complexity.
- There are challenges in recruiting foster carers who can effectively support the diverse identity of the children in our care.

To address these issues, and others, our Hub will develop and implement a targeted communications strategy to further reach into our communities. The campaign will utilise different digital marketing techniques to reach younger carers from more diverse cultures, with a greater mix of skills and life experiences. The communication strategy will also be focused on ensuring potential carers are aware of the needs of the young people in our care. We will achieve this in part by embedding foster carers as staff within our Hub who will feed into the communications campaign. These “experts by experience” will ensure that potential carers better understand the lived experience of children they will care for in the future, supporting all the way through from enquiry to panel approval.

We will also look to address sufficiency challenges experienced across the wider region of the North West, such as the limited foster carers available for unaccompanied asylum seeking children (UASC). To address this, and as part of this programme, we will be jointly funding a North West UASC role that will sit within the Greater Manchester Combined Authority (GMCA) recruitment hub. This role will promote regional working with local authorities across the hubs to ensure that the needs of vulnerable migrant children are met and that this vulnerable group is safely supported. This will also include the delivery of a regional campaign to encourage more people to foster UASC or provide supported lodgings.

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

As Accountable Body for the Hub, the Council will be responsible for administering the grant funding provided by the Department for Education. At the time of writing the Grant Funding Agreement (GFA) had not been made available so it is not possible to say what, if any, conditions may apply to the grant funding; it is expected that it will reflect standard conditions such as compliance with proper financial controls, achievement of outputs and outcomes etc.

In support of the Council’s role as Accountable Body, a Partnership Agreement will be made with the participating Local Authorities. It is expected that this will encompass the obligations of Partners reciprocating those that apply to the Council so that the risks of not performing the obligations set by the DfE are shared accordingly.

To provide oversight to the Programme, a Governance Board will be established. Amongst other matters, this will be responsible for managing the cluster approach to risk. Risks mitigation rests on quality governance that is clear. We will mitigate risks through our clear governance structure and lines of reporting. In addition, risks will be monitored through a risk register that will be monitored by programme manager and escalated to the operation and governance board when appropriate to ensure that the risks that arise are effectively mitigated.

The key risks include:

- Sustainability of the hub and the hub ongoing costs after the grant period.
- Fostering recruitment is a national challenge and requires wider government interventions
- A tight delivery timeframe
- The hub will be a new way of working across the cluster

There is a full risk register with mitigating actions included and this will be reviewed and updated as required by the Governance Board.

## 5. POLICY IMPLICATIONS

The hub approach will replace our existing local approach to attracting potential foster carers and progressing them to assessment. The recruitment of the hub will commence at the end of 2023. As part of the hub being implemented into practice, existing roles and responsibilities within in the cluster LAs will be considered to prevent duplication and streamlining of works.

## 6. FINANCIAL IMPLICATIONS

The total grant awarded by the DfE for the Project is £1,023,697 and followed the submission of a fully costed out business case by Blackburn with Darwen in conjunction with the partnering local authorities. It is expected that the total amount of grant funding will be received during 2023/24 and will be spent in line with the following expenditure profile:

Co-design and set up phase		
Item	Description	Yr 1 (Oct 23 - April 24)
Leadership/ oversight	Service Leader role - 2 months	14,880
Core staff e.g. project manager, project support	Project Manager - 3 months	17,150
Service design	Service Designer / User Researcher - 6 months	45,636
Professional advice e.g. Legal, HR, financial	Finance Support - 3 months plus HR Support	19,993
Website design	Web content lead / development	16,000
IT/ Case management system	Systems Officer - 6 months / Data Lead - 3 months plus system costs	71,036
Administration support	Business Support - 6 months	9,565
Project costs e.g. resources, room hire	IT equipment, Netcall	33,800
Back office costs	Strategic Comms / Marketing Lead - 2 months	5,490
Hub staffing costs (include all staff members)	Advanced Practitioner / Family Support Workers (6fte) / Participation Workers (1.2fte) - all 2 months	62,377
<b>Total Expenditure 2023/24</b>		<b>295,927</b>

Go live and ongoing costs		
Item	Description	Yr 2 (April 24 - Mar 25)
Leadership/ oversight	Service Leader role - 12 months	89,282
Core staff e.g. project manager, project support	Project Manager - 6 months	34,299
Service design	Service Designer - 6 months	18,393
Hub staffing costs (include all staff members)	Advanced Practitioner / Family Support Workers (6fte) / Participation Workers (1.2fte) - all 12 months	374,260
IT/ Case management system	Data Lead - 12 months	55,741
Experienced foster carer input	Foster Carer Support	62,949

Administration support	Business Support / UASC Role - 12 months	35,798
Back office costs	Training Lead (0.5 fte) - 12 months / Strategic Comms / Marketing Lead - 12 months	57,048
<b>Total Expenditure 2024/25</b>		<b>727,770</b>

At this stage, it is not clear how the project will be funded with effect from 2025/26 onwards since the funding being made available to the Council is time limited. In the Application Form for the Programme, DfE state that *'Local Authorities...will be expected to work towards this becoming a long-term sustainable and viable 'front door' for the Local Authority cluster group.*

Indeed, one of the proposed outcomes for the Programme is to *'Deliver cost savings for Local Authorities by expanding the pool of Local Authority Foster Carers, thereby creating costs savings for Councils who will have access to foster homes for children who need them'.*

In the context of the Council's current financial position, it is unlikely that the Council can sustain this activity without additional funding, either from DfE or from other Partners. In view of this, it is proposed that a further report be submitted to the Executive Board by no later than December 2024 setting out how, if the project is to continue, it will be funded from 2025/26 onwards.

Aside from the funding of the Project Delivery, one of the options that will be explored during the implementation stage of the project is the harmonisation of the financial package offered to foster carers across the five participating local authorities. This is described as a shared aspiration in the bid for the funding. There will be significant financial consequences of harmonisation for the Council (and possibly other local authorities within the partnership), however at this early stage we are unable to quantify any potential impact for Blackburn with Darwen. Where it is necessary to do so, a further report will be presented to Executive Board once any further financial implications are known.

## 7. LEGAL IMPLICATIONS

The Council will enter into a Memorandum of Understanding with the Department for Education which, whilst not legally binding, provides a framework for the Council, as Lead Body, will mobilise for delivery of the Fostering Recruitment Support Hub.

A Partnership Agreement is being drafted which will articulate the roles and responsibilities between the Council, as Lead Body, and the other Council's participating in this project.

The MoU and the Partnership Agreement will need to be reviewed by Legal Services. The accountable body terms and conditions will also need to be reviewed.

## 8. RESOURCE IMPLICATIONS

Funding and resources are covered within the implementation period, the long term funding will be understood once the DfE have shared this detail in 2024. The risk associated with the unknown detail of long term funding is on our risk register.

A project manager has been appointed and starts in a 9 month fixed term post as from 17<sup>th</sup> November.

## 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

Each LA in the cluster have briefed their staff and existing fostering teams. The fostering leads for each local authority have engaged in a workshop on 20<sup>th</sup> October 2023 to start working together on the hub approach.

## 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>Emma Ford</b>
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<b>DATE:</b>	23 <sup>rd</sup> October 2023
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<b>BACKGROUND PAPER:</b>	
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## EXECUTIVE BOARD DECISION



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

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

**SUBJECT: EB Youth Commissions**

### 1. EXECUTIVE SUMMARY

#### 1.1 YOUTH COMMISSIONS

Blackburn with Darwen Borough Council currently commission Blackburn Youth Zone (BYZ) and Blackburn Rovers Community Trust (BRCT) to deliver a town centre and a neighbourhood youth offer respectively. The total value of the commission is **£320K**, made up of **£170k** contributing to BYZ revenue budget and **£150k** to BRCT, which is matched funded by the organisation from their existing Premier League Kicks funding.

Both commissions are now up for renewal coming to an end following extensions.

#### 1.2 DEVELOPMENT 1 - STRATEGIC YOUTH ALLIANCE & YOUNG PEOPLES FOUNDATION

The Council's Young People's Services (YPS) has led the formation of a local youth alliance of 11 local organisations (including BYZ and BRCT) since 2019. The Strategic Youth Alliance (SYA) has been successful in securing funding, developing strategic plans and raising standards of youth work in the borough. The Network took the decision to become a charity infrastructure organisation from April 2023. The Young People's Foundation (YPF), named locally as 'Young BwD', will develop strategic plans, secure funding to match plan ambitions and develop expression of interest (EOI) and project management functions to use the strength of the SYA partnership to deliver high quality local provision. *(More details in Background 3.3 below)*

#### 1.3 DEVELOPMENT 2 - YOUTH INVESTMENT FUND

The Council, via YPS, has secured £4.583 million for the Local Authority - and over £8 million in new Youth Infrastructure across the borough alongside partners. The £4.583 million YIF funding will be split as follows with the balance earmarked for Project Management and Contract Support:

Darwen Youth Centre will receive £3.343 Million  
 Audley & QP Centre will receive £1.038 Million

The totals above are predominantly capital investment but also include revenue allocations to support 1 year's provision that will need governance around the delivery model and frontline activities. In addition BYZ Fusebox has secured significant funding to develop an employability and wellbeing hub and Newground Together has secured funding to build a new youth hub in the heart of the Shadsworth community.

**1.4 COMMISSIONING OPTIONS**

Considering the available budget and the two developments listed above; a number of options have been explored, which considered the value of the commissions, performance of current commissioned partners, demographics and evidenced need and whether the funding could be increased, reduced or commissioned differently.

Various delivery models have been produced and deliberated that evidence value for money and greatest impact from the commissions regarding providing opportunities, support and services to local young people based on current and future needs and demands.

**1.5 COMMISSIONING RECOMMENDATION**

After deliberating the commissioning options, approval is now being sought to reduce the available commissioning budget to £240k – producing an £80k saving per annum for the council.

The model being presented for approval is to develop a series of youth hubs across the following 5 areas with budget allocations as below:

<b>Blackburn Town Centre</b>	<b>£60k</b>	Each commissioned partner to match Council funds with equal delivery in kind. i.e. Successful Darwen Commissioned partner would contribute an additional value of £60k delivery from their existing resources.
<b>Darwen</b>	<b>£60k</b>	
<b>Blackburn West</b>	<b>£40k</b>	
<b>Blackburn East</b>	<b>£40k</b>	
<b>Blackburn North</b>	<b>£40k</b>	

Both Commissions to be procured on contractual terms of 2 years + 1 year post review. Evaluation criteria will be developed by commissioning officers and agreed with the Head of Legal and Procurement and in consultation with the Executive Member for Children, Young People and Education.

Timescales to deliver the procurement may mean that officers seek a short extension of existing arrangements, subject to agreement of existing partners. Approval for this will be sought at the time in line with the Council's Contract Procurement Procedure Rules.

**2. RECOMMENDATIONS**

That the Executive Board:

2.1 Considers information included in the report

2.2 Accepts recommendation as laid out in 1.5 above:

- Reduce total budget by £80k per year to support council budget pressures
- Accepts decision to remodel and tender the budgets on youth hub model

2.3 Continues to support Town Centre and Neighbourhood Based Youth Work (with particular focus on Youth Investment Fund (YIF) based projects)

2.4 Continues to support the development of Young BwD

### **3. BACKGROUND**

#### **3.1 BYZ & BRCT PERFORMANCE**

The Councils' Young Peoples Services management leads have honest, robust and long-standing relationships with senior officers of both current commissioned partners.

Targets across both commissions have been reviewed over the contractual period and in BYZ's case now include their Darwen Youth Zone development.

Both BYZ and BRCT have areas of strengths and areas for development, and these are reviewed as part of the commission performance monitoring and reporting meetings.

#### **3.2 DEVELOPMENT OF BWD YOUNG PEOPLE'S FOUNDATION**

The Strategic Youth Alliance (SYA) was an alliance of 11 local youth delivery organisations – led by the Council's Young Peoples Services (YPS):

The SYA has been in existence since 2019 and has sourced and developed additional youth work funded projects to the value of approx. £600k with more than £1 million in indirect funding for youth work delivery (e.g. HAF). This is on top of organisations own funding and delivery.

The SYA has developed a strategy and terms of reference but it became apparent to all members that there was not the capacity to develop it in its current format.

A decision was taken to develop an organisation with the capacity to develop & drive a local strategy and to source the required funding, allocate and commission services via EOI processes and project manage delivery and reporting.

Various models were considered and after due consideration a model known as Young People's Foundation [Home page YPF Trust](#) was chosen and has subsequently been named as **Young BwD**. A YPF is a standalone charity that is backed by a national foundation trust. National strategy and link to Young BwD website below:

[YPF trust strategy Final Sept22 2022-09-29-195908 tplz.pdf \(yfp-website.org\)](#)

<https://www.youngbwdfoundation.org>

If Young BwD is to meet its strategic ambitions, it is expected to source and manage its own funding streams but also to act as commissioner/project manager for existing funding streams – including from the Local Authority.

#### **3.3 COMMISSIONING OPTIONS**

In considering options for re commissioning town centre and neighbourhood based youth work the following were explored:

- Range of local providers. As stated in 3.2 above, the borough has an alliance of 11 youth work organisations all of whom deliver a range of universal and specialist provision and often have mature community and neighbourhood buy-in

- Demographics and evidenced need. Using Public health data it was ascertained that Darwen and 3 Blackburn neighbourhoods had an approximate level of parity in regards to youth populations and demographic indicators
- YIF developments have strengthened the Blackburn and Darwen Town Centre bases and that there had also been new developments in Neighbourhoods too – notably Audley and Queens Park and Shadsworth
- Current/future commission agreements use a 100% match funding criteria (as was the case with the BRCT NYO) that will improve Council value for money and will ensure that the council captures work attributable to the agreed budget and not the entire budget of commissioned partner organisations

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

- Reduction in commissioning budget may effect opportunities for children and young people (C&YP) locally
- Changes in commissioning decisions may affect BYZ and BRCT negatively
- Potential risks to confidence and cohesion of BwD YPF 'Young BwD'

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

##### **5.1 BWDBC LED CONSULTATIONS ACROSS THE LOCAL YOUTH SECTOR**

Young BwD will become a key local partner in developing mutual strategies for C&YP and given the scope of its organisational membership a key asset in regards to policy development and implementation

##### **5.2 DECISIONS AROUND YOUTH SECTOR COMMISSIONING**

Decisions on budget, commissioning vehicle and management can have wider policy implications on BwDBC and public health strategies

#### **6. FINANCIAL IMPLICATIONS**

##### **6.1 FINANCIAL CONTRIBUTIONS TO THE 2 X YOUTH SECTOR COMMISSIONS**

Youth Commissioning budget currently stands at £320k per annum so there are implications for the two current commissioned partners, but a saving of £80k for the Council.

New proposed commissioning contract of **2 years + 1 year** (post review) will equate to a financial commitment of **£240k per year** x 3 years = **£720k Total Financial Commitment** (maximum subject to satisfactory 2 year review)

##### **6.2 CHANGES TO COMMISSIONING STRATEGY**

Changes from current commissioning strategy - leading to review and wider commissioning could lead to financial pressures with the two current providers but not the council

#### **7. LEGAL IMPLICATIONS**

##### **7.1 PROCUREMENT**

Recommendation will ensure the Council remains fully compliant with Council Contract Procurement Procedure Rules and procurement legislation.

## 7.2 CONTRACTUAL OBLIGATIONS

Both contract terms end on **March 31<sup>st</sup> 2024**.

## 8. RESOURCE IMPLICATIONS

### 8.1 BUDGET

Current BwD commitment of £320k. Any reduction may effect delivery of frontline delivery of local services and effect confidence in the sector.

## 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

### 10.1 SYA & Young BwD

SYA member organisations were fully consulted and recorded prior to decision to develop Young BwD

### 10.2 Youth Investment Fund

Young People were consulted widely in regards to the Council's YIF application which was evidenced in the final YIF submission

## 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>Imran Akuji, Jon McCaughey</b>
<b>DATE:</b>	04/10/23
<b>BACKGROUND PAPER:</b>	

<b>Name of the activity being assessed</b>	Budget reduction and changed commissioning to 2 x Youth Commissions				
<b>Directorate / Department</b>	Children's Services and Education	<b>Service</b>	Young Peoples Services	<b>Assessment Author</b>	Jon McCaughey/Imran Akuji
<b>Is this a new or existing activity?</b>	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	<b>Responsible manager / director for the assessment</b>		Jon McCaughey/Imran Akuji/Jo Siddle	
<b>Date EIA started</b>	30/10/2023	<b>Implementation date of the activity</b>		01/04/2024	

**SECTION 1 - ABOUT YOUR ACTIVITY**

<b>How was the need for this activity identified?</b> i.e. Why are we doing this activity?	Two youth commissions managed by Young Peoples Services (YPS) are out of contract in March 2024 and need re commissioning.				
<b>What is the activity looking to achieve?</b> <b>What are the aims and objectives?</b>	To contribute to departmental budget savings and to maximise available resources to commission the best offer for children and young people across the borough.  Aims and Objectives: <ul style="list-style-type: none"> <li>• To review performance of current commissioned partners</li> <li>• To consider changes to dedicated youth infrastructure via successful Youth Investment Fund bid</li> <li>• To consider strengths of local youth sector organisations</li> <li>• To consider development of new Youth Sector infrastructure organisation (Young BwD)</li> <li>• To consider various options for re commissioning</li> </ul>				
<b>Services currently provided</b> (if applicable)	<ul style="list-style-type: none"> <li>• 1 x youth work commission that supports town centre based youth work. Current commission partner is Blackburn &amp; Darwen Youth Zone.</li> <li>• 1 x youth work commission that supports youth work across the neighbourhoods of the borough. Current commission partner is Blackburn Rovers Community Trust</li> </ul>				
<b>Type of activity</b>	<input checked="" type="checkbox"/> Budget changes <input type="checkbox"/> Change to existing activity	<input checked="" type="checkbox"/> Decommissioning <input checked="" type="checkbox"/> Commissioning	<input type="checkbox"/> New activity <input type="checkbox"/> Other [please state here]		

**SECTION 2 – UNDERSTANDING YOUR CUSTOMER****What resources will support in undertaking the equality analysis and impact assessment?**

*Please identify additional sources of information you have used to complete the EIA, e.g. reports; journals; legislation etc.*

Both commissions have specific contractual specifications and are performance managed by quarterly reports and meetings across a range of measurable outcomes i.e. (weekly attendances, members (reach), delivery of informal education, new positive activity, accredited outcomes and volunteering etc). There is also a regular requirement for detailed case studies. Public Health data and anecdotal reporting from Police, Community Safety Partnership and other key services for children and young people (C&YP) is also considered in the planning and delivery models for both commissions. The recent Youth Investment Fund (YIF) applications included a detailed mapping of key public health data that evidenced:

- Mapping of current youth provision across BwD
- Youth populations across the neighbourhoods
- Index of Multiple Deprivation (IMD) demographic data at various levels
- Not in Education, Employment, or Training (NEET) data mapped to wards
- A range of physical and emotional health and wellbeing (EHWB) statistics mapped to wards, including mass consultation across the borough's schools
- Sexual health data
- Crime and anti-social behaviour (ASB) data across wards

**Who are you consulting with? How are you consulting with them? (Please insert any information around surveys and consultations undertaken)**

Children and young people are consulted with on a regular basis in regard to where they wish to engage in youth engagement opportunities; including what activities and support they would also like to access. Children and young people were consulted with for all the recent successful YIF applications and are consulted with by current commissioned partners on a regular basis to inform their respective delivery programmes. Young people from across the borough form the Strategic Youth Alliance (SYA) youth forum and also support the elected Youth MP's to ensure they have a voice at Executive Board level decision making and represent their peers on a range of pertinent issues and campaigns.

<b>Who does the activity impact upon?*</b>	Service users	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Members of staff	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	General public	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Carers or families	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Partner organisations	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Indirectly			
<b>Does the activity impact positively or negatively on any of the protected characteristics as stated within the Equality Act (2010)?*</b>  <b>The groups in blue are not protected characteristics (please refer to p. 3 of the guidance notes)</b>	Positive impact	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers
	Negative impact	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers
	No impact	<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Gender reassignment	<input checked="" type="checkbox"/> Marriage & Civil Partnership	<input checked="" type="checkbox"/> Pregnancy & maternity	<input checked="" type="checkbox"/> Vulnerable groups
		<input checked="" type="checkbox"/> Race	<input checked="" type="checkbox"/> Religion or belief	<input checked="" type="checkbox"/> Sex	<input checked="" type="checkbox"/> Sexual orientation	<input checked="" type="checkbox"/> Deprived communities	<input checked="" type="checkbox"/> Carers

\*If no impact is identified on any of the protected characteristics a full EIA may not be required. Please contact your departmental Corporate Equality & Diversity representative for further information.

**Does the activity contribute towards meeting the Equality Act's general Public Sector Equality Duty?** *Refer to p.3 of the guidance for more information*  
***A public authority must have 'due regard' (i.e. consciously consider) to the following:***

DUTY	DOES THE ACTIVITY MEET THIS DUTY? EXPLAIN
<b>Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act</b> <i>(i.e. the activity removes or minimises disadvantages suffered by people due to their protected characteristic)</i>	Yes. Activities are designed to be inclusive and accessible to all individuals within the specified age ranges (8 to 19 years old), extending to 25 years for those with Special Educational Needs and Disabilities (SEND).
<b>Advance equality of opportunity between those who share a protected characteristic and those who do not</b> <i>(i.e. the activity takes steps to meet the needs of people from protected groups where these are different from the needs of other people)</i>	Yes. Activity will be spread equitably across the borough using data outlined in Section 2 with activity delivered in deprived communities. Provision is free across neighbourhoods with some limited small contribution charging (protected for those on low incomes) at Blackburn Youth Zone, to ensure that those in low income households can participate without facing hardship.
<b>Foster good relations between people who share a protected characteristic and those who do not</b> <i>(i.e. the function encourages people from protected groups to participate in public life or in other activities where their participation is disproportionately low)</i>	Yes. Cohesion is a key outcome for youth work organisations across the borough. The activities encourage participation from individuals who represent various protected characteristics, and we promote collaboration and social engagement.

ASSESSMENT	Is a full EIA required?	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No
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Please explain how you have reached your conclusion *(A lack of negative impacts must be justified with evidence and clear reasons, highlight how the activity negates or mitigates any possible negative impacts)*

The strategy and oversight of neighbourhood and town centre-based youth work has been developed over a period exceeding ten years, with ongoing performance management reviews in place. Additionally, recent successful applications for Youth Investment Fund (YIF) have resulted in comprehensive mapping of delivery, population data, and needs analysis that has directly informed the proposed activity. Furthermore, the budgetary impact of this activity is limited to only one of the two youth commissions, and it is expected that this budget shortfall will be adequately addressed through alternative funding sources, including contributions from business patrons, grants, trusts, and external funding. Notably, the current commissioned partner has demonstrated a substantial increase in patron funding recently. The value of the neighbourhood youth commission has seen an increase compared to previous years, providing new opportunities for the local youth sector, including the existing town centre youth commission partner. Alongside parallel investments through YIF, it is expected that there will be a long term positive impact on some service users - though the effect of the commission activity itself will largely have no impact, therefore a full EIA is not required for the proposed activity.

Author Signature	Jon McCaughey/Imran Akuji	Date	30/10/2023
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<b>Head of Service/Director Signature</b>	Imran Akuji	<b>Date</b>	30/10/2023
<i>The above signatures signify acceptance of the ownership of the Initial EIA and the responsibility to publish the completed Initial EIA as per the requirements of the Equality Act 2010.</i>			
<b>Departmental E&amp;D Lead Signature</b>	Claresse Brazendale	<b>Date</b>	30/10/2023

## FULL EQUALITY IMPACT ASSESSMENT

### SECTION 3 – ANALYSIS OF IMPACT

Does the activity have the **potential** to:

- **positively** impact (benefit) any of the groups?
- **negatively** impact/exclude/discriminate against any group?
- **disproportionately** impact any of the groups?

Explain how this was identified – through evidence/consultation.

Any negative impacts that are identified within the analysis need to be captured within the action plan in **Section 4**

N.B. Marriage & Civil Partnership is only a protected characteristic in terms of work-related activities and NOT service provision

Characteristic	Positive	Negative	Don't know	Reasons for positive and/or negative impact Please include all the evidence you have considered as part of your analysis	Action No.
Age	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Disability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Gender reassignment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Marriage & Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Race	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Religion or Belief	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Sexual orientation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

<b>Vulnerable Groups</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Deprived Communities</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Carers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Other [please state]</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

<p><b>Does the activity raise any issues for community cohesion?</b></p> <p><b>Does the activity contribute positively towards community cohesion?</b></p>	
<p><b>Does the activity raise any issues in relation to human rights as set out in the Human Rights Act 1998? Details of which can be found <a href="#">here</a></b></p>	
<p><b>Does the activity support / aggravate existing departmental and/or corporate risk?</b></p>	<p><i>Is the activity on the departmental risk register? If it is not, should it be?</i></p>

## CONCLUSIONS OF THE ANALYSIS

<b>Action following completion of the impact assessment</b>			
<i>It is important that the correct option is chosen depending on the findings of the analysis. The action plan must be completed as required.</i>			
<input type="checkbox"/> No major change in the activity	<input type="checkbox"/> Adjust activity	<input type="checkbox"/> Continue with activity	<input type="checkbox"/> Stop and reconsider activity
<b>Please explain how you have reached your conclusion</b>			



**SECTION 4****ACTION PLAN**

Action No.	What is the negative / adverse impact identified?	Actions required to reduce / mitigate / eliminate the negative impact	Resources required	Responsible officer(s)	Target completion date

**MONITORING AND REVIEW**

The responsibility for establishing and maintaining the monitoring arrangements of the EIA action plan lies with the service completing the EIA. These arrangements should be built into the performance management framework.

Monitoring arrangements for the completion of EIAs will be undertaken by the Corporate Equality & Diversity Group and the oversight of the action plans will be undertaken by the Management Accountability Framework.

If applicable, where will the EIA Action Plan be monitored?	<i>e.g. via Service Management Team; Service Leadership Team; Programme Area Meetings</i>
How often will the EIA Action Plan be reviewed?	<i>e.g. quarterly as part of the MAF process</i>
When will the EIA be reviewed?	<i>It should be reviewed at least every 3 years to meet legislative requirements</i>
Who is responsible for carrying out this review?	

<b>Author Signature</b>		<b>Date</b>	Click here to enter a date.
<b>Head of Service/Director Signature</b>		<b>Date</b>	Click here to enter a date.
<i>The above signatures signify acceptance of the ownership of the full EIA, the responsibility for the associated Action Plan (if applicable) and the responsibility to publish the completed full EIA as per the requirements of the Equality Act 2010.</i>			
<b>Departmental E&amp;D Lead Signature</b>		<b>Date</b>	Click here to enter a date.

## 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 November 2023

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

**SUBJECT: Changing Futures Lancashire Funding and Financial Plan (1<sup>st</sup> January 2024 – 31<sup>st</sup> March 2025)**

### 1. EXECUTIVE SUMMARY

This Paper is to notify the Executive Board of the additional year's funding award of £2,027,000 for Changing Futures Lancashire (CFL) from 1st April 2024 to 31st March 2025.

This paper will also provide details of the commitments from across Lancashire to remove the 3-month cost pressure (Jan 2024-31 March 2024) totalling £124,547, as service delivery needs to continue beyond the original anticipated end point and closedown of existing Changing Futures Grant Funding to the end of December 2023.

### 2. RECOMMENDATIONS

That the Executive Board:

2.1 Note this report and its contents

2.2 Approves the receipt of £2.027million for the delivery of Changing Futures Lancashire from 1<sup>st</sup> April 2024 to 31<sup>st</sup> March 2025 and that appropriate adjustments to the Council's budgets are made to reflect this;

2.3 Approves the financial gap plan and income streams identified to remove the potential shortfall, which is covered in paragraph 6, Financial Implications.

### **3. BACKGROUND**

#### **3.1 BACKGROUND TO CHANGING FUTURES LANCASHIRE**

The Changing Futures programme is a £64 million joint initiative by the Department for Levelling Up Housing and Communities (DLUHC) and The National Lottery Community Fund, the largest funder of community activity in the UK. The fund is for local organisations to work in partnership to better support those who experience multiple disadvantage, including homelessness, substance misuse, mental health issues, domestic abuse, and contact with the criminal justice system. People in this situation are among the most vulnerable in our communities, often with past experiences of trauma. Getting coordinated support from local services can be difficult, and this can lead to greater risk of homelessness, ill health, and increased contact with the criminal justice system. This in turn can result in greater pressures on services that respond to crises such as A&E, policing and homelessness services.

In 2021, Lancashire was awarded £6.499m and in 2023 has been awarded an additional £2.027m to extend the programme until 31<sup>st</sup> March 2025. Before this extension the programme was going to end delivery on 31<sup>st</sup> December 2023 and the programme close on 31<sup>st</sup> March 2024, with very few staff remaining to close down.

Changing Futures Lancashire is led by and ultimately the responsibility of Blackburn with Darwen Council. Devolution of responsibility to 3 other local authorities who lead their locality (as BwD lead the East Locality) is through Memoranda of Understanding (MOU) to set out the funding levels, delivery requirements and the evaluation requirements for this programme. The programme has been entirely coproduced and the results are showing that the approach to design and delivery have worked – people are getting better and this also returns a cost avoidance. (The 3 other lead local authorities are Preston City Council, Blackpool Borough Council and Lancaster City Council).

#### **3.2 THE ADDITIONAL YEAR 2024-25 OF FUNDING**

##### **3.2.1 CONFIRMATION LETTER**

Attached as an appendix is the letter of confirmation from DLUHC and The National Lottery Community Fund of additional funding of £2.027million for the period 1<sup>st</sup> April 2024-31<sup>st</sup> March 2025.

##### **3.2.2 HOW WILL THE MONEY BE USED?**

This additional funding will enable an extension of delivery and the evaluation. Lancashire remains the biggest delivery area and is the biggest sole contributor to the national evaluation, as well as agreeing to involvement with every facet of the evaluation. In addition to this, our local evaluations and evolving economic impact analysis means the programme is capitalising on every opportunity to add value to the work we are doing and have done with over 1,000 beneficiaries since January 2022.

The leadership of the programme from BwD, the pace of implementation and delivery of our ongoing work on systemic change were all pivotal in the decision to award funding to Lancashire for this additional year. Only 10 of the 15 areas were awarded additional funding.

As the funding letter stipulates the timeframe for the award, we are unable to use any of the additional funding early. As noted in section 1.2 there is a 3 month funding gap which has arisen with the award.

The opportunity to bid in this funding round was only opened on 5<sup>th</sup> April 2023, which falls within this financial year, when we anticipated delivery to December 2023 and then closedown.

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

### **4.1 RISK TO THE LANCASHIRE PROGRAMME**

The Changing Futures Programme in Lancashire is a major contributor to the national evaluation and as such, security to providers and all the staff will be provided through this financial plan. This will reduce threats to delivery, and provide continuity, thus enabling BwD BC to honour its contract with the programme's funders, DLUHC and The National Lottery Community Fund.

### **4.2 RISK TO BLACKBURN WITH DARWEN BOROUGH COUNCIL**

The additional 3 months activity created a financial implication to BwD Borough Council as the lead authority. Options were discussed at the Lancashire Changing Futures Board and a residual risk of circa £460k was identified in May 2023, which has reduced to £124,547 with a remedial action plan created and executed to remove this risk to BwD Borough Council. As a result of the options outlined in this paper the pressures have been mitigated.

## **5. POLICY IMPLICATIONS**

The Learning from Changing Futures Lancashire will be useful for future policy development on how to best support disadvantaged people in the Borough.

## **6. FINANCIAL IMPLICATIONS**

### **6.1 RESOURCING THE 3 MONTH GAP**

This section provides a detailed breakdown of the financial gap remedial action plan.

#### **6.1.1 WHAT IS THE GAP AND REMEDIAL PLAN**

Prior to submitting the funding bid for the additional year, a financial risk assessment showed that although the programme finances had been managed within the set parameters, there was an unfunded gap to bridge, with funded delivery needed.

The original programme plan, for the funding of £6.499m was to end direct delivery on 31<sup>st</sup> December 2023 and then have a 3 month closedown and evaluation period, delivered by the

core programme team of four (based at BwD), four locality managers and four locality administrators from 1<sup>st</sup> January 2024 – 31<sup>st</sup> March 2024.

With the successful bid for the additional year, we now need to find the funding for delivery of services over Jan – March 2024. As the additional year does have a reduced service offer, calculations for the financial resources needed for the gap are based on a reduced service offer:

Item	£	£
Delivery Costs January 2024 – March 2024 (the gap)	£649,902	
Less: Existing January - March CFL funding (planned for closedown) – Guaranteed	(£152,000)	
Less: Existing Identified savings based on localities holding vacancies that will affect but not stop delivery. (It is agreed that a minimum of £148k of this total will come from Preston CC).	(£283,355)	
Gives: Potential Financial Gap for the Period 1 <sup>st</sup> January 2024 – 31 <sup>st</sup> March 2024		£214,547
<b>Further funding sources identified to mitigate the gap:</b>		
Non-recurrent funding from Integrated Care Board - Confirmed	(£50,000)	
Non-recurrent funding from National Probation Service – Confirmed (MOU with BwD Legal Team)	(£40,000)	
Non-recurrent Funding from 3 x Directors' of Public Health for Lancashire County Council, Blackpool and Blackburn with Darwen up to £70k each - Confirmed*  (BwD funded from Adults and Health Portfolio existing budgets)	(£124,547)	
Subtotal of funding sources		(£214,547)
<b>Net Broad Breakeven Position (for existing changing futures programme up to March 2024)</b>		<b>(£0)</b>

*\*denotes that these funding sources will collaborate to break even.*

*On this current forecast there is sufficient funding identified to cover the costs of the programme through to next year.*

## 6.2 HOW HAVE WE SOLVED THE GAP?

As the table above shows, a combined effort of in year cost savings, and non-recurrent contributions have removed any financial risk to BwD Borough Council. We have firm commitments to negate any such financial risk.

## 7. LEGAL IMPLICATIONS

There are 4 draft MOUs with lead local authorities of Blackpool, Preston, Lancaster and also Blackburn with Darwen (for parity) to provide assurance to them of the funding available.

Compliance with conditions of the grant funding are necessary in order to fulfil the contractual obligations we are entering into on receipt of the additional grant funding.

## 8. RESOURCE IMPLICATIONS

The programme will be fully funded to deliver throughout the lifetime of the programme by following the plans contained in this report.

This plan will also enable the continuation of existing commissions within the Changing Futures Programme that deliver Changing Futures services to beneficiaries here in Blackburn with Darwen and across the other three localities.

## 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

The whole Changing Futures Lancashire Programme has been coproduced with people who have Lived Experience of multiple disadvantage here in Lancashire, including the sustainability plan.

The financial remedial action plan was written in collaboration across the Lancashire Changing Futures Board, chaired by Dr Arif Rajpura (Director of Public Health for Blackpool).

#### **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>Ian Treasure</b>
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<b>DATE:</b>	13 <sup>th</sup> October 2023
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<b>BACKGROUND PAPER:</b>	2024-2025 Funding Paper from DLUHC / The National Lottery
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29 June 2023

Denise Park  
Blackburn with Darwen Borough Council  
3<sup>rd</sup> Floor  
Old Town Hall  
Blackburn  
Lancashire  
BB1 7DY

**Reference: Changing Futures Extension of Grant Funding Offer -  
Project ID: 20175610**

Dear Denise,

The Big Lottery Fund, operating as The National Lottery Community Fund (the "Fund"), has reviewed your application for additional funding to extend the Changing Futures Lancashire Project from 31 March 2024 to 31 March 2025.

In your application (see Annex A) you provided the Fund on 24 May 2023, you indicated that you required the additional funding to help extend local delivery and further support sustainability and mainstreaming.

I am pleased to confirm our continued commitment to your Project, with an offer to increase your grant by £450,001 bringing the total Changing Futures Lancashire grant to £2,573,986 as set out in the following table:

	DLUHC	The Fund
Year One (2021/2022)	£1,901,061	£0
Year Two (2022/2023)	£2,474,019	£0
Year Three (2023/2024)	£0	£2,123,985
Year Four (2024/2025)	£1,577,340	£450,001
<b>Total</b>	<b>£5,952,420</b>	<b>£2,573,986</b>

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The National Lottery Community Fund  
1st Floor Peel Building, 2 Marsham Street, London, SW1P 4DF  
[tnlcommunityfund.org.uk](http://tnlcommunityfund.org.uk)  
0345 410 2030 📞 18001 + 0345 410 2030

Chair  
Blondel Cluff CBE  
Chief Executive  
David Knott

## EXECUTIVE BOARD DECISION



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

**PORTFOLIO/S AFFECTED:** Public Health Prevention and Wellbeing

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

**KEY DECISION:** Y

**SUBJECT: Future of Daisyfield Pools and the impact on users**

### 1. EXECUTIVE SUMMARY.

Daisyfield Pools was closed to the public on 19<sup>th</sup> August 2023 due to serious health and safety concerns relating to positive legionella readings having been found in various parts of the building and the management and condition of the pool plant, which resulted in the pools being open for use to the public with little or no chlorine in the pools.

(<https://blackburnintranet.moderngov.co.uk/documents/s21500/Daisyfield%20Pool%20closure%20Officer%20decision.pdf>)

Following the Executive Board approval on 7<sup>th</sup> September 2023 a Final Notice to end all use and occupation of Daisyfield Swimming Pools, Blackburn was served on the Directors of Half Fish HQ CIC on 21 September 2023. The Council took possession of the building and secured the premises on 20<sup>th</sup> October 2023. *(insert web link for the Exec Board report)*. [EBD1: Executive Board Decision \(moderngov.co.uk\)](#)

A public consultation process took place between Monday 18<sup>th</sup> September 2023 and Sunday 15<sup>th</sup> October 2023 to determine the impact on users of the continued closure of Daisyfield swimming pools. An online form was available for users to complete anonymously and paper copies of the consultation form were also available at all 5 libraries, for members of the public to complete. A total of 294 responses to the consultation were received including views from local residents, casual users, parents or guardians of young people who use the pools, local schools, swim clubs, trainee swimmers, and more. The results of the public consultation are detailed in a report which is contained in Appendix 1.

In addition to the consultation process, supporters of Daisyfield Pool started two petitions. One petition was organised on line through change.org and received 2183 signatures. A second petition was handwritten with 206 names, addresses and signatures.

The Council has undertaken measures to mitigate the impact of the ongoing closure of Daisyfield Pools on users, including making changes to the pool programme at Blackburn Leisure Centre, introducing additional swimming lessons and taking steps to ensure that customers attending the women only swimming sessions can do so in a private environment.

A building conditions survey report on the building has been completed which estimates that the Council would need to spend in excess of £3.135M plus VAT to undertake significant repairs and maintenance work to make the building fit for purpose. Spending in excess of £3.135M plus VAT on a swimming pool facility, which was originally constructed in 1905 would not pass a value for money test and it is highly likely that further costs would be incurred in addition to the budget estimate due to the age, size and condition of the building. It is therefore recommended that the building be permanently closed.

The permanent closure of Daisyfield Pools would result in an under-provision of public swimming pool facilities for the residents of the Borough in accordance with the Sport England facilities planning model for public swimming pools. A meeting is therefore planned with senior officers from the Place Directorate, including the facilities team at Sport England in November 2023 to discuss the implications from the closure of the existing Daisyfield Pools facility.

If the Executive Board were to approve a permanent closure of Daisyfield Pools, a further report will be submitted to Executive Board regarding the future of the site.

## **2. RECOMMENDATIONS**

That the Executive Board:

- Note the progress made to terminate the existing arrangement with Half Fish HQ CIC in relation to its occupation and operation at Daisyfield Swimming Pools.
- Note the results of the public consultation and the actions taken and proposed to mitigate the impact of the continued closure of Daisyfield Pools.
- Note and consider the online petition which was organised via the website Change.Org and the hand written petition which has been submitted by supporters of Daisyfield Pools.
- Agree to the permanent closure of Daisyfield Pools due to the poor state of repair and condition of the building and the requirement for significant investment, estimated to be in excess of £3.135M plus VAT, for the required repairs and maintenance.
- Note the planned meeting with senior officers from the Place Directorate and facilities team of Sport England to discuss public pool provision in the Borough and the likely impact on public swimming if Daisyfield Pools was to permanently close.

## **3. BACKGROUND**

At the Council's Executive Board meeting on 7<sup>th</sup> September, Executive Members noted the serious health and safety concerns at Daisyfield Pools and endorsed the officer's decision to close the building on grounds of health and safety. It was agreed that the existing arrangement with Half Fish HQ in relation to its occupation and operation at Daisyfield Swimming Pools would be terminated.

Executive members were also informed about the building conditions survey report for the site, which highlighted significant repairs and maintenance works required to bring the site up to a useable standard at a cost in excess of £3.135M plus VAT.

Members agreed for a public consultation to be undertaken in relation to the future use of Daisyfield Pools and the impact on current users of the facility if the building remained closed, and that the results of the consultation should be considered at the Executive Board meeting on 9<sup>th</sup> November 2023.

### **3.1 Termination of existing arrangements with Half Fish.**

On 21 September 2023, a Final Notice to end all use and occupation of Daisyfield Swimming Pools, Blackburn was served on the Directors of Half Fish HQ CIC by the Deputy Director of Legal & Governance, Blackburn with Darwen Borough Council. The Legal Notice stated that Daisyfield Swimming Pools should be handed over to the Council on or before 11:00am on Friday 20th October.

The handover from Half-Fish HQ CIC took place on 20<sup>th</sup> October with no issues. All the locks have now been changed and the alarms have been reset with the Council's security provider on 24/7 response. The Council's insurance provider has also been made aware of the change in circumstances. The swimming pools have both been backwashed and chlorinated and the pool water circulation system remains operational to prevent the pool water from stagnating.

### **3.2 Public consultation**

The Daisyfield Pools public consultation ran for four weeks from Monday 18th September 2023 to Sunday 15th October 2023. An online form was available for users to complete anonymously and was accessible via the BWDBC website home page and open consultations page. Paper copies of the consultation form were also available at all 5 libraries, for members of the public to complete.

Communications were released on all BwDBC social media pages as well as The Shuttle website. A support session took place at Little Harwood Community Centre on Wednesday 20th September 2023 to aid users in completing the form.

A total of 294 submissions were received from users. This included views from local residents, casual users, parents or guardians of young people who use the pools, Half Fish staff members, local schools, swim clubs, trainee swimmers, and more. The results of the public consultation are detailed below:

**Gender** - of the 294 submissions, 275 users gave details of their gender.

- the majority of respondents (71%) are female
- 22% of respondents are male
- 1 user identifies as non-binary

**Age** - of the 294 submissions, 276 users gave details of their age.

- the largest number of submissions came from the 35-49 age group
- combined, the 20-34 and 35-49 age ranges make up 70% of submissions
- the 65-79 and 80+ age ranges make up 5% of submissions
- 1 user was 80+

**Post code data** – where respondents live

- 50% of submissions were made by residents of BB1 postcodes
- 29% of submissions were made by residents of BB2 postcodes
- other areas represented include Ramsbottom, Chorley, Preston, Chester, Nuneaton, as well as 2 submissions from North Wales and 1 submission from Scotland

**Usage data** – how often the respondents use Daisyfield Pools

- 66% of users used Daisyfield Pools within 1 month of the closure date
- 16% of users used Daisyfield Pools between 1-3 months before closure

- 16% of users visited Daisyfield Pools 4 or more months before closure
- 5 respondents had never used Daisyfield Pools

#### **User activities** – what activities the respondents have taken part in

- 67% of users attended swimming lessons
- 38% of users attended public swim sessions
- 23% of users attended ladies only sessions
- 12% of users attended swimming club sessions
- 12% of users stated they used the pools for other activities, these included mother and toddler sessions, men’s and teens sessions, private sessions, lifeguard training, first aid training, mental health first aid training, sponsored swims, various camps and holiday clubs

#### **Modes of travel** – how the respondents travel to the pools

- 75% of users travel to Daisyfield Pools by car
- in total, 21% of users either walked or travelled by public transport
- other means of transport used included private coaches and school buses

#### **Impact of pool closure**

- 47% of users said that if Daisyfield Pools were to close, they would not continue their activities elsewhere
- 21% of users said they would continue their activities elsewhere
- 30% of users were unsure if they would continue elsewhere

#### **Closing insights**

Overall, the majority of respondents are unhappy with the closure. Some of the most common reasons for this include:

- There are few other options in the area with the same offering as Daisyfield Pools. Most pools are busier and more costly
- Parents are struggling to find swimming lessons for their children without long waiting lists
- Other swimming lesson sessions are not tailored to children with additional needs
- There is less availability elsewhere for women’s only, men’s only and parent and toddler swim sessions. Users also highlighted that these sessions can be uncomfortable at other pools due to the presence of lifeguards of the opposite gender and viewing platforms allowing the public to watch over the pools
- Other pools in the area have communal changing facilities
- Users will miss the sense of community at Daisyfield Pools

A full copy of the report on the results of the public consultation is contained in Appendix 1 to this Executive Board report.

### **3.3 Actions to be taken to mitigate the Impact of the closure**

#### **Cost of participation**

A significant number of respondents cited the cost of participation as one of the reasons why they chose to use Daisyfield Pools rather than one of the Council’s directly managed swimming pools.

A comparison of the costs of taking part in a range of aquatic activities at Daisyfield Pools and at Blackburn Leisure Centre is detailed in the table below. It is evident that in the majority of cases, the cost of taking part in a range of aquatic activities at Blackburn Leisure Centre is actually lower than the cost of taking part in those same activities at Daisyfield Pools.

Additionally, the Council also provides a range of refresh swim sessions at Blackburn Leisure Centre and Darwen Leisure Centre which can be accessed for just £1.00.

Sessions	Half Fish	Blackburn LC	Comments
Adult Swim / Ladies only swim	£4.75 - However if you buy a Half Fish Supporters Card, you receive £1.00 off per swim.	£4.75	There is no difference in price without a Supporters Card
Half Fish Supporters Card	£10.00 per year	BwDBC provide a re:refresh card free of charge	BwDBC provide a 16.5 hours of re:refresh swim sessions at Blackburn LC which cost £1.00
Children Swimming Lessons	£34.00 for a block of 4 lessons (£8.50 per lesson)	£63.00 for a block of 10 lessons (£6.30 per lesson)	A Direct debit scheme has been introduced for swimming lessons to enable customers to spread the cost of the lessons.
Adult Swimming Lessons	£34.00 for a block of 4 lessons (£8.50 per lesson)	£80.00 for a block of 10 lessons (£8.00 per lesson)	A Direct debit scheme has been introduced for swimming lessons to enable customers to spread the cost of the lessons
Disability Swimming	£8.00 per Adult and Child (up to 11 years old)	£7.65p per Adult and Child	
Parking Permit	£10.00 per year	3 hours of free parking on Feilden Street MSCP	

### Women only swimming sessions

A number of respondents to the consultation raised concerns about the women's only swimming sessions and that there was more privacy at Daisyfield Pools as the main pool is not overlooked and that Half Fish always provided female lifeguards for the women only sessions.

There were two women only swim sessions in the main pool at Daisyfield Pools which took place on the following days and times:

Wednesday - 6.00pm to 7.00pm

Thursday – 6.00pm to 7.00pm

There are three women only swim session in the main pool at Blackburn Leisure Centre which take place on the following days and times:

Tuesday - 8.15pm to 9.00pm: casual swimming

Tuesday - 9.00pm to 9.45pm: half pool lane swimming, half pool casual swimming

Friday – 11.00am to 11.45am (started on 3 November)

There have been concerns raised about the lack of privacy for women swimming in the main pool at Blackburn Leisure Centre because the fitness suite overlooks the spectator gallery and main pool and the spectator gallery overlooks the main pool. Blackburn Leisure Centre has arranged to have venetian blinds fitted to the outside of the fitness suite windows so they can be closed when women's only swim sessions are taking place and cannot be adjusted by customers using the fitness suite. Blackburn Leisure Centre are also fitting blinds to the glazed door leading to the spectator gallery and again these will be closed when the women's only swim sessions are taking place. Blackburn Leisure Centre will also lock the spectator gallery prior to the women only sessions taking place so no-one can access the gallery and view the main pool.

Plans are also in place for a site visit to the pool by councillors and some of the women who attended the women only session at Daisyfield Pools to ascertain if any further measures are required to provide a more private environment for customers attending the 'women only' sessions.

There have been difficulties in guaranteeing female only lifeguards to supervise the women only swim sessions at Blackburn Leisure Centre. However, they have recently advertised for permanent and casual lifeguard roles and have received applications from several qualified female lifeguards which provides an opportunity to allocate female lifeguards to supervise these sessions in the future.

### **Swimming Lessons**

Half Fish provide swimming lessons which follow a combination of Swim England and the Swim Teachers Associated awards schemes. The Council provides swimming lessons which follow the Swim England Learn to Swim Scheme for children aged 3 years+ and for adults. In general terms there is little difference between the swimming lessons programme taught at Daisyfield Pools and in the swimming lesson programme taught in the Council managed leisure centres.

Learn to swim lessons are available at Blackburn Leisure Centre and Darwen Leisure Centre at various times throughout the week, Monday to Saturday, with each lesson lasting 25-30 minutes. Since the closure of Daisyfield Pools in August 2023, over 170 children have joined the Council's swimming lesson programme. In November 2023, a new set of swimming lessons will be launched at Blackburn Leisure Centre on Saturdays from 8.30 – 12.30pm, this new set of lessons will enable the site to accommodate an additional 80 children on the learn to swim lesson programme.

Seven schools have also transferred to Blackburn Leisure Centre for school swimming lessons and have booked a total of ten hours of school swimming lessons. We are in discussions with a number of other schools about commencing school swimming lessons in the Spring term 2024.

In addition to the consultation process, the Council has received two petitions submitted by supporters of Daisyfield Pools. The first petition was organised on line through change.org website gained 2183 signatures, the petitioners called upon Blackburn with Darwen Borough Council to take immediate action by allocating sufficient funds towards repairing both the building and plant at Daisyfield pool. They state that by investing in these essential renovations, BwDBC can ensure the continued operation of Half Fish HQ and preserve 'this invaluable

community resource'. The second petition titled 'Save our Pool' was handwritten with 206 names addresses and signatures.

#### **4. Permanent closure of the site**

Daisyfield Pools was originally constructed and opened in 1906, the building has undergone various alterations over the years the most significant being the changing block extension in the 1960s and the extensive refurbishment and remodelling in 1996. There are no internal features and barely any external features, which exist in any recognisable sense from the original build in 1905/6, hence the building does not have 'listed' status under planning legislation.

The Growth & Development Department have been undertaking an asset review of key Council assets. Daisyfield Pool was highlighted during this review due to the age of the building as it was originally constructed in 1905.

The findings of the initial surveys raised concerns regarding the physical condition of the building, which warranted a more detailed follow on building conditions report. Capita were commissioned to carrying out building inspections of the site, drone observations of the roof and review information, plans and drawings provided by the Council in order to produce a comprehensive conditions report for Daisyfield Pools.

The building conditions survey provides a budget estimate in excess of £3.135M plus VAT for the required repairs and maintenance to keep the facility and building operational. The budget estimate is based on BCIS, SPONS and Capita's own internal data sets, and does not allow for potential cost beyond the immediate necessities.

Spending in excess of £3.135M plus VAT on a swimming pool facility which was originally constructed in 1905 would not pass a value for money test. It is highly likely that further costs would be incurred in addition to the budget estimate because the cost of building works is expensive in the current economic climate due to inflation and the increasing costs of materials and labour. It is also inevitable that further building work would become apparent and would need to be undertaken, in addition to those identified in the building conditions survey, due to the age, size and condition of the building.

Due to the age and condition of the building and the significant cost of undertaking the repairs and maintenance works required to ensure the building is usable and fit for purpose, it is recommended that Daisyfield Pools is permanently closed. If the Executive Board agree to the permanent closure of Daisyfield Pools, a further report will be submitted to Executive Board regarding the future of the site.

#### **5. Meeting with Sport England**

In 2012, Council officers worked with officers from Sport England on a future vision for leisure services which led to the demolition of Waves water fun centre and the building of Blackburn Leisure Centre at a total cost of £13.5m and Witton Park Arena at a cost of £2.5m.

A Sport England facilities planning model for public swimming pools was completed at that time which demonstrated that the Borough had an over-provision of public swimming pool facilities. The closure of Shadsworth swimming pool in 2018 reduced the over-provision but still provided sufficient public swimming pool facilities for the residents of the Borough as recommended by Sport England. The closure of Daisyfield Pools would result in an under-provision of public swimming pool facilities for the residents of the Borough.

The Executive Member and Assistant Executive Members for Public Health and Wellbeing and council officers are scheduled to meet with senior officers from the Place Directorate, including the facilities team of Sport England in November 2023. The purpose of the meeting is to discuss the closure Daisyfield Pools, the reduction in public swimming pool provision and the potential

impact on swimming participation in the Borough, and any support which may be forthcoming from Sport England to assist in mitigating the under-provision.

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

- The arrangements with Half Fish HQ CIC in relation to its occupation and operation at Daisyfield Swimming Pools was terminated on 20<sup>th</sup> October 2023. The Council has taken possession of the building and secured the premises. The building remains closed to the public.
- A public consultation process took place between Monday 18th September 2023 and Sunday 15th October 2023. An online form was available for users to complete anonymously and paper copies of the consultation form were also available at all 5 libraries, for members of the public to complete.
- A total of 294 responses to the consultation were received including views from local residents, casual users, parents or guardians of young people who use the pools, Half Fish staff members, local schools, swim clubs, trainee swimmers, and more. The results of the public consultation are detailed in a report which is publically available.
- The Council has undertaken measures to mitigate the impact of the ongoing closure of Daisyfield Pools on users, including making changes to the pool programme at Blackburn Leisure Centre, introducing additional swimming lessons and taking steps to ensure that customers attending the women only swimming sessions can do so in a private environment.
- In addition to the consultation process, supporters of Daisyfield Pool started two petitions. One petition was organised on line through change.org and received 2183 signatures. A second petition was handwritten with 206 names, addresses and signatures.
- Spending in excess of £3.135M plus VAT on a swimming pool facility which was originally constructed in 1905 would not pass a value for money test and it is inevitable that further costs would be incurred in addition to the budget estimate due to the age, size and condition of the building.
- The permanent closure of Daisyfield Pools would result in an under-provision of public swimming pool facilities for the residents of the Borough in accordance with the Sport England facilities planning model for public swimming pools.
- A meeting is planned with senior officer from the Place Directorate and facilities team at Sport England to discuss Daisyfield Pools and the implications for public swimming in the Borough.

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

There is no statutory requirement for Councils to provide swimming pool services, Blackburn with Darwen Borough Council has done so on a discretionary basis, investing over £21m in swimming pool provision at Blackburn Leisure Centre and Darwen Leisure Centres since 2010.

#### **6. FINANCIAL IMPLICATIONS**

The Council's Revenue Estimates Summary for the 2015/16 estimated that Daisyfield Pools would operate with a cash limited budget of £419,200. When the pools were transferred to Half Fish, the budget for Daisyfield Pools was removed from the portfolio's overall budget, therefore the portfolio has no revenue funding available to operate Daisyfield Pools.

The Building Conditions report provides a budget estimate in excess of £3.135m plus VAT for the required repairs and maintenance to keep the facility and building operational for the short term only. These are based on BCIS, SPONS and Capita's own internal data sets, and does not allow for potential cost beyond the immediate necessities.

## **7. LEGAL IMPLICATIONS**

The provision of leisure services is a discretionary activity. The Council has powers to provide as it thinks fit and deal with leisure facilities under the general power of competence provided by section 1 of the Localism Act 2011 and section 19 of the Local Government (Miscellaneous Provisions) Act 1976. Currently, the Council already has provisions for swimming at Blackburn Leisure Centre and Darwen Leisure Centre.

The Council needs to ensure that its decision makers are correctly and adequately informed. As such, a timely, adequate and effective consultation has been undertaken with all relevant stakeholders. The outcome of the consultation needs to be considered and taken into account when determining the long-term position and future of the facility.

The decision to permanently close Daisyfield Pools following the consultation needs to consider the attached Equality Impact Assessment and any health implications.

## **8. RESOURCE IMPLICATIONS**

Officer time to secure the site, ensuring the intruder alarm is fully functioning and monitored under the councils existing contracts to allow out of hours security where required. Undertake regular inspections both internally & externally.

## 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

The Council has undertaken a four week public consultation from Monday 18th September 2023 to Sunday 15th October 2023 on the future of Daisyfield Pools.

Blackburn with Darwen Director of Public Health has been consulted on the Executive Board report and the EIA and EIA Toolkit along with the results of the Public Consultation and he has confirmed he is happy with the report and the recommendations.

## 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>
<b>CONTACT OFFICER:</b>	<b>Joanne Byrne/Martin Eden</b>
<b>DATE:</b>	26 October 2023
<b>BACKGROUND PAPER:</b>	Future of Daisyfield Pools and the impact on users

Appendix 1: Public consultation report on the future of Daisyfield Pools – October 2023

<b>Name of the activity being assessed</b>	Future of Daisyfield Pools, November 2023				
<b>Directorate / Department</b>	Environment & Operations	<b>Service</b>	Leisure	<b>Assessment Author</b>	Martin Eden
<b>Is this a new or existing activity?</b>	<input type="checkbox"/> New <input checked="" type="checkbox"/> Existing	<b>Responsible manager / director for the assessment</b>		Martin Eden	
<b>Date EIA started</b>	26/10/2023	<b>Implementation date of the activity</b>		21/11/2022	

**SECTION 1 - ABOUT YOUR ACTIVITY**

<p>Page 50</p>	<p>Daisyfield Pools was closed to the public on 19<sup>th</sup> August 2023 due to serious health and safety concerns relating to positive legionella readings having been found in various parts of the building and the management and condition of the pool plant which resulted in the pools being open for use with little or no chlorine in the pools.</p> <p>On 20<sup>th</sup> October, the Council terminated the existing arrangement with the current operator of Daisyfield Pools, Half Fish HQ CIC, in relation to its occupation and operation at Daisyfield Swimming Pools. The Council has taken possession of the building and it remains closed to the public.</p> <p>A building conditions survey report on Daisyfield Pools has been completed which estimates that the Council would need to spend in excess of £3.135M to undertake significant repairs and maintenance work to make the building fit for purpose. Spending in excess of £3.135M on a swimming pool facility which was originally constructed in 1905 would not pass a value for money test and it is highly likely that further costs would be incurred in addition to the budget estimate of £3.135m due to the age, size and condition of the building.</p> <p>The Council's Revenue Estimates Summary for 2015/16 estimated that Daisyfield Pools would operate with a cash limited budget of £419,200. When the pools were transferred to Half Fish, the revenue budget for Daisyfield Pools was removed from the portfolio's overall budget, therefore the portfolio has no revenue funding available to operate Daisyfield Pools.</p> <p>It is therefore recommended that the building be permanently closed.</p>
<p><b>How was the need for this activity identified?</b>  i.e. Why are we doing this activity?</p>	<p>To permanently close Daisyfield Pools and relocate the users to other swimming pools in the Borough, i.e. Blackburn Leisure Centre and Darwen Leisure Centre. The relocation of users from Daisyfield Pools to the Council's other leisure centres and swimming pools will ensure that the aquatic activities take place locally and in a safe environment.</p> <p>The increase in attendances and occupancy levels in the swimming pools at Blackburn Leisure Centre and Darwen Leisure Centre will support our modern swimming pool facilities to remain financially viable.</p>
<p><b>What is the activity looking to achieve?</b></p> <p><b>What are the aims and objectives?</b></p>	

<b>Services currently provided</b> (if applicable)	<p>The Council provides main pool and small pool facilities at Blackburn Leisure Centre and Darwen Leisure Centre. Additionally, the council provides leisure services at Witton Park Arena, 3 x BSF Community Use schools and outdoor courts and pitches.</p> <p>Through the Leisure Review, Audley Sports &amp; Community Centre asset transferred on 25 year FRL to Jamia Ghosia Association in 2017. The Audley Centre remains open for public use but there are no swimming pool facilities at the site</p>
<b>Type of activity</b>	<input type="checkbox"/> Budget changes <input checked="" type="checkbox"/> Decommissioning <input type="checkbox"/> New activity <input type="checkbox"/> Change to existing activity <input type="checkbox"/> Commissioning <input type="checkbox"/> Other [ <a href="#">please state here</a> ]

**SECTION 2 - UNDERSTANDING YOUR CUSTOMER****What resources will support in undertaking the equality analysis and impact assessment?**

*Please identify additional sources of information you have used to complete the EIA, e.g. reports; journals; legislation etc.*

The results of the public consultation process and feedback from 294 members of the public has been used to form the basis of the Equality Impact Assessment. Of those who responded to the consultation, 5 stated that they had never used Daisyfield Pools, with regards to the other 289 respondents, 66% had used Daisyfield Pools within 1 month of the closure date; 16% had used Daisyfield Pools between 1-3 months before closure and 16% had used Daisyfield Pools 4 or more months before closure.

A number of actions and proposed actions to mitigate the impact of closing Daisyfield Pools have been included in the Executive Board report - November 2023. The actions including making changes to the pool programme at Blackburn Leisure Centre, introducing additional swimming lessons and taking steps to ensure that customers attending the women only swimming sessions can do so in a private environment. We are also recruiting permanent and casual lifeguards and have received applications from several qualified female lifeguards, so there is a potential opportunity to lifeguard the women's swim sessions with female lifeguards.

**Who are you consulting with? How are you consulting with them? (Please insert any information around surveys and consultations undertaken)****Members**

Ongoing consultation and discussion with Executive Member and two Assistant Executive Members for Public Health and Wellbeing

All councillors are aware of the current closure of Daisyfield Pools – an initial report was considered at Executive Board in September 2023 and Executive Board agreed that the building should remain closed until a public consultation process had been undertaken.

Briefings for the Daisyfield and Bastwell ward councillors affected by the decision

**Public & Stakeholders**

A public consultation process took place between Monday 18th September 2023 and Sunday 15th October 2023 to determine the impact on users of the continued closure of Daisyfield swimming pools. An online form was available for users to complete anonymously and paper copies of the consultation form were also available at all 5 libraries, for members of the public to complete. A total of 294 responses to the consultation were received including views from local residents, casual users, parents or guardians of young people who use the pools, local schools, swim clubs, trainee swimmers, and more. The results of the public consultation are detailed in a report which is publically available.

All seventeen schools which used Daisyfield Pools prior to the closure on grounds of health and safety were written to and were provided with a web link to the public consultation survey and a paper copy of the survey. Eleven schools responded to the survey.

Sport England – The Executive Member and Assistant Executive Members for Public Health and Wellbeing and council officers are scheduled to meet with senior officers from the Place Directorate including the facilities team of Sport England in November 2023. The purpose of the meeting is to discuss the closure Daisyfield Pools, the reduction in public swimming pool provision and the potential impact on swimming participation in the Borough and any support which may be forthcoming from Sport England.

**Who does the activity impact**

Service users

 Yes No Indirectly

<b>upon?*</b>	Members of staff	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	General public	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Carers or families	<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	<input type="checkbox"/> Indirectly			
	Partner organisations	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Indirectly			
<b>Does the activity impact positively or negatively on any of the protected characteristics as stated within the Equality Act (2010)?*</b>  <b>The groups in blue are not protected characteristics (please refer to p. 3 of the guidance notes)</b>	Positive impact	<input checked="" type="checkbox"/> Age	<input checked="" type="checkbox"/> Disability	<input checked="" type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers
	Negative impact	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input type="checkbox"/> Marriage & Civil Partnership	<input type="checkbox"/> Pregnancy & maternity	<input type="checkbox"/> Vulnerable groups
		<input checked="" type="checkbox"/> Race	<input checked="" type="checkbox"/> Religion or belief	<input type="checkbox"/> Sex	<input type="checkbox"/> Sexual orientation	<input checked="" type="checkbox"/> Deprived communities	<input type="checkbox"/> Carers
	No impact	<input type="checkbox"/> Age	<input type="checkbox"/> Disability	<input type="checkbox"/> Gender reassignment	<input checked="" type="checkbox"/> Marriage & Civil Partnership	<input checked="" type="checkbox"/> Pregnancy & maternity	<input checked="" type="checkbox"/> Vulnerable groups
		<input type="checkbox"/> Race	<input type="checkbox"/> Religion or belief	<input checked="" type="checkbox"/> Sex	<input checked="" type="checkbox"/> Sexual orientation	<input type="checkbox"/> Deprived communities	<input checked="" type="checkbox"/> Carers

\*If no impact is identified on any of the protected characteristics a full EIA may not be required. Please contact your departmental Corporate Equality & Diversity representative for further information.

Does the activity contribute towards meeting the Equality Act's general Public Sector Equality Duty? *Refer to p.3 of the guidance for more information*  
***A public authority must have 'due regard' (i.e. consciously consider) to the following:***

DUTY	DOES THE ACTIVITY MEET THIS DUTY? EXPLAIN
<b>Eliminate unlawful discrimination, harassment and victimisation and other conduct prohibited by the Act</b> <i>(i.e. the activity removes or minimises disadvantages suffered by people due to their protected characteristic)</i>	If Daisyfield Pools was to permanently close, there are main pool and small pool facilities at Blackburn Leisure Centre which is located 1 mile away from Daisyfield Pools and at Darwen Leisure Centre which is located c.6 miles from Daisyfield Pools.
<b>Advance equality of opportunity between those who share a protected characteristic and those who do not</b> <i>(i.e. the activity takes steps to meet the needs of people from protected groups where these are different from the needs of other people)</i>	The pool facilities at Blackburn Leisure Centre and Darwen Leisure Centre are modern and fit for purpose and have access to modern equipment and facilities that better supports access for all customers.
<b>Foster good relations between people who share a protected characteristic and those who do not</b> <i>(i.e. the function encourages people from protected groups to participate in public life or in other activities where their participation is disproportionately low)</i>	Services at all other Council owned leisure facilities will still be provided for all customers including those who share protected characteristics.

ASSESSMENT	Is a full EIA required?	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Please explain how you have reached your conclusion <i>(A lack of negative impacts must be justified with evidence and clear reasons, highlight how the activity negates or mitigates any possible negative impacts)</i>			
<p>Whilst we understand that closing Daisyfield Pools will be a change to the current access to leisure in the borough; provision of safe facilities is paramount g. The high standards of provision at both Blackburn Leisure Centre and Darwen Leisure Centre will improve the customer experience of current users of Daisyfield Pools.</p> <p>We will still be providing accessible leisure provision and adhering to our requirement as a local authority under the Equality Act 2010.</p>			

<b>Author Signature</b>		<b>Date</b>	
<b>Head of Service/Director Signature</b>		<b>Date</b>	
<i>The above signatures signify acceptance of the ownership of the Initial EIA and the responsibility to publish the completed Initial EIA as per the requirements of the Equality Act 2010.</i>			

<b>Departmental E&amp;D Lead Signature</b>		<b>Date</b>	<b>23/10/2023</b>
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**FULL EQUALITY IMPACT ASSESSMENT****SECTION 3 – ANALYSIS OF IMPACT**

Does the activity have the **potential** to:

- **positively** impact (benefit) any of the groups?
- **negatively** impact/exclude/discriminate against any group?
- **disproportionately** impact any of the groups?

Explain how this was identified – through evidence/consultation.

Any negative impacts that are identified within the analysis need to be captured within the action plan in **Section 4**

**N.B.** Marriage & Civil Partnership is only a protected characteristic in terms of work-related activities and NOT service provision

<b>Characteristic</b>	<b>Positive</b>	<b>Negative</b>	<b>Don't know</b>	<b>Reasons for positive and/or negative impact</b> Please include all the evidence you have considered as part of your analysis	<b>Action No.</b>
Age	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council's swimming pool facilities at Blackburn Leisure Centre and Darwen Leisure Centre have modern equipment and facilities that better supports access for all customers, for example both centres have pool hoists to support people with mobility problems to enter the pools.	
Disability	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council's swimming pool facilities at Blackburn Leisure Centre and Darwen Leisure Centre have modern equipment and facilities that better supports access for all customers.	
Gender reassignment	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	The Council's swimming pool facilities at Blackburn Leisure Centre and Darwen Leisure Centre have changing cubicles in village changing rooms rather than male and female changing rooms.	
Marriage & Civil Partnership	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Pregnancy & Maternity	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
Race	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A number of respondents to the consultation raised concerns about the women's only swimming sessions and that there was more privacy at Daisyfield Pools as the main pool is not overlooked and that Half Fish always provided female lifeguards for the women only sessions.	<b>1</b>
Religion or Belief	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	A number of respondents to the consultation raised concerns about the women's only swimming sessions and that there was more privacy at Daisyfield Pools as the main pool is not overlooked and that Half Fish always provided female lifeguards for the women only sessions.	<b>2</b>
Sex	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

<b>Sexual orientation</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Vulnerable Groups</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Deprived Communities</b>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	The public consultation asked people how they travelled to the site, 75% of users travel to Daisyfield Pools by car and 21% of users either walked or travelled by public transport. Other means of transport used included private coaches and school buses. A comparison of fees and charges at Daisyfield Pools compared to Blackburn Leisure Centre demonstrated that charges are lower at Blackburn Leisure Centre for the majority of aquatic activities. In addition there are 16.5 hours a week of refresh swimming sessions which cost just £1.00.	<b>3</b>
<b>Carers</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		
<b>Other [please state]</b>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>		

<p><b>Does the activity raise any issues for community cohesion?</b></p> <p><input type="checkbox"/></p> <p><b>Does the activity contribute positively towards community cohesion?</b></p> <p><input checked="" type="checkbox"/></p>	A number of respondents to the consultation raised concerns about the women's only swimming sessions and that there was more privacy at Daisyfield Pools as the main pool is not overlooked and that Half Fish always provided female lifeguards for the women only sessions. Action Plans 1 & 2 are intended to address these issues.
<p><b>Does the activity raise any issues in relation to human rights as set out in the Human Rights Act 1998? Details of which can be found <a href="#">here</a></b></p> <p><input type="checkbox"/></p>	No
<p><b>Does the activity support / aggravate existing departmental and/or corporate risk?</b></p> <p><input type="checkbox"/></p>	<p><i>Is the activity on the departmental risk register? If it is not, should it be?</i></p> <p>No</p>

## CONCLUSIONS OF THE ANALYSIS

<b>Action following completion of the impact assessment</b>			
<i>It is important that the correct option is chosen depending on the findings of the analysis. The action plan must be completed as required.</i>			
<input type="checkbox"/> No major change in the activity	<input type="checkbox"/> Adjust activity	<input checked="" type="checkbox"/> Continue with activity	<input type="checkbox"/> Stop and reconsider activity

**Please explain how you have reached your conclusion**

The Council does not have the capital funding or revenue funding available to re-open Daisyfield Pools. Blackburn Leisure Centre has a main pool and a small pool and is located 1 mile from Daisyfield Pools. The pool programme has been amended to increase the number of children's swimming lessons and school swimming lessons and women only swimming sessions. Steps have been taken to ensure the main pool provides privacy for bathers who attend the women only swim sessions. We have undertaken a review of fees and charges and the cost of using Blackburn Leisure Centre for many aquatic activities is less expensive than using Daisyfield Pools. There is also 16.5 hours of refresh swimming sessions available which cost just £1.00 to access with a refresh card. Refresh cards are issued free of charge to residents and people who work or are educated in the Borough or are registered with a BwD GP.

**ACTION PLAN**

Action No.	What is the negative / adverse impact identified?	Actions required to reduce / mitigate / eliminate the negative impact	Resources required	Responsible officer(s)	Target completion date
Page 58	<p>A number of respondents to the public consultation raised concerns about the women's only swimming sessions and that there was more privacy at Daisyfield Pools as the main pool is not overlooked and that Half Fish always provided female lifeguards for the women only sessions.</p>	<p>We have arranged to have venetian blinds fitted to the outside of the fitness suite windows so they can be closed for women's only swim sessions are taking place and cannot be adjusted by customers using the fitness suite.</p>	<p>Cost are being obtained and work will be completed</p>	<p>Kelvin Rutter</p>	<p>9 November 2023</p>
		<p>We are also fitting blinds to the glazed door leading to the spectator gallery and again these will be closed when the women's only swim sessions are taking place.</p>	<p>Cost are being obtained and work will be completed</p>	<p>Kelvin Rutter</p>	<p>9 November 2023</p>
		<p>We will also lock the spectator gallery prior to the women only sessions taking place so no-one can access the gallery and view the main pool.</p>	<p>N/A</p>	<p>Ryan Scott</p>	<p>Ongoing – Tuesday evenings</p>
		<p>There have been difficulties in guaranteeing female only lifeguards to supervise the women only swim sessions at Blackburn Leisure Centre. However we have recently advertised for permanent and casual lifeguard roles and have received applications from several qualified female lifeguards which provides an opportunity to allocate female lifeguards to supervise these sessions in the future. Any female lifeguards recruited will be rota to work on Tuesday evenings when the women's only sessions take place</p>	<p>Lifeguard interviews on 6 November</p>	<p>Ryan Scott</p>	<p>6 November 2023</p>
		<p>We will advertise solely for female lifeguards in the next round of recruitment to bolster the number of female lifeguards employed at Blackburn Leisure Centre.</p>	<p>N/A</p>	<p>Ryan Scott</p>	<p>January 2024</p>

<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 59</p>	<p>3 Daisyfield Pools is located in a deprived community with low car ownership compared to other areas of the Borough. The public consultation asked people how they travelled to the site, 75% of users travel to Daisyfield Pools by car and 21% of users either walked or travelled by public transport. Other means of transport used included private coaches and school buses.</p>	<p>Blackburn Leisure Centre is located in Blackburn town centre and is a mile from Daisyfield Pools. If users have not got a car, Blackburn Leisure Centre can be accessed by public transport.</p> <p>We will ensure that public transport links are promoted on our website and that receptionist have the information so can respond effectively to any enquiries asking how to access the centre.</p> <p>There is 16.5 hours of re:fresh swimming sessions available at Blackburn Leisure Centre which cost just £1.00 to access with a re:refresh card. Re:refresh cards are issued free of charge to residents and people who work or are educated in the Borough or are registered with a BwD GP. We will promote the re:refresh card and sessions in the Daisyfield and Bastwell ward.</p>	<p>N/A</p> <p>N/A</p> <p>Officer time</p>	<p>Ryan Scott</p> <p>Ryan Scott</p>	

**MONITORING AND REVIEW**

The responsibility for establishing and maintaining the monitoring arrangements of the EIA action plan lies with the service completing the EIA. These arrangements should be built into the performance management framework.

Monitoring arrangements for the completion of EIAs will be undertaken by the Corporate Equality & Diversity Group and the oversight of the action plans will be undertaken by the Management Accountability Framework.

If applicable, where will the EIA Action Plan be monitored?	<p><i>e.g. via Service Management Team; Service Leadership Team; Programme Area Meetings</i></p> <p>The leisure management team will monitor the pool programme and attendances on a monthly basis at the leisure managers meeting to ensure we are the needs of our customers including those who have transferred from Daisyfield Pools.</p>
How often will the EIA Action Plan be reviewed?	<p><i>e.g. quarterly as part of the MAF process</i></p> <p>Quarterly</p>
When will the EIA be reviewed?	<p><i>It should be reviewed at least every 3 years to meet legislative requirements</i></p> <p>Annually – as part of business planning session</p>
Who is responsible for carrying out this review?	<p>Paul Taylor, Head of Commercial Services</p>

<b>Author Signature</b>	<b>Martin Eden</b>	<b>Date</b>	<b>31/10/2023</b>
<b>Head of Service/Director Signature</b>	<b>Martin Eden</b>	<b>Date</b>	<b>31/10/2023</b>
<i>The above signatures signify acceptance of the ownership of the full EIA, the responsibility for the associated Action Plan (if applicable) and the responsibility to publish the completed full EIA as per the requirements of the Equality Act 2010.</i>			
<b>Departmental E&amp;D Lead Signature</b>	<i>Gwen Kinloch</i>	<b>Date</b>	<b>31/10/2023</b>



**Daisyfield Pools  
consultation  
October 2023**

<b>Summary and consultation overview</b>	<b>02</b>
<b>Demographic insights</b>	<b>03</b>
<b>User habits</b>	
<b>Pool usage</b>	<b>05</b>
<b>Why users use Daisyfield Pools over other facilities in the area</b>	<b>07</b>
<b>Pool closure</b>	
<b>User likelihood to continue activities elsewhere</b>	<b>09</b>
<b>The effect of closure on future access to swimming</b>	<b>10</b>
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<b>Local schools</b>	<b>13</b>
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<b>Closing insights</b>	<b>17</b>

### **Summary:**

Following the closure of Daisyfield Pools on Saturday 19<sup>th</sup> August 2023 due to serious health concerns including the presence of legionella bacteria, Blackburn with Darwen Borough Council (BWDBC) wished to consult the public on their views surrounding the closure and future of the building. This would allow users to give their thoughts on the future of the site as well as give BWDBC a rounded view of the effects closure would have on users and residents of the area.

### **Consultation overview:**

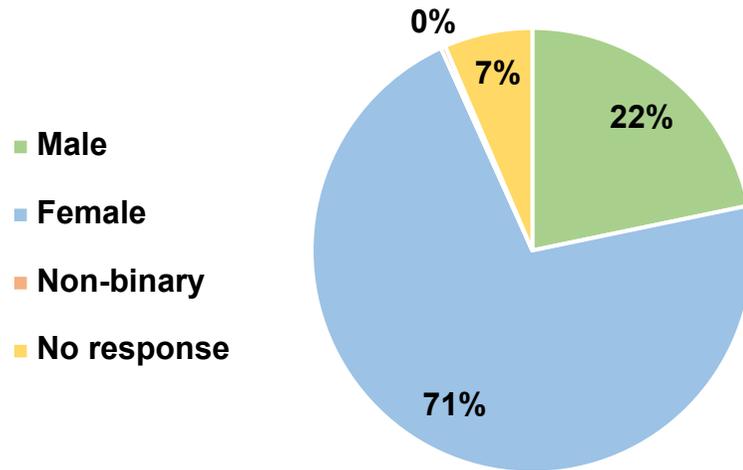
The Daisyfield Pools consultation ran for four weeks from Monday 18<sup>th</sup> September 2023 to Sunday 15<sup>th</sup> October 2023. An online form was available for users to complete anonymously and was accessible via the BWDBC website home page and open consultations page.

Communications were released on all BWDBC social media pages as well as The Shuttle website and paper forms were available at all local libraries and Little Harwood Community Centre. A support session took place at Little Harwood Community Centre on Wednesday 20<sup>th</sup> September 2023 to aid users in completing the form.

A total of 294 submissions were received from users within the borough and externally. This included views from local residents, casual users, parents or guardians of young people who use the pools, Half Fish HQ staff members, local schools, swim clubs, trainee swimmers, and more.

## Demographic insights

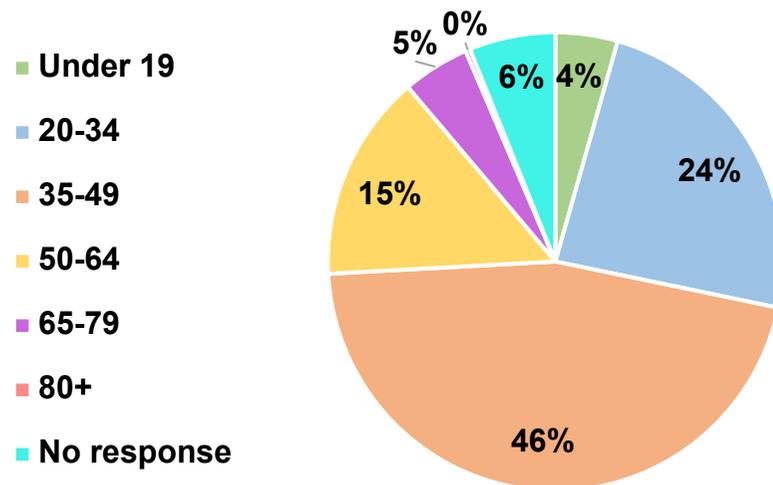
User submissions by gender



Of the 294 submissions, 275 users gave details of their gender.

- the majority of respondents were female at 71%
- 22% of respondents were male
- 1 user identifies as non-binary

User submissions by age group

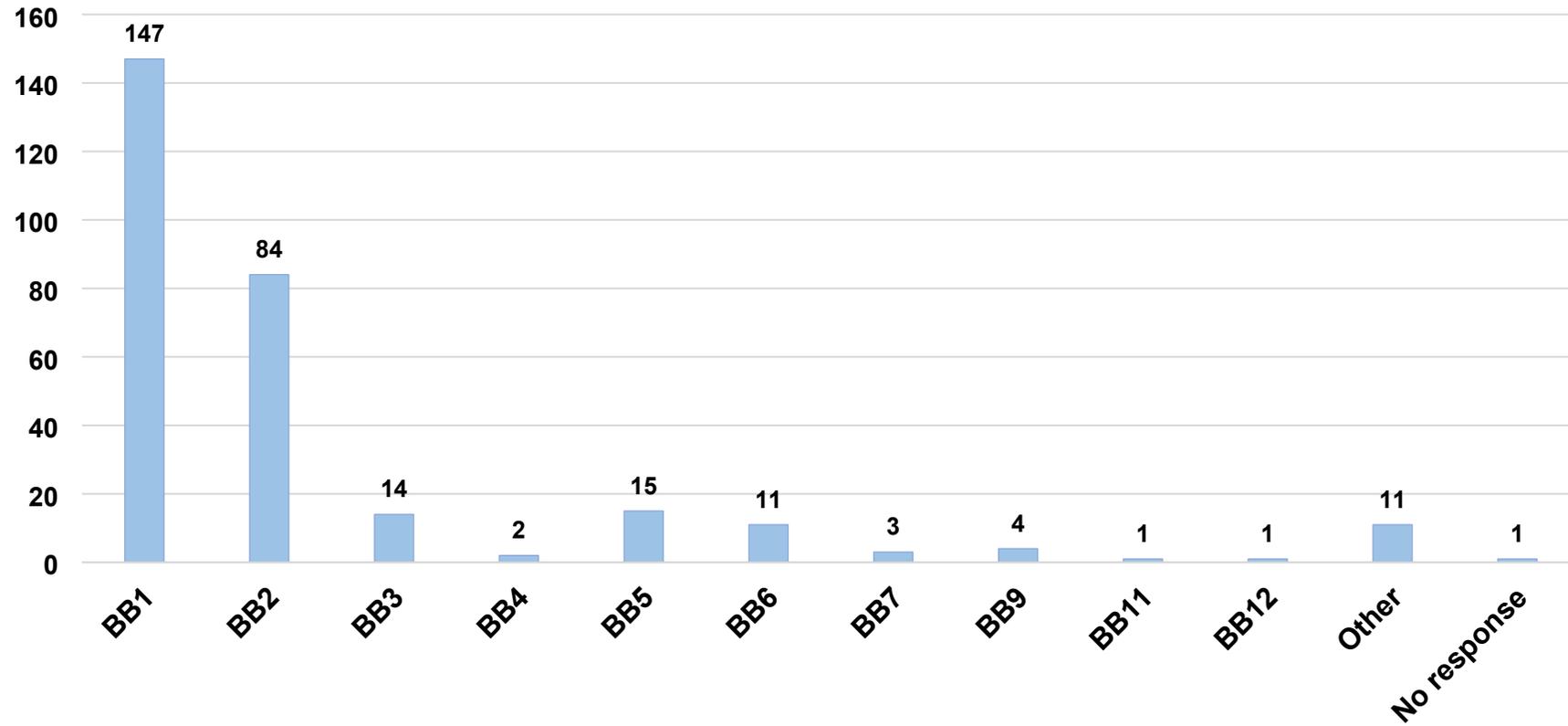


Of the 294 submissions, 276 users gave details of their age.

- the largest number of submissions came from the 35-49 age group
- combined, the 20-34 and 35-49 age ranges make up 70% of submissions
- the 65-79 and 80+ age ranges make up 5% of submissions
- 1 user was 80+

### User submissions by postcode

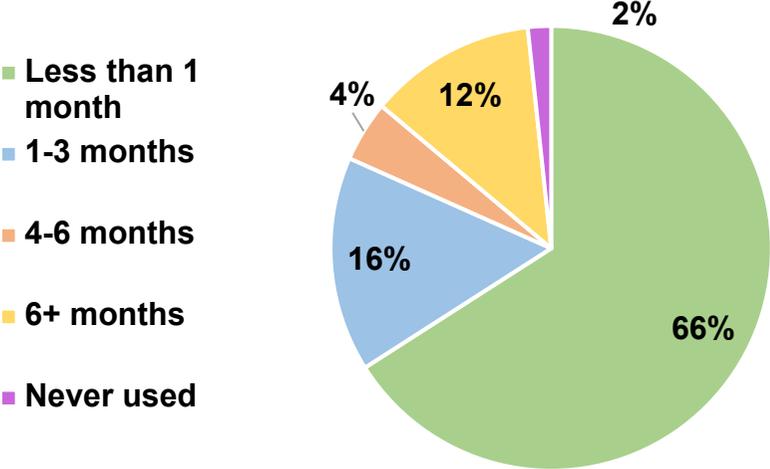
Page 66



- 50% of submissions were made by residents of BB1 postcodes
- 29% of submissions were made by residents of BB2 postcodes
- other areas represented include Ramsbottom, Chorley, Preston, Chester, and Nuneaton, as well as 2 submissions from North Wales and 1 submission from Scotland

# User habits

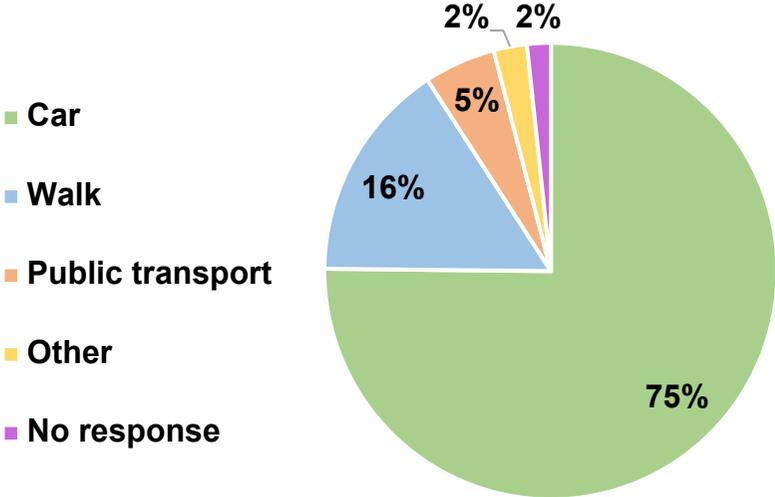
Users last usage before closure



Users were asked when they last used Daisyfield Pools prior to closure:

- 66% of users used Daisyfield Pools within 1 month of the closure date
- 16% of users used Daisyfield Pools between 1-3 months before closure
- 16% of users visited Daisyfield Pools 4 or more months before closure
- 5 respondents had never used Daisyfield Pools

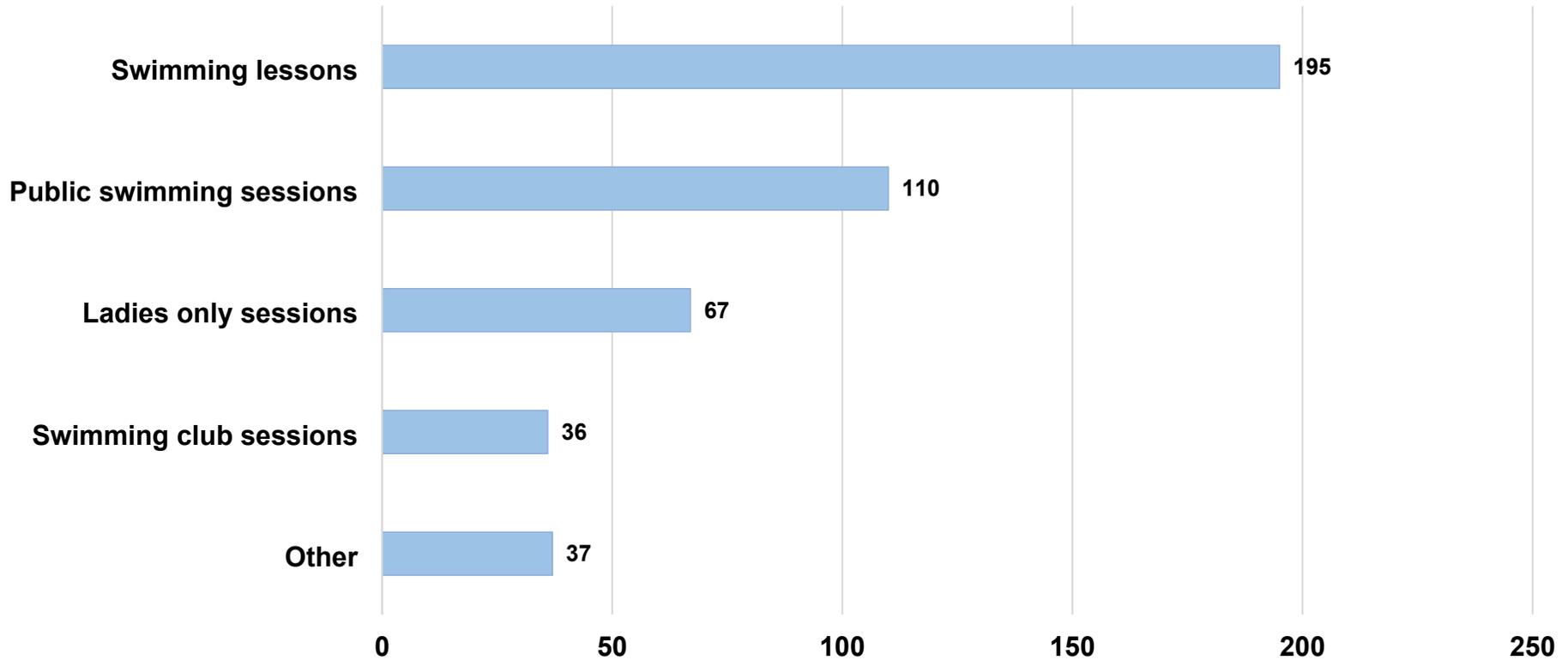
User means of travel to Daisyfield Pools



Users were asked how they travelled to Daisyfield Pools:

- 75% of users travel to Daisyfield Pools by car
- 21% of users either walked or travelled by public transport
- other means of transport used included private coaches and school buses.
- 2% of users gave no response; these are users who stated that they never used Daisyfield Pools

User activities at Daisyfield Pools



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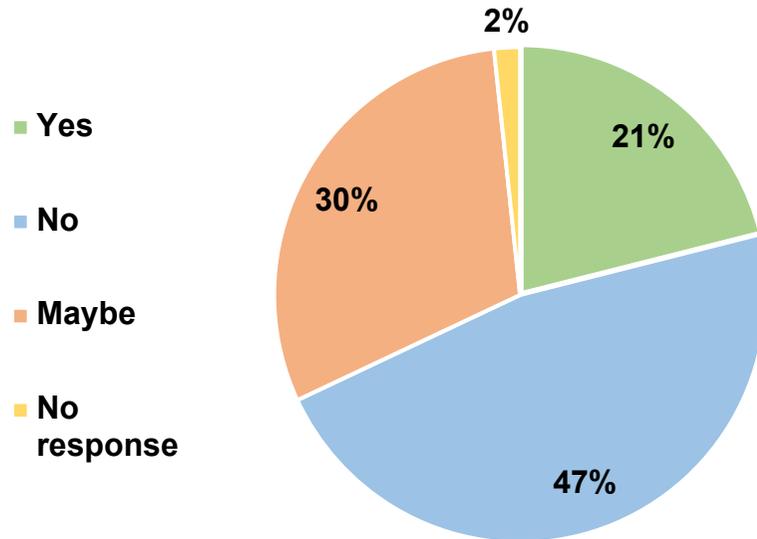
289 users who previously stated they had used the facilities were asked about their usage of Daisyfield Pools.

- 67% of users attended swimming lessons
- 38% of users attended public swim sessions
- 23% of users attended ladies only sessions
- 12% of users attended swimming club sessions
- 12% of users stated they used the pools for other activities. These included mother and toddler sessions, men's and teens sessions, private sessions, lifeguard training, first aid training, mental health first aid training, sponsored swims, various camps, and holiday clubs

<b>Why do users use Daisyfield Pools over other facilities in the area?</b>				
“Convenient, community support”	“The swimming lessons are amazing for my children”	“I used it only once. I was shocked by the state of the facilities”	“Calm atmosphere, amazing staff, warm pool.”	“They have fun ways of building confidence, and I don’t worry about safety”
“There are no other lifesaving clubs in Lancashire”	“It’s a local pool near my location and not as busy as the one in Blackburn town centre”	“Convenient times and fair prices”	“Teaching style, community feel, affordable, friendly staff”	“I am restricted on how far I can walk, and the pool provides local exercise for me”
“It’s a good place to be social, meet new people and exercise. It’s also affordable”	“Since taking my child to the pools, she has become so much more confident”	“They are the only place offering rookie lifeguard courses continually rather than a crash course”	“My kids use the pool for school swimming lessons”	“It’s a nice friendly place that fits with my lifestyle”
“Accessibility, free parking, familiarity, convenience. It’s not in a busy town centre”	“Other swim schools we have attended don’t come close to the standards at Daisyfield”	“There are massive waiting lists for swimming lessons at other pools”	“I attend the male and teen sessions with my son. My wife attends the ladies only sessions”	“I’ve been coming here since I was a child and I’m used to it”
“Easy access and parking. They have separate changing rooms and cubicles”	“It’s close to home so I can walk instead of drive”	“It’s a closed pool with no way for people to view swimmers”	“They are the only pool locally to offer ladies only sessions with female lifeguards”	“It’s cheaper than the rest”

“We have access to the pool for private sessions”	“There’s lots of ways for children to feel like part of the community”	“My children feel comfortable there. All the staff are happy to see them and encourage them to come swimming”	“The classes are small and personalised”	“Instructors are amazing, they are patient and make sure the lessons are fun”
“It’s local for us Little Harwood residents. Nice and quiet”	“There is a large separate pool for toddlers”	“It has free parking and isn’t as busy as the one in Blackburn town centre”	“Lessons are oversubscribed at other pools”	“The times of swimming lessons are really accommodating to my work schedule”
“It’s my local pool and I’m very happy with the friendly environment”	“The payment plan is perfect for me”	“They have the days and availability to accommodate my daughter”	“We appreciate the fact the public do not have access whilst our school children are swimming”	“I stopped using it prior to closure as the operators were poor and the pools not clean”
“It’s local with a nice set up”	“The baby pool is a fantastic temperature for toddlers and the lifeguards are in the pool”	“They have lots of mother and baby sessions available. It’s easy to find a time that suits my family”	“I feel it’s an important resource for teaching school children how to swim”	“My whole family, from my grandad to my mum to my kids, have used this pool”
“The opportunity for children from a deprived area to swim is incredible”	“The staff know and care about each child”	“It was closer, but I think it would be ludicrous to reopen with the same management”	“The low-level floor is great for teaching children to swim”	“It’s the only original pool left in Blackburn. We need to support it”

User views on continuing their activities elsewhere



Users were asked if they would continue their activities elsewhere if Daisyfield Pools were to close:

- 47% of users said that if Daisyfield Pools were to close, they would not continue their activities elsewhere
- 21% of users said they would continue their activities elsewhere
- 30% of users were unsure if they would continue elsewhere

138 users stated that they would not continue their activities elsewhere if Daisyfield Pools were to close permanently. Some reasons for this include:

- quality of staff and training
- availability of specialised lessons for children with additional needs
- accessibility of other sites
- crowded nature of other pools in the area
- lack of availability for swimming lessons and other sessions
- fear of the standard of care at other sites
- course availability
- pricing and timing of sessions
- temperature of alternative pools
- lack of awareness of other options

<b>User views on the effect of closure to their ability to access swimming in the future</b>				
"I would have less opportunities to swim"	"I would be unable to continue the sport"	"The lack of activities for children and adults will have an effect on public health"	"It reduces choice and will make the other pools busier and harder to use"	"My daughter will not engage with other places we have tried. She is no longer terrified of water"
"Swimming is the only time I get to interact with people and exercise. It would have a huge effect on my mental health"	"It would knock my child's confidence as she has a set routine at Daisyfield"	"My child will be unable to develop important water safety skills"	"I don't have transport so I would be unlikely to go elsewhere"	"My daughter would lose all the skills she has learned, and her confidence would be knocked"
"There are no lessons available for my young child so if they fall into water, they are likely to drown"	"I would have no job and my children would lose their favourite place in the world"	"We would have to go to Darwen or travel somewhere else"	"My children will not be able to swim and that is a life lesson everyone should know"	"I wouldn't be able to train as a rookie lifeguard"
"There would be no activities for children throughout half term and the summer holidays"	"I would have to go to Blackburn Leisure Centre"	"Children doing school swimming lessons would miss out as there is no room elsewhere in the area"	"My group of ladies and my children could not enjoy the sport of swimming"	"We would be very limited due to parking issues at other sites"
"I don't think I would be comfortable going somewhere else"	"My children would struggle to feel confident with a new teacher in a new pool"	"My children would have no access to rookie lifeguard or the youth leader programme"	"As a family we would probably stop swimming"	"I would lose my confidence in swimming"

<p>“I don’t like communal changing areas so I would need to find somewhere else outside the area”</p>	<p>“I wouldn’t have access to affordable ladies only sessions”</p>	<p>“I wouldn’t be able to go elsewhere as I would have panic attacks”</p>	<p>“It would have a significant impact as I took up swimming to improve my health”</p>	<p>“My children would suffer and possibly not be able to continue their swimming journey”</p>
<p>“We would not be able to provide school swimming lessons”</p>	<p>“I would not be able to swim as much, and my kids wouldn’t have access to swim clubs during the holidays”</p>	<p>“My kids would miss splash camp and wouldn’t be able to swim much as I can’t afford lessons year-round”</p>	<p>“It wouldn’t affect me as I now take my grandson to a BWDBC pool”</p>	<p>“I have a water phobia and anxiety. I don’t know how I would feel going to another swimming pool”</p>
<p>“There’s much less availability for lessons elsewhere”</p>	<p>“It would have a very big impact both individually and on the community as a whole”</p>	<p>“None, I have found an alternative pool that is far cleaner and has working hot showers”</p>	<p>“My children will miss out because they require the more personal touch of a small club”</p>	<p>“There are no ladies only sessions at other pools. They have huge windows and large viewing areas”</p>
<p>“Women’s only sessions elsewhere have male lifeguards and are very busy”</p>	<p>“I am struggling to find lessons for my little boy. Swimming is a life skill and he’s missing out”</p>	<p>“BWDBC has not got enough facilities to deal with the demand”</p>	<p>“People won’t be able to afford swimming lessons elsewhere”</p>	<p>“I would gain weight. I’m already suffering depression because of it”</p>
<p>“I was swimming at Daisyfield twice a week and have only been able to go once a month since”</p>	<p>“I would miss the pool, but Half Fish HQ should not continue to run it. The health and safety issues are horrific”</p>	<p>“It has affected my exercise regime as I have been unable to swim since it’s closed”</p>	<p>“Public transport to Blackburn Leisure Centre is shocking and there’s nothing for children in our area”</p>	<p>“People may not swim again leading to more unhealthy lifestyles and obesity”</p>

<b>User suggestions to avoid closure</b>				
“Open a community gym and sports centre similar to Audley Sports Centre”	“Fix it. Our kids need to be water safe wherever they go. Surely that’s paramount”	“I think the investment is too great unless Heritage England can assist”	“Fund the repairs and reopen the pool. Sell the pool to an interested group”	“Give Half Fish HQ full ownership”
“Build a new pool that would be cheaper to run in the same place”	“Invest in making it safe and reopen”	“Sell the building to Half Fish HQ and help them secure funding to fix the building”	“Close it down”	“Fundraising, sports grants, local authority investment”
“See if any local schools want to take over running it and keep it open to the public”	“The council should monitor the building with more regular inspections”	“Let the staff continue to teach at the Blackburn and Darwen pools”	“Let the community help with a GoFundMe page”	“National Lottery funding”
“Reopen the pool without Half Fish HQ running it”	“As a community we all need to help make the building safe”	“Complete overhaul of the swimming pools, showers and changing rooms”	“Provide some financial support to the building which you own”	“Invest in updating and maintaining the wonderful community assets we already have”
“Repair or build a new centre. There’s the demand for it and it would be a good investment”	“Use some funds to support a valuable asset for the community and our younger generation”	“Look for local businesses to help support it”	“The building is in need of an upgrade to bring it into the modern time”	“I’m a huge advocate for building a new pool in its place”

9 local schools submitted official responses.

<b>Why do schools use Daisyfield Pools over other facilities in the area?</b>				
“These days children 100% need water safety skills and the way they teach is amazing”	“Close proximity to the school. Limited impact on missing other curriculum time”	“We have to provide a service, but another good facility is very hard to find”	“We appreciate that the public don’t have access to our children whilst they are swimming there”	“It’s within walking distance which supports exercise, road safety and reduces transport costs”
<b>School views on the effect of closure to their ability to access swimming in the future</b>				
“It’s extremely difficult as there are long waiting lists or no other pools available for our lessons”	“We would have to find an alternative provision. This will affect our successful swim rate of pupils”	“We will now have to pay £2000 for transport”	“It’s difficult to get times that meet our needs. Less availability will make it even harder”	“Our biggest challenge with both Blackburn and Darwen Leisure Centre is that the public can access the baths”
<b>School suggestions to avoid closure</b>				
“BWDBC should invest in the pool and support healthy lifestyles”	“Health and safety issues need to be addressed and money invested to provide an essential facility”	“Community fundraising”	“Use the pool to generate income once the refurbishment has taken place. For example, swimming galas”	“The building should have a yearly maintenance programme, but I understand this comes down to money”

## Protected characteristics

Users were asked if closure would affect them due to any of the following characteristics:

- age
- gender
- disability
- ethnicity
- religion or beliefs
- sexual orientation

Responses were received for age, gender, disability, ethnicity and religion and beliefs.

<b>How would closure affect users due to their age?</b>				
"I'm a 70-year-old lady with limited physical ability. Going further afield is not an option for me"	"There are no swimming lessons available for me. I will be an adult by the time I can get a place"	"Young people are going to miss out on the essential skill of being able to swim"	"Closure will remove my ability to fight my advancing age"	"Children are too young to travel all the way to town on foot. They will be in danger and there are no funds for transport"
<b>How would closure affect users due to their gender?</b>				
"Ladies only sessions with female staff poolside"	"I go to the male sessions and my wife goes to the female sessions"	"Female only sessions were easily accessible at Daisyfield"	"There are separate changing rooms at Daisyfield"	"Daisyfield offer women's only sessions. When I have a terrible day, I can still go knowing I will be safe"

<b>How would closure affect users due to their disability?</b>				
“This would hugely affect my autistic daughter. It’s hard for her to interact with people and the support there is fantastic”	“I have osteoporosis, and this is the only place I can comfortably and confidently go swimming in my area”	“My child has ADHD and autism. She needs familiar surroundings. Daisyfield closing will affect her both mentally and emotionally”	“I have mental health problems that going swimming helps with a lot”	“They specialise in teaching people who are water phobic and autistic. I don’t know any other local pools who deal with this”
“I am partially sighted. I know this pool better”	“My son has low muscle tone, and this will be affected by him not being able to swim weekly”	“It would affect my nephew’s autism as he loves to swim only at this leisure centre”	“I do not feel safe in most public buildings as they get overcrowded, and I find it hard to concentrate due to my mental health issues”	“I have a child with multiple disabilities and the staff at Daisyfield are great with him. I’m not confident another facility could provide this”
<b>How would closure affect users due to their ethnicity?</b>				
“I feel uncomfortable swimming around male swimmers so I could not go swimming”	“The diverse group of people make you feel welcome and valued”	“Men should swim separately to women”	“The location is near to many ethnic minorities”	“People use Daisyfield because it’s a community pool. It gives a chance to exercise and socialise”

**How would closure affect users due to their religion or beliefs?**

<p>“For Muslim women who wear a hijab, it’s a comfortable local pool. We feel respected and safe”</p>	<p>“There’s no discrimination of what we are wearing. It’s good for our self-esteem and wellbeing”</p>	<p>“Other pools don’t have separate changing facilities”</p>	<p>“The staff at Daisyfield are very understanding of my beliefs. They have diverse staff, and it makes for a comforting environment”</p>	<p>“Other swimming pools don’t have male only sessions with male lifeguards or female only sessions with female lifeguards”</p>
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Overall, the Daisyfield Pools consultation was successful in allowing users to voice their views on the closure of the site. Key demographic data showed:

- 71% of responses were received from women
- 70% were from users aged 20-49
- 79% of users resided in BB1 and BB2 postcodes
- 67% of respondents used Daisyfield Pools for swimming lessons
- 66% of users last used Daisyfield Pools within 1 month of the initial closure
- 75% of users travel to Daisyfield Pools by car

Most respondents are unhappy with the closure. Some of the most common reasons for this include:

- there are few other options in the area with the same offering as Daisyfield Pools. Most pools are busier and more costly
- parents are struggling to find swimming lessons for their children without long waiting lists
- other swimming lesson sessions are not tailored to children with additional needs
- there is less availability elsewhere for women's only, men's only and parent and toddler swim sessions. Users also highlighted that these sessions can be uncomfortable at other pools due to the presence of lifeguards of the opposite gender and viewing platforms allowing the public to watch over the pools
- other pools in the area have communal changing facilities
- users will miss the sense of community at Daisyfield Pools

Many users had glowing reviews of the staff from Half Fish HQ and support for the services they provided was good overall. However, several users stated that should the pool reopen, Half Fish HQ should not be in charge due to the serious health and safety violations.

Users suggested avoiding this by sourcing another company to take over the day to day running of the building, or by bringing the pools back under the umbrella of BWDBC leisure. Some users felt the site should be used to build an updated sports centre that would be more sustainable for future generations.

The consensus shows support for Daisyfield Pools and many feel that losing the pools would be a big blow to the local area and the community that resides there. Many users have attended Daisyfield Pools since childhood and believe the building has significance to the history of Blackburn.



## EXECUTIVE BOARD DECISION

<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICER:</b>	Strategic Director of Finance and Resources
<b>DATE:</b>	9th November 2023

**PORTFOLIOS AFFECTED:** All

**WARDS AFFECTED:** All

**KEY DECISION:** Y

**TITLE OF REPORT:** Corporate Revenue Budget Monitoring 2023/24 – Quarter 2

### 1. EXECUTIVE SUMMARY

1.1 The purpose of this report is to provide the Executive Board with an update on the Council's Revenue Budget for 2023/24 on the basis of a budget monitoring exercise undertaken at the end of September 2023 (Quarter 2).

### 2. RECOMMENDATIONS

2.1 It is recommended that Executive Board:-

- a) give approval to the Portfolio Cash Limit Adjustments as outlined in Appendix 1;
- b) note the General Fund Budget Summary position as at 30<sup>th</sup> September 2023;
- c) note the current forecast overspend of £1.450m at the end of Quarter 2 and request Portfolio Holders to review their budgets for the remainder of 2023/24 with a view to identifying potential mitigating actions.
- d) note the Earmarked Reserves and General Fund Balance position as at 30<sup>th</sup> September 2023.

### 3. BACKGROUND

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

#### 4. RATIONALE

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

#### 5. KEY ISSUES

##### Portfolio Cash Limits - Adjustments

- 5.1 At the meeting of Finance Council on 27<sup>th</sup> February 2023, the Council agreed the General Fund Revenue Budget for 2023/24.
- 5.2 As Councillors will be aware, the budget is subject to changes for a range of reasons as the financial year progresses. **Appendix 1** provides a detailed analysis of those budget adjustments that have occurred during the period to 30<sup>th</sup> September 2023. The impact of these adjustments on the Council's Budget for 2023/24 is summarised in Table 1 below:-

**Table 1: Working Budget 2023/24 (as at 30<sup>th</sup> September 2023)**

	30 Jun 2023 £000	Adjustments*1 £000	Working Budget at 30 Sept 2023 £000
Portfolio Budgets	160,719	400	161,119
Other Corporate Income and Expenditure	(16,606)	(1,302)	(17,908)
<b>Net Revenue Expenditure</b>	<b>144,113</b>	<b>(902)</b>	<b>143,211</b>
Less Core Funding	(62,268)	-	(62,268)
Less Council Tax	(64,861)	-	(64,861)
<b>Shortfall before Reserves</b>	<b>16,984</b>	<b>(900)</b>	<b>16,082</b>
Change in Specific Reserves	(16,984)	900	(16,084)
Change in GF Balance	-	-	-
<b>Funding 'Gap'</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*1 – See Appendix 1

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

##### Performance against Controllable Budgets

- 5.4 Table 2 below provides a summary of the forecast outturn position on the Council's General Fund Revenue Budget for 2023/24 compared to the Working Budget referred to in Table 1 above. As the table indicates, on the basis of the Quarter 2 budget monitoring position there is a forecast overspend of £1.450m. A more detailed analysis is provided at **Appendix 2:-**

**Table 2: Forecast Performance against Controllable Budgets**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn	Variation £000
Portfolio Budgets	161,119	165,069	3,950
Other Corporate I & E	(17,908)	(20,408)	(2,500)
<b>Net Revenue Expenditure</b>	<b>143,210</b>	<b>144,661</b>	<b>1,450</b>
Less Core Funding	(62,268)	(62,268)	-
Less Council Tax	(64,861)	(64,861)	-
<b>Shortfall before Reserves</b>	<b>16,081</b>	<b>17,532</b>	<b>1,450</b>
Change in Specific Reserves	(16,084)	(17,534)	(1,450)
Change in GF Balance	-	-	-
<b>Funding 'Gap'</b>	<b>-</b>	<b>-</b>	<b>-</b>

\*1 – See Appendix 2

- 5.5 Councillors should note that this is a forecast outturn position for the year based on the Quarter 2 monitoring position. Further budget monitoring exercises will be undertaken during the year and these will be reported to the Executive Board accordingly.

### **Portfolio Budgets**

- 5.6 As indicated in Table 2 above, the forecast outturn position on the Portfolio Budgets is an overspend of £3.950m. An analysis of this position by Portfolio is shown in the Table 3 below:-

**Table 3: Portfolio Forecast Performance against Controllable Budgets**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	Variation £000
Adults Social Care and Health	69,614	69,183	(431)
Children, Young People and Education	40,894	45,151	4,257
Public Health, Prevention and Wellbeing	5,015	4,623	(392)
Environment and Operations	11,590	12,367	777
Growth and Development	15,372	15,756	384
Finance and Governance	12,464	12,288	(176)
Digital and Customer Services	7,111	6,642	(469)
Schools and Education (DSG)	(941)	(941)	-
<b>Portfolio Budgets</b>	<b>161,119</b>	<b>165,069</b>	<b>3,950</b>

\*1 – As per Portfolio Budgets in Table 1

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

*Adult Social Care and Health*

5.8 The forecast outturn position for Adult Social Care and Health is an underspend of £431k. This is summarised in the table below

**Table 4: Adult Social Care and Health – Forecast Outturn 2023/24:-**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	Variation £000
Independent Sector Other	347	437	90
Independent Sector	52,613	52,860	247
ASC and Social Work	3,083	2,939	(144)
Day Services	2,219	1,973	(246)
In House Residential	0	0	0
Independent Living	1,269	1,046	(223)
Integrated Commissioning	4,101	4,025	(76)
Mental Health	1,217	1,170	(47)
Safeguarding	1,133	1,020	(113)
Shared Lives	657	632	(25)
Strat Gov & Bus Support	832	801	(31)
Supporting People	946	1,267	321
Transport	330	246	(84)
Prevention, Neighbourhoods & Learning	617	517	(100)
Social Integration	133	133	0
Community Development Management	117	117	0
<b>Adult Social Care and Health</b>	<b>69,614</b>	<b>69,183</b>	<b>(431)</b>

5.9 The key variances to note include:-

- the area of external commissioning budgets are closely monitored and reviewed throughout the year, and therefore current forecast position of an overspend of £247k can be subject to change as we progress through the months.
- with non-commissioning budgets, the currently forecast position is an underspend of £579k. Additional budget was identified at Budget Setting for a number of restructures across the department in Strategic Commissioning, Safeguarding and various Social Work teams. Savings in these areas as a result of current delay in recruitment as well as lag in implementation of staffing remodels are unlikely to continue when the restructures are complete and therefore, at present, the department is reporting a predicted break even at year end;
- Neighbourhood & Prevention Services, at this stage of the year, are anticipated to underspend by £100k.

5.10 The forecast outturn position for Children, Young People and Education is an overspend of £4.257m. This is summarised in the table below:-

**Table 5: Children, Young People and Education – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	Variation £000
Strategic Social Work	6,232	6,608	376
Permanence	21,486	23,139	1,653
Adolescent Services	4,238	4,144	(94)
Strategy, Policy and Performance	415	438	23
Education	3,573	5,789	2,216
Early Years	1,948	1,701	(247)
Directorate	3,002	3,332	330
<b>Children, Young People and Education</b>	<b>40,894</b>	<b>45,151</b>	<b>4,257</b>

5.11 The key variances to note include:-

- as per the position at Quarter 1, continuing demand pressures and rising costs are impacting on the Commissioned Placements budget. At the end of Quarter 2, trends are now becoming visible which have enabled the forecast to be refined. As a result the forecasted overspend against this budget has increased to £1.130m. This is partly due to higher than anticipated numbers of Children but mainly a result of increasing costs of placements (which is recognised nationally as a significant issue for Children's Social Care);
- ongoing pressures are also being seen in our Home to School and SEN Transport budgets due to rising numbers of children subject to Education, Health and Care Plans and becoming eligible for free transport to school. This has been compounded by an existing supplier of home to school transport having their licence withdrawn by the Transport Commissioner, resulting in a number of services being re-tendered at considerably higher cost.
- a shortfall in income from the High Needs Block of the Dedicated Schools Grant. During the year, the Council has been requested by the Education and Skills Funding Agency (ESFA) to undertake a review of the charges to the High Needs Block (HNB) of the Dedicated Schools Grant. This has highlighted that some activities (across a range of cost centres) funded from the HNB that should be funded from the Council's General Fund. In total, estimated income of £1.650m is no longer attributable to the General Fund in the current financial year hence the increase in the net cost of the Children's, Young People and Education Service.

5.12 The forecast outturn position for Public Health, Prevention and Wellbeing is an underspend of £392k. This is summarised in the table below:-

**Table 6: Public Health, Prevention and Wellbeing – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	Variation £000
Leisure Services	1,354	1,193	(161)
Parks and Open Spaces	(50)	(35)	15
Healthy Lifestyle	(14)	(178)	(164)
Public Health	1,248	1,248	0
Library Services	11	11	0
Community Asset Management (incl CCTV)	1,108	1,019	(89)
Community Safety	404	420	16
Housing Needs	504	495	(9)
Directorate	450	450	0
<b>Public Health, Prevention and Wellbeing</b>	<b>5,015</b>	<b>4,623</b>	<b>(392)</b>

5.13 The key variances to note include:-

- Strategic Leisure is currently forecasting a saving of £160k due to the lower than expected cost of gas and electric, however we are still waiting the new energy rates from Blackburn College. Income is up 6.6% across the 3 Leisure centres for this financial year.
- there is a significant remodel taking place across the Health & Wellbeing Team which has faced unexpected delays. The ongoing restructure and remodelling of teams has created delays in recruitment into existing vacant posts. Recruitment to these posts and newly created posts will be completed by the end of the year, December 2023. As the underspend relates to Public Health funding there are currently ongoing discussions with Public Health to look at potential opportunities to support Public Health outcomes and utilise any underspend before the financial year end.
- the Community Assets area is under review hence the predicted underspend of £89,000 as spend has been ceased until the review has been undertaken.

5.14 The forecast outturn position for Environment and Operations is an overspend of £777k. This is summarised in the table below:-

**Table 7: Environment and Operations – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	£000
Housing Services	(30)	249	279
Management Overhead	1,576	1,565	(11)
Grounds Maintenance	443	456	13
Neighbourhood Health	276	260	(16)
Transport	(225)	(271)	(46)
Cleansing Services	3,054	3,303	249
Parking Services	(976)	(903)	73
Waste Disposal	7,267	7,423	156
Public Protection Service	205	285	80
s106 Agreements (Expenditure)	0	0	0
<b>Environment and Operations</b>	<b>11,590</b>	<b>12,367</b>	<b>777</b>

5.15 The key variances to note include:-

- there is a forecast variance of £279k on Housing Services mainly arising as a result of lack of resource to establish a new Selective Licensing area. The portfolio is working to enable this to be taken forward and a new Selective Licensing area established as soon as practicable;
- as a result of the recent fire and subsequent closure of the Crematorium the portfolio is currently making reduced income from the site and the above forecast reflects this;
- the variation of £249k on Cleansing Services is due mainly to an overspend on the Refuse Collection Service due to the cost of additional wastes bins. Consideration will be given to charging the cost of these bins to the Capital Programme (given the long term value of the assets);
- the overspend in Parking Services is due primarily to a shortfall in income;
- the overspend on the Public Protection Service is mainly due to a shortfall in income from the Taxi Licensing Service.

#### *Growth and Development*

5.16 The forecast outturn position for Growth and Development is an overspend of £384k. This is summarised in the table below:-

**Table 8: Growth and Development – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	£000
Markets	1,389	1,184	(205)
Business/Enterprise Centres	52	(40)	(92)
Corporate Property	1,736	1,545	(191)
Commercial Investment/Tenanted Estate	(690)	(100)	590
Highways Maintenance	4,284	4,821	537
Strategic Transport/Co-ordination	2,129	2,041	(88)
Directorate/Growth Team	3,792	3,992	200
Building Control	137	106	(31)
Development Control/Planning	(297)	(397)	(100)
Central Services	335	338	3
Town Centre Regeneration	94	144	50
RPL Office Accommodation	73	73	0
Parks and Open Spaces	0	0	0
Halls and Entertainment	438	259	(179)
Library Services	1,435	1,368	(67)
Museum Services	388	345	(43)
Arts Services	30	30	0
s106 Agreements (Expenditure)	47	47	0
<b>Growth and Development</b>	<b>15,372</b>	<b>15,756</b>	<b>384</b>

5.17 The key variances to note include:-

- A forecast overspend of £590k on the Commercial Investment/Tenanted Estate. This is largely a result of uncertainty over the profit share payments from the Mall. Discussions are currently ongoing with the Owners on this matter;
- a forecast overspend of £537k on Highways Maintenance due to current spending being above the budget. In view of this predicted overspend, it is proposed to undertake a detailed review of the Highways Maintenance budget, policy and other related matters to consider options to bring spending in line with the agreed budget;
- a predicted overspend on the Directorate/Growth Team of £200k. Given the Council's ambitious growth programme and considerable success in obtaining external funding, additional capacity is required to ensure the Council can deliver the related projects. This has prompted a review of the Growth Team, the funding available from the various sources of external schemes and the scope to capitalise these costs accordingly. This work is underway and is likely to contain this overspend.

5.18 The forecast outturn position for Finance and Governance is an underspend of £176k. This is summarised in the table below:-

**Table 9: Finance and Governance – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	£000
Financial Support Services	4,156	3,913	(243)
Democratic Services	1,347	1,174	(173)
IT Management and Governance	117	148	31
Legal Support Services	2,159	2,203	44
Chief Executive, Policy and Support	981	1,008	27
Human Resources and Training	2,425	2,498	73
Other Non Distributable Costs	1,279	1,344	65
<b>Finance and Governance</b>	<b>12,464</b>	<b>12,288</b>	<b>(176)</b>

5.19 The key variances are a saving on Democratic Services which is mainly made up of staff vacancies and a saving on Financial Support Services following a charge for our administration of Free School Meals (for 5 years) to the Dedicated Schools Grant reserve as agreed previously with School Forum. The other budget headings are under review and wherever possible savings will be identified to offset the minor forecast overspend.

#### *Digital and Customer Services*

5.20 The forecast outturn position for Digital and Customer Services is £469k underspend. This is summarised in the table below:-

**Table 10: Digital and Customer Services – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	£000
Coroners Services	315	336	21
IT Management and Governance	6,796	6,306	(490)
<b>Digital and Customer Services</b>	<b>7,111</b>	<b>6,642</b>	<b>(469)</b>

5.21 The variances arise from staffing savings/vacancies within IT Management and Governance.

#### *Schools and Education (DSG)*

5.22 The forecast outturn for the Schools and Education (DSG) portfolio is breakeven, any variance will be taken from or added to the Dedicated Schools Grant reserve at financial year end. Services in Schools and Education (DSG) are currently forecast to spend the funding available in 2023/24 through the DSG and Pupil Premium. Schools and Education funding from DSG is monitored by the Schools Forum and reports are considered on a regular basis.

#### **Other Corporate Income and Expenditure Budgets**

5.23 The forecast outturn position for Other Corporate Income and Expenditure Budgets is a saving of £2.500m.

**Table 11: Other Corporate Income and Expenditure Budgets – Forecast Outturn 2023/24**

	Working Budget at 30 Sept 2023 £000	Forecast Outturn £000	Variation £000
RCCO	6,826	6,826	-
School Contribution to Capital	(266)	(266)	-
Contingencies	6,932	6,932	-
<u>Debt Charges</u>			
<i>Interest and Investment Income</i>	(1,300)	(2,524)	(1,224)
<i>Debt interest payable</i>	12,760	11,687	(1,073)
<i>MRP</i>	6,565	6,362	(203)
Other Non-Ringfenced Grants	(49,619)	(49,619)	-
Town and Parish Council Precepts	193	193	-
<b>Other Corporate Income and Expenditure</b>	<b>(17,909)</b>	<b>(20,409)</b>	<b>(2,500)</b>

### Savings Agreed for 2023/24 – Progress on Implementation

5.24 As part of the approved budget for 2023/24, the Council agreed a range of savings proposals. Delivery of the savings is fundamental to a sustainable budget. The table below highlights the forecast outturn position with the implementation of the savings agreed (the forecast impact of savings not being achieved is picked up in the variations reported in each of the Portfolios referred to above).

**Table 12: Achievement of Savings Agreed for 2023/24**

	Working Budget at 30 <sup>th</sup> Sept 2023 £000	Forecast Outturn £000	Variation £000
Adult Social Care and Health	1,447	1,447	-
Children, Young People and Education	367	217	(150)
Public Health, Prevention & Wellbeing	207	207	-
Environment and Operations	447	447	-
Growth and Development	150	150	-
Digital and Customer Services	167	167	-
Finance and Governance	411	411	-
<b>Total Savings</b>	<b>3,196</b>	<b>3,046</b>	<b>(150)</b>

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

## **Reserves and Balances**

- 5.26 At the start of the financial year, the Council has Reserves and Balances totalling of £74.216m. This includes a General Reserve of £6.941m (which includes the Minimum Working Balance of £6.000m). In approving the Budget for 2023/24, the Council agreed to use £10.250m from specific earmarked reserves in support of the budget.
- 5.27 Quarter 1 monitoring allocated This report now £6.734m from earmarked reserves which arose from carrying forward grants and other contributions into specific reserves at the end of the financial year 2022//23. This report now allocates £1.450m being £941k from Unallocated Reserves (as noted above this is our approved Minimum Working Balance) and £511k from the Future Demand pressures reserves, to offset the forecast overspend and report a balanced budget.
- 5.28 Taking into account the various adjustments referred to elsewhere in this report, the estimate of Balances and Reserves as at 30<sup>th</sup> September 2023 is £56.680m. A detailed analysis of these changes is provided at **Appendix 3**.

## **6. POLICY IMPLICATIONS**

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

## **7. FINANCIAL IMPLICATIONS**

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

## **8. LEGAL IMPLICATIONS**

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

## **9. RESOURCE IMPLICATIONS**

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

## **10. EQUALITY AND HEALTH IMPLICATIONS**

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

## **11. CONSULTATIONS**

- 11.1 None arising from the contents of this report.

## **12. STATEMENT OF COMPLIANCE**

- 12.1 None arising from the contents of this report.

## Appendices

Appendix 1 – Portfolio Cash Limit Adjustments

Appendix 2 – Summary General Fund Revenue Account – Forecast Outturn Position at 30<sup>th</sup> September 2023

Appendix 3 – Earmarked Reserves and General Fund Balance – Position as at 30<sup>th</sup> September 2023

<b>VERSION:</b>	1
<b>CONTACT OFFICER:</b>	Dean Langton
<b>DATE:</b>	October 2023
<b>BACKGROUND PAPERS:</b>	None

SCHEDULE OF BUDGET ADJUSTMENTS REQUESTED - QUARTER 2 - 2023/24

	Adults Social Care & Health	Public Health, Prevention & Wellbeing	Children, Young People & Education	Environment & Operations	Growth & Development	Digital & Customer Services	Finance & Governance	Schools & Education (DSG)	TOTAL
	£	£	£	£	£	£	£	£	£
<b>Controllable Budgets as at 30 June 2023 (approved at Executive Board September 2023)</b>	<b>70,032,285</b>	<b>4,524,112</b>	<b>40,894,993</b>	<b>11,962,330</b>	<b>15,013,341</b>	<b>7,244,688</b>	<b>11,988,297</b>	<b>(941,000)</b>	<b>160,719,046</b>
<b>Portfolio changes</b>	<b>(287,101)</b>	<b>261,432</b>	<b>0</b>	<b>(366,716)</b>	<b>392,385</b>	<b>(117,354)</b>	<b>117,354</b>	<b>0</b>	<b>0</b>
<b>Revised Controllable Budget</b>	<b>69,745,184</b>	<b>4,785,544</b>	<b>40,894,993</b>	<b>11,595,614</b>	<b>15,405,726</b>	<b>7,127,334</b>	<b>12,105,651</b>	<b>(941,000)</b>	<b>160,719,046</b>
<b>Transfers between portfolios</b>									
Transfer from Business Support part year effect						(15,977)	15,977		0
Realignment of SDOH budgets	(129,000)	179,000			(50,000)				0
Realignment of Salaries budgets				(8,719.00)	8,719				0
<b>Other transfers (to)/from earmarked reserves</b>									
ER/VR budget increase				2,215	1,118				3,333
S106 Fensicowles War Memorial Trust					5,719				5,719
Transfer from Welfare and Council Tax reforms reserve							100,000		100,000
Transfer from DSG reserve for FSM administration 5 years							243,360		243,360
<b>Other budget adjustments</b>									
Reverse RFO re Homelessness Prevention from Quarter 1		50,000							50,000
<b>Revised Controllable Budget as at 30th Sept 2023</b>	<b>69,616,184</b>	<b>5,014,544</b>	<b>40,894,993</b>	<b>11,589,110</b>	<b>15,371,282</b>	<b>7,111,357</b>	<b>12,464,988</b>	<b>(941,000)</b>	<b>161,121,458</b>

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## Corporate Budget Monitoring - Quarter 2

	Quarter 1 Budget 2023/24 £000	Variations £000	Quarter 2 Budget 2023/24 £000	Forecast £000	Variation £000
Adult Social Care and Health	69,745	(131)	69,614	69,183	(431)
Children, Young People and Education	40,894	-	40,894	45,151	4,257
Public Health, Prevention and Wellbeing	4,785	230	5,015	4,623	(392)
Environment and Operations	11,595	(5)	11,590	12,367	777
Growth and Development	15,405	(33)	15,372	15,756	384
Finance and Governance	12,105	359	12,464	12,288	(176)
Digital and Customer Services	7,127	(16)	7,111	6,642	(469)
Schools and Education (DSG)	(941)	-	(941)	(941)	-
<b>Net Cost of Services</b>	<b>160,719</b>	<b>404</b>	<b>161,119</b>	<b>165,069</b>	<b>3,950</b>
Corporate Income and Expenditure					
RCCO	8,128	(1,303)	6,825	6,825	-
School Contribution to Capital	(266)	-	(266)	(266)	-
Contingencies	6,932	-	6,932	6,932	-
<i>Debt Charges</i>					
<i>Interest and Investment Income</i>	(1,300)	-	(1,300)	(1,300)	-
<i>Debt interest payable</i>	12,760	-	12,760	10,260	(2,500)
MRP	6,565	-	6,565	6,565	-
Other Non-Ringfenced Grants	(49,619)	-	(49,619)	(49,619)	-
Town and Parish Council Precepts	193	-	193	193	-
<b>Net Revenue Expenditure</b>	<b>144,112</b>	<b>(899)</b>	<b>143,209</b>	<b>144,659</b>	<b>1,450</b>
Contribution to/(from) Reserves	(16,983)	899	(16,080)	(17,530)	(1,450)
General Fund Working Balance	-	-	-	-	-
<b>Net Expenditure</b>	<b>127,129</b>	<b>-</b>	<b>127,129</b>	<b>127,129</b>	<b>-</b>
Business Rates - Top Up Grant	(25,117)	-	(25,117)	(25,117)	-
Retained Business Rates	(19,794)	-	(19,794)	(19,794)	-
Revenue Support Grant	(15,695)	-	(15,695)	(15,695)	-
Collection Fund - NNDR (Surplus)/Deficit	(452)	-	(452)	(452)	-
Collection Fund - Council Tax (Surplus)/Deficit	(1,210)	-	(1,210)	(1,210)	-
Council Tax Income	(64,861)	-	(64,861)	(64,861)	-
<b>Total Income</b>	<b>(127,129)</b>	<b>-</b>	<b>(127,129)</b>	<b>(127,129)</b>	<b>-</b>

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

	Balance at 30 June 23	Requested Transfers to/(from) earmarked reserves in Qtr 2		Balance at 30 Sept 2023
	Quarter 1 2023/24 - As reported to Exec Board Sept 2023 £000	Release of grants and other budgets b fwd from 2022/23 £000	Other transfers to/(from) reserves £000	Q2 2023/24 £000
Welfare, council tax and business rates reforms				
Welfare and council tax reforms	1,844		(100)	1,744
Section 31 Grant - Compensation for lost Business Rates income	4,460			4,460
Investment in assets and infrastructure				
Office Accommodation and property improvements	263		275	538
Highways winter maintenance	404			404
Support for the Local Plan	54			54
Flood Defence	77			77
St John's Reinstatement	1,740		1,000	2,740
Support for Other Resources and Transformation projects				
Legal Advice Reserve	105			105
Partnerships & Transformation	78			78
Insurance risk investment fund	43			43
Brexit Preparation Funding	149			149
Support for People Services				
Schools Improvement (SSIF)	486			486
Supporting Families / Targetted Youth Support	264			264
Youth Justice	318			318
Music Services	117			117
Disabled Facilities Grants	289			289
Future Demand Pressures	4,899		(511)	4,388
Better Care Fund	316			316
Support for Place Services				
Investment to support business rates growth	520			520
Place Shaping Investment Reserve	400			400
Contingent sums to support future downsizing and transformation programmes				
Support for future redundancy costs	1,667		(3)	1,664
Support for part year effect of future savings plans	1,187			1,187
Digital Transformation	1,259		200	1,459
Transition to the Cloud	447			447
Response and Recovery Reserve	2,500			2,500
Budget Support Reserve	1,985			1,985
Budget Balancing Reserve			-	-
Invest to Save Reserve	4,266			4,266
Amounts b/fwd from previous year(s) in respect of unspent grants and contributions				
Transformation Challenge Award	64			64
SEN / SEND Reform Grant /SEND Prep for Empl	-			-
Transforming Lives	37			37
One Public Estate grant	255			255
Electoral Grant	57			57
DCLG Transparency Code New Burdens	13			13
Adult PSS - Local Reform and Community Voices	108			108
Adult PSS - War Pensions Disregard	30			30
Flexible Homelessness Support Grant (FHSG)	68			68
Social Integration funding	185			185
Section 278 contributions	-			-
NHS Funding for LPRES integration with Mosaic and spine mini services	19			19
COVID-19 Funding from MHCLG	2,498			2,498
Combined Authority Grant	48			48
Burdens Fund monies	3			3
Custom build Grant	15			15
Museum & Arts Project	15			15
Museum & Schools Grant	62			62
Social Prescribing Link Workers Monies	11			11
Community Champion Funding	85			85
Virtual School Grant	293			293
Clinically Extremely Vulnerable COVID Funding	290			290
Supported Families Funding - Neighbourhood Management	448			448
Unspent Public Health funding	-			-
Arts Regeneration	26			26

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

	Balance at 30 June 23	Requested Transfers to/(from) earmarked reserves in Qtr 2		Balance at 30 Sept 2023
	Quarter 1 2023/24 - As reported to Exec Board Sept 2023 £000	Release of grants and other budgets bfwd from 2022/23 £000	Other transfers to/(from) reserves £000	Q2 2023/24 £000
Community Development Management	10			10
Safer Streets Fund - CCTV monitoring & Maintenance	60			60
HMLR Funding	-			-
Cyber Resilience Fund	150			150
DLUHC User Research Funding	17			17
Active Travel Fund	-			-
Arts Council England	-			-
Shared Prosperity Fund	-			-
Climate Change	-			-
Amounts c/fwd to future year(s) in respect of unspent grants and contributions				
Bus Service Improvement Plan	-			-
Public Health Funding - Business Compliance	-			-
DEFRA Grant - Business Compliance	-			-
Roe Lee - Levelling Up Funds	-			-
Family Hub	-			-
Youth Investment Fund	109			109
Innovation Funding	-			-
DSL Grant	-			-
Homes for Ukraine	-			-
Multiply Grant	-			-
Programme Management	-			-
More Positive Together (MPT) Funding	-			-
More Positive Together (MPT) - Steps	-			-
Supporting Families	-			-
Locality/Community Fund	-			-
PSS Grant	154			154
DHSC Capacity and Productivity Grant	130			130
Fitness for Life Grant	40			40
Dovetail	-			-
RR Pathway	-			-
Afghan Scheme	-			-
Asylum Dispersal	-			-
DLUHC Transparency Code New Burdens	13			13
DFT Local Transport Authority Capacity grant	-			-
DEFRA Biodiversity net gain grant	-			-
Active Travel Capability Fund	-			-
LEVI Capability Fund	-			-
Amounts committed in future year budgets/MTFS				
Budget carry over for implementation of Concerto (Property system)	20			20
Budget carry over for Intack Depot driveway	10			10
CCTV Hub carry forward	119			119
Development Investment Fund (Capital)	1			1
Strengthening Communities Volunteering in Lancashire (SCVL)	109			109
Community Support Unit - request to carry forward specific budget	72			72
Community Hygiene - request carry forward income from Land Charges	-			-
Landscaped Areas - Commuted sum Lakeside Gardens	-			-
Funding for Care Quality Commission (CQC) Inspection	600			600
White Lining - request to carry forward specific budget underspends	-			-
Reserves held for specified purposes				
Developers Contributions (S106 Income)	699		(229)	470
Future Maintenance of Wainwright Bridge	27			27
Future Maintenance of Witton Park 3G Pitches	225			225
Leisure Equipment Pay-back	120			120
Future remediation costs in respect of former landfill sites	400			400
Highways claims anticipated for years up to current year but not yet received	300			300
Art Acquisitions Fund	25			25
W. Ferrier Bequest (for museum re Kathleen Ferrier)	20			20
Allowance for contingent liabilities (e.g. MMI)	250			250
Blackburn Building Control Account	38			38
<b>TOTAL EARMARKED RESERVES FOR DISCRETIONARY USE</b>	<b>38,485</b>	<b>-</b>	<b>632</b>	<b>39,117</b>

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

	Balance at 30 June 23	Requested Transfers to/(from) earmarked reserves in Qtr 2		Balance at 30 Sept 2023
		Quarter 1 2023/24 - As reported to Exec Board Sept 2023	Release of grants and other budgets bfwd from 2022/23	
	£000	£000	£000	Q2 2023/24 £000
<b>'Other Earmarked' Reserves</b>				
Reserves held in respect of joint arrangements and charitable bodies				
Darwen Market Traders Association	2			2
Joint Building Control Account	-			-
Turton Tower Charity	74			74
LSCB Safeguarding Partners Fund	41			41
Reserves held in relation to schools				
Dedicated Schools Grant - Surplus	4,221		(243)	3,978
LMS Schools Balances	7,468			7,468
<b>TOTAL 'OTHER EARMARKED' RESERVES</b>	<b>11,806</b>	<b>-</b>	<b>(243)</b>	<b>11,563</b>
<b>TOTAL EARMARKED RESERVES</b>	<b>50,291</b>	<b>-</b>	<b>389</b>	<b>50,680</b>
<b>UNALLOCATED RESERVES</b>	<b>6,941</b>	<b>-</b>	<b>(941)</b>	<b>6,000</b>

## EXECUTIVE BOARD DECISION



<b>REPORT OF:</b>	Executive Member for Finance and Governance
<b>LEAD OFFICERS:</b>	Strategic Director of Finance and Resources
<b>DATE:</b>	9 <sup>th</sup> November 2023

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

**SUBJECT: CORPORATE CAPITAL BUDGET AND BALANCE SHEET MONITORING REPORT 2023/24 – Quarter 2 as at 30<sup>th</sup> September 2023**

**1. EXECUTIVE SUMMARY**

To report the overall financial position of the Council in respect of the capital programme as at 30<sup>th</sup> September 2023, highlighting key issues and explaining variations in the first 6 months of the year.

**2. RECOMMENDATIONS**

The Executive Board is asked;

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

**3. BACKGROUND**

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

**4. KEY ISSUES & RISKS**

- a) The total cost of the Council's capital investment programme for 2023/24 has now reduced from £65.820 million, as approved by Executive Board on 7<sup>th</sup> September 2023, to £59.215 million at 30<sup>th</sup> September 2023. The net variation of £6.605 million (detailed in Appendix 2) reflects;
- budget increases of £2.050 million (of which £1.550 million is funded by transfers from existing capital scheme budgets), for which approval is requested.
  - an increase of £0.798 million in the unallocated schools capital grant budget to reflect alternative contributions to previously approved school schemes, for which approval is requested.
  - budget reductions of £0.238 million.
  - slippage and re-profiling of budgets of £7.665 million, for which approval is requested.
- b) As at 30<sup>th</sup> September 2023, the capital expenditure across the portfolios was £6.262 million (representing 10.58% of the current, revised projected capital spend).

c) The estimated capital receipts expected in 2023/24 is £5.592 million; £1.241 million has been received in the first six months of the year.

## 5. POLICY IMPLICATIONS

The information contained within the report accords with the Capital Strategy and the three-year budget forecast within the Medium Term Financial Strategy 2023-26, as approved at Finance Council on 27<sup>th</sup> February 2023.

## 6. FINANCIAL IMPLICATIONS

### 6.1 CAPITAL PROGRAMME

The variations in actual spend and resource availability for 2023/24 are summarised by portfolio in Appendix 1. Variations in spending are set out in Appendix 2.

The capital programme for 2023/24 has reduced by £6.605 million in the second quarter of the year. The main points to note are as follows:

#### 6.1.1 Adults and Prevention Services

##### Disabled Facilities Grant (DFG)

It was identified that the Telecare and Children's elements of the 2023/24 DFG grant allocation, amounting to £423,000, had also been included in error on the Adults DFG line in the capital programme presented at Quarter 1. This has now been corrected. This reduction in budget has been offset by an additional DFG grant allocation for 2023/24 of £185,000.

#### 6.1.2 Children's Young People & Education

##### School Capital Allocations

Unallocated schools capital grant allocations are retained in an overarching Capital Allocations Fund within the capital programme until bids against this have been approved.

Three schemes that were shown at Quarter 1 as being 100% funded by grant allocations are actually being funded by a combination of grant allocations and S106 contributions, as shown in the table below. The funding split has been adjusted for Quarter 2, and the Capital Allocations Fund has been increased to reflect this.

<b>Scheme</b>	<b>Grants £</b>	<b>S106 £</b>	<b>Total £</b>
QEGS reconfiguration layout expand provision	330,000	220,000	550,000
Witton Academy reconfiguration and refurbishment	389,900	260,100	650,000
St Wilfrid's Refurbish to Create Additional Classroom	30,100	19,900	50,000
<b>Total</b>	<b>750,000</b>	<b>500,000</b>	<b>1,250,000</b>

There has been a further increase in the Capital Allocations Fund of £297,700 to reflect the amount of schools' Devolved Formula Capital (DFC) funding that has been used to fund school capital schemes (rather than Local Authority grant allocations).

Any forecast overspends on school schemes will be covered by a transfer from the School Capital Allocations Fund.

### 6.1.3 Growth and Development

#### Neighbourhood Intervention

Capital receipts of £105,500 have been recycled back into the Neighbourhood Intervention Fund, and approval is requested to increase the scheme by this value.

#### Equity Loans

Capital receipts of £12,000 have been recycled back into the Equity Loans Fund, and approval is requested to increase the scheme by this value.

#### UK Shared Prosperity Fund

Approval is sought to create a budget for the anticipated 2023/24 grant allocation of £382,000.

#### Imperial Mill

£850,000 has been transferred from the Corporate Property Investment budget representing funds earmarked for the purchase of Imperial Mill, which was finalised during Quarter 2.

#### Slippage

A request is made to approve the re-profiling of the following Growth and Development scheme budgets into 2024/25 for schemes not expected to be completed during the current financial year:

<b>Scheme</b>	<b>Slippage Requested £</b>
Bank Top and Griffin Clearance	100,000
Neighbourhood Intervention Fund	500,000
Equity Loans	230,000
Empty Homes Cluster	350,000
Other Acquisition costs	10,000
Development Investment Fund	500,000
Land Release Fund	730,000
St Johns Refurbishment	1,000,000
Griffin Lodge /Coach House	275,000
Blackburn Town Centre Highways & Public Realm Works	1,750,000
Levelling Up (LUF) Projects - Town Centre	1,500,000
	<b>6,945,000</b>

#### Blackburn Town Centre Highways & Public Realm Works

The Town Centre Development scheme involving the relocation of Morrisons to the former Thwaites site has not progressed as quickly as planned due to the challenging economic background now facing developments. A planning application for the new store and redevelopment of the existing store and multi-storey car park is on plan to be submitted by the end of the year with a start on site late 2024. The Council is working with partners to re-profile capital commitments required to fund improvements to infrastructure, acquisitions and wider site enabling works.

## Levelling Up (LUF) Projects - Town Centre

The Council is working with DLUHC and education partners to reassess the viability of the new Skills & Education campus as a result of the economic challenges, causing higher costs and interest rates. This has resulted in a re-profile of the scheme and capital requirements with works now expected to start on site in 2025.

### **6.1.4 Digital and Customer Services**

#### New Laptop Refresh

As approved by the Executive Board on the 6<sup>th</sup> July 2023, £700,000 has been transferred from the Corporate ICT budget to refresh the supply of employee laptops during the year.

#### Slippage

A request is made to approve the re-profiling of the following Corporate ICT scheme budgets into 2024/25 for schemes not expected to be completed during the current financial year:

<b>Scheme</b>	<b>Slippage Requested £</b>
Core Infrastructure Programme	70,000
Microsoft 365 and Unified Comms	350,000
Core Network Upgrade	200,000
Digital Flare Replacement	100,000
	<b>720,000</b>

## **6.2 CAPITAL RECEIPTS**

Actual capital receipts at the end of September 2023 were £1.241 million. All of these receipts will be utilised in support of the Minimum Revenue Provision.

## **6.3 BALANCE SHEET POSITION**

### **6.3.1 Overview**

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

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

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

### 6.3.3 Borrowing and Investments

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

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

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

Both short and long term borrowing interest rates and investment interest rates have increased over the quarter, this is due to a number of factors including global issues and increases in the Bank of England Bank Rate from 5.00% at the start of the period to 5.25% by the end.

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

- Interest and investment income is now forecast to be £1.224 million higher than the original budget. This is due to increasing interest rates, and the level of the Council's investment balances which has been very high during the first half of the year due to grants received in advance from central government, including in respect of the Darwen Town Deal and Levelling-Up schemes.
- Debt interest payable is forecast to be £1.073 million lower than the original budget, because the Council does not expect to need to take any new borrowing during the year.
- MRP is forecast to be £0.203 million lower than the original budget due to reduced capital spend being incurred in the previous year.

#### Interest and Debt Repayments Revenue Budget

	Original Budget £	Forecast at Quarter 2 £	Movement £
Interest and investment income	(1,300,000)	(1,300,000)	(1,224,000)
Debt interest payable	12,760,000	12,760,000	(1,073,000)
MRP	6,565,000	6,565,000	(203,000)
<b>Total</b>	<b>18,025,000</b>	<b>18,025,000</b>	<b>(2,500,000)</b>

The current borrowing and investment position is as follows:

	Amounts at 30/09/2022 £000	Amounts at 30/09/2023 £000
Short term borrowing	10,000	0
Long term borrowing	139,776	136,228
Transferred debt re Local Government Reorganisation	13,039	12,224
Recognition of debt re PFI arrangements	58,635	56,356
<b>TOTAL BORROWING</b>	<b>221,450</b>	<b>204,808</b>
Investments made by the Council	57,936	89,867

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

#### 6.3.4 Debtors

The Council has a corporate debt policy, as well as other specific policies for the management of debt in the key areas of council tax, business rates and housing benefit overpayments. The table below summarises the collection performance of the various debts and the total outstanding debt in the respective areas at 30<sup>th</sup> September 2023. The table also shows the corresponding level of debt at the same point in the last financial year.

	Position at 30/09/2022	Position at 30/09/2023
<b>Council tax</b>		
Current year balance (£000)	35,482	39,077
Previous year arrears (£000)	13,575	13,968
<b>Total Council tax balances</b>	<b>49,057</b>	<b>53,045</b>
Collection rates	53.1%	51.72%
<b>Business rates</b>		
Current year balance (£000)	17,028	31,655
Previous year arrears (£000)	3,536	3,271
<b>Total Business rates balances</b>	<b>20,564</b>	<b>34,926</b>
Collection rates	60.7%	51.17%
<b>Housing Benefit</b>		
Overpayments balances (£000)	2,243	2,565

## 7. LEGAL IMPLICATIONS

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

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

## 8. RESOURCE IMPLICATIONS

None.

## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

## 10. CONSULTATIONS

None

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

**VERSION:** V1.0

**CONTACT OFFICER:** Jenny Bradley (267681) Simon Ross (585569)

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<b>DATE:</b>	October 2023
<b>BACKGROUND PAPER:</b>	N/A

# Overall Capital Monitoring 2023/24

	Current Year 2023/24				
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £ 000	Revised Budget at Qtr 2 £ 000
<b>Costs</b>					
Adults and Prevention Services	3,282	3,871	(238)	-	3,633
Children, Young People and Education	7,068	16,386	798	-	17,184
Environmental Services	215	982	-	-	982
Public Health and Wellbeing	-	-	-	-	-
Growth and Development	22,417	33,279	1,350	(6,945)	27,684
Digital and Customer Services	3,030	2,904	700	(720)	2,884
Finance and Governance	831	848	-	-	848
<b>Portfolios Total</b>	<b>36,843</b>	<b>58,270</b>	<b>2,610</b>	<b>(7,665)</b>	<b>53,215</b>
Earmarked Schemes	3,127	5,376	(1,550)	-	3,826
Contingent Schemes	2,294	2,174	-	-	2,174
<b>Total Spend</b>	<b>42,264</b>	<b>65,820</b>	<b>1,060</b>	<b>(7,665)</b>	<b>59,215</b>
<b>Financing</b>					
Department for Education	2,505	11,836	575		12,411
Department for Transport	22	7,878			7,878
Disabled Facilities Grant	3,762	4,153	(378)		3,775
Department for Levelling Up, Housing and Communities	7,218	8,038	382	(1,062)	7,358
Department for Business, Energy and Industrial Strategy	-	-			-
Environment Agency	14	96			96
Heritage Lottery	882	722			722
Forrestry Commission	-	20			20
Arts Council	365	365			365
Home Office	-	102			102
<b>Total Grants</b>	<b>14,768</b>	<b>33,210</b>	<b>579</b>	<b>(1,062)</b>	<b>32,727</b>
External Contributions	226	366	(36)		330
Revenue Contributions	7,656	10,348	173	(1,475)	9,046
Unsupported Borrowing	19,614	21,896	344	(5,128)	17,112
<b>Total Financing</b>	<b>42,264</b>	<b>65,820</b>	<b>1,060</b>	<b>(7,665)</b>	<b>59,215</b>

£ 105

## Scheme Variations to 2023/24 Capital Programme

Current Year 2023/24									
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Q2 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
<b>Adults and Prevention Services</b>									
Disabled Facilities Grant	2,899	3,356	(238)		3,118	605	(2,513)	3,118	-
Telecare Project	200	194			194	55	(139)	194	-
Rough Sleeping Accommodation Programme	183	219			219	55	(164)	219	-
Safer Streets Fund 4		102			102	102	-	102	-
	<b>3,282</b>	<b>3,871</b>	<b>(238)</b>	<b>-</b>	<b>3,633</b>	<b>817</b>	<b>(2,816)</b>	<b>3,633</b>	<b>-</b>
<b>Children, Young People &amp; Education</b>									
Disabled Facilities Grant	663	743			743	85	(658)	743	-
Two Year Old Grant	49	-			-	-	-	-	-
Education - Free School Meals Module		36			36	-	(36)	36	-
Liquid Logic - New Data Production		45			45	-	(45)	45	-
<b>Schools capital programme</b>									
Capital allocations		3,217	798		4,015	-	(4,015)	3,853	(162)
St Barnabas & St Pauls	135	135			135	-	(135)	135	-
Audley Infants & Juniors Heating System		-			-	(20)	(20)	-	-
Roe Lee Park Ventilation & New Flooring		-			-	(3)	(3)	-	-
Avondale Kitchen		-			-	-	-	-	-
Shadsworth Infants - Heating		-			-	(3)	(3)	-	-
St Cuthberts SEND		-			-	-	-	-	-
Meadowhead Infants External Works		-			-	(9)	(9)	-	-
BCHS/Crosshill SEN		-			-	-	-	-	-
Lammack Extension	450	277			277	435	158	435	158
Darwen - Additional School Places	3,250	3,250			3,250	-	(3,250)	3,250	-
Longshaw Nursery Relocation	200	679			679	557	(122)	679	-
Longshaw Nursery		-			-	-	-	-	-
Lower Darwen Disability Access Adaptations		-			-	-	-	-	-
Brunel Nursery External Fencing		-			-	-	-	-	-
Feniscowles Disability Access Adaptations		-			-	-	-	-	-
Shadsworth Infants Extension and Remodel		135			135	122	(13)	135	-
Ashleigh Heating and Ventilation	35	35			35	-	(35)	35	-
Ashworth Nursery Perimeter Fencing		-			-	-	-	-	-
Audley infants (Nursery) Upgrade Fire Alarm		-			-	-	-	-	-
Audley Infants Resurfacing Pathways		-			-	-	-	-	-
Audley Infants Replacement of Fascias & Soffits	55	55			55	-	(55)	55	-
Audley Inf & Jnr Replace windows & upstands to lean to roof	60	60			60	-	(60)	60	-
Avondale Resurface Playground	125	148			148	1	(147)	148	-
Belmont Replace Fire Alarm System		-			-	-	-	-	-
Brookhouse Primary (Nursery) Replace Roof System	75	75			75	-	(75)	75	-
Brookhouse Primary Replace Boilers	40	82			82	-	(82)	82	-
Intack Primary Replacement of External Doors		-			-	-	-	-	-
Longshaw Juniors Replace Fire Alarm System	40	40			40	-	(40)	40	-
Lower Darwen Primary Heating Scheme		-			-	1	1	1	1

## Scheme Variations to 2023/24 Capital Programme

Current Year 2023/24									
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Q2 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Roe Lee Roofing, Upstandings & Windows	180	191			191	4	(187)	191	-
Roe Lee Repairs to Service Road, Ext Areas & Auto Gates	85	98			98	1	(97)	98	-
Shadsworth Juniors Replacement of Boilers	40	40			40	-	(40)	40	-
Turton & Edgworth Upgrade Fire Alarm		-			-	-	-	-	-
Meadowhead Infants Drainage Installations		2			2	5	3	5	3
Lower Darwen Primary Sch Partial Replace Fire Alarm System		-			-	-	-	-	-
Stansfeld Centre / St Thomas Centre Refurbishment	470	1,000			1,000	-	(1,000)	1,000	-
Newfield Roof Repairs	220	250			250	1	(249)	250	-
Brookhouse MUGA Pitch Repairs		11			11	-	(11)	11	-
Belmont Primary Boiler Replacement	35	35			35	18	(17)	35	-
Longshaw Juniors Replacement of Water Main		2			2	-	(2)	2	-
Audley Infant Culvert Works	18	20			20	-	(20)	20	-
Audley Infant Dining Room Floor/gas meter/boiler	27	30			30	13	(17)	30	-
Audley Junior Ventilation & Heating works	9	10			10	-	(10)	10	-
Avondale Rebuild Steps	9	10			10	-	(10)	10	-
Belmont Reslate Roof inc Lead work to valleys & bell tower	30	33			33	-	(33)	33	-
Brookhouse Upgrade Lighting	34	38			38	-	(38)	38	-
Brookhouse Kitchen Upgrade	45	50			50	-	(50)	50	-
Brookhouse Replace Windows & Doors	9	10			10	-	(10)	10	-
Daisyfield Replace External Doors	13	15			15	-	(15)	15	-
Daisyfield SEND Works DDA Compliance	30	33			33	-	(33)	33	-
Feniscove Juniors Upgrade Windows	27	23			23	-	(23)	23	-
Lammack Security Fencing & Electronic Gates	198	220			220	-	(220)	220	-
Lammack Resurface Playground	36	40			40	-	(40)	40	-
Lower Darwen Send Works DDA Compliance	36	40			40	-	(40)	40	-
Lower Darwen Fire Risk Assessment Works	23	25			25	-	(25)	25	-
Lower Darwen Perimeter Fencing Repair/Replace	9	10			10	-	(10)	10	-
Meadowhead Infant Replace External Rubber Flooring	9	10			10	-	(10)	10	-
Meadowhead Junior Replace Floor Covering to Hall	18	7			7	-	(7)	7	-
Meadowhead Junior Replace doors & RollerShutters	14	13			13	-	(13)	13	-
Meadowhead Junior External Path Works	45	50			50	-	(50)	50	-
Meadowhead Junior Fire Risk Assessment Ceiling Works	18	20			20	-	(20)	20	-
Roe Lee Park Toilet Works	18	20			20	20	-	20	-
Shadsworth Juniors Send Works DDA Compliance	51	57			57	-	(57)	57	-
St Michael with St John Roofing Works	135	150			150	-	(150)	150	-
Newfield School Remodel		2,300			2,300	93	(2,207)	2,300	-
Crosshill Grant for Additional Places		900			900	675	(225)	900	-
Intack Primary Boilers		68			68	58	(10)	68	-
Roe Lee School Fencing		100			100		(100)	100	-
QEGS reconfiguration layout expand provision		550			550	413	(137)	550	-
Witton Academy reconfiguration and refurbishment		650			650	-	(650)	650	-
St Wilfrid's Refurbish to Create Additional Classroom		50			50	-	(50)	50	-
Contingency		100			100	5	(95)	100	-

## Scheme Variations to 2023/24 Capital Programme

		Current Year 2023/24							
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Q2 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
Project Management Fee		50			50	-	(50)	50	-
Family Hubs Transformation		43			43	12	(31)	43	-
	<b>7,068</b>	<b>16,386</b>	<b>798</b>	<b>-</b>	<b>17,184</b>	<b>2,484</b>	<b>(14,700)</b>	<b>17,184</b>	<b>-</b>
<b>Environmental Services</b>									
Land Remediation Scheme		104			104	-	(104)	104	-
Blakewater Car Park	115	345			345	-	(345)	345	-
Prayer Shelter at Pleasington Cemetery	100	183			183	170	(13)	183	-
Childrens Play Area Witton Park		350			350	-	(350)	350	-
	<b>215</b>	<b>982</b>	<b>-</b>	<b>-</b>	<b>982</b>	<b>170</b>	<b>(812)</b>	<b>982</b>	<b>-</b>
<b>Public Health &amp; Wellbeing</b>									
Replacement Gym Equipment		-			-	-	-	-	-
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Growth &amp; Development</b>									
Bank Top and Griffin Clearance	186	186		(100)	86	-	(86)	86	-
Neighbourhood Intervention Fund	613	583	106	(500)	189	50	(139)	189	-
Equity Loans	235	270	12	(230)	52	-	(52)	52	-
Empty Homes Cluster	360	360		(350)	10	-	(10)	10	-
Other Acquisition costs	10	10		(10)	-	-	-	-	-
Development Investment Fund	740	753		(500)	253	28	(225)	253	-
Land Release Fund	934	942		(730)	212	16	(196)	212	-
Assistance to Industry	250	281			281	88	(193)	281	-
Blakey Moor	1,210	1,790			1,790	441	(1,349)	1,790	-
Integrated Transport Budget		7,110			7,110	204	(6,906)	7,110	-
Bus Service Improvement Fund		2,013			2,013	3	(2,010)	2,013	-
Reel Cinema	22	39			39	-	(39)	39	-
Bury Fold Brook	14	14			14	-	(14)	14	-
Pottery Farm Alleviation		-			-	-	-	-	-
Waterfall Study		-			-	-	-	-	-
Grimshaw Park FAS Blackburn		-			-	-	-	-	-
Brecon Road Drainage		37			37	-	(37)	37	-
Corporation Park Drainage		-			-	-	-	-	-
Aqueduct Road Drainage		-			-	-	-	-	-
Quick Win Fund (Hope Street)		9			9	5	(4)	9	-
Natural Flood Management		36			36	-	(36)	36	-
Affordable Warmth Grants		6			6	-	(6)	6	-
Darwen Tower		-			-	(2)	(2)	-	-
Darwen Towns Fund	10,250	10,476	-	-	10,476	169	(10,307)	10,476	-
Thwaites SPV	145	145			145	-	(145)	145	-
Carbon Management Plan		4			4	-	(4)	4	-
Greenfields CC and Mill Hill Juniors FC Grants	48	48			48	-	(48)	48	-

# Scheme Variations to 2023/24 Capital Programme

	Current Year 2023/24								
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Q2 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
St Johns Refurbishment	1,450	1,503		(1,000)	503	27	(476)	503	-
Griffin Lodge /Coach House	300	300		(275)	25	-	(25)	25	-
Levelling Up (LUF) Projects - Junction 5 & Growth Corridor	-	500	-	-	500	173	(327)	500	-
Levelling Up (LUF) Projects - Town Centre	1,500	1,500		(1,500)	-	-	-	-	-
UK Prosperity Fund		59	382		441	166	(275)	441	-
Blackburn Museum & Art Gallery Roof Replacement	400	555			555	134	(421)	555	-
MediPark	1,000	1,000			1,000	-	(1,000)	1,000	-
Blackburn Town Centre Highways & Public Realm Works	1,750	1,750		(1,750)	-	-	-	-	-
Imperial Mill Acquisition, Essential Works & Site Enabling	1,000	1,000	850		1,850	909	(941)	1,850	-
	<b>22,417</b>	<b>33,279</b>	<b>1,350</b>	<b>(6,945)</b>	<b>27,684</b>	<b>2,411</b>	<b>(25,273)</b>	<b>27,684</b>	<b>-</b>
<b>Digital &amp; Customer Services</b>									
Corporate ICT - Finance System		18			18	-	(18)	18	-
Corporate ICT - Core Infrastructure Programme	71	101		(70)	31	-	(31)	31	-
Corporate ICT - Legal Services Case Management System	28	31			31	-	(31)	31	-
Corporate ICT - Corporate Website		-			-	-	-	-	-
Corporate ICT - Town Hall IT Infrastructure Upgrade	143	143	(8)		135	2	(133)	135	-
Corporate ICT - Digital Customer Portal	80	79			79	15	(64)	79	-
Corporate ICT - Round Management System	13	16			16	-	(16)	16	-
Corporate ICT - Microsoft Licence Agreement Server and Database		-			-	-	-	-	-
Corporate ICT - Replacement HR and Payroll System	273	232			232	2	(230)	232	-
Corporate ICT - Implementation Liquidlogic Group Work Module		-			-	-	-	-	-
Corporate ICT - Microsoft 365 and Unified Comms	550	572		(350)	222	-	(222)	222	-
Corporate ICT - Transition to the Cloud	134	209			209	-	(209)	209	-
Corporate ICT - Helpdesk for Everything	188	-			-	-	-	-	-
Corporate ICT - Digital Customer Portal (Phase 2)	390	253			253	-	(253)	253	-
Corporate ICT - Core Network Upgrade	530	502		(200)	302	27	(275)	302	-
Corporate ICT - Intranet/iTrent	80	53			53	4	(49)	53	-
ASC software transition to the Cloud		-			-	-	-	-	-
Digital Flare Replacement	200	450		(100)	350	-	(350)	350	-
New BwD Security Operation and Recovery Capability	350	125			125	-	(125)	125	-
Replacement Door Access System		120			120	-	(120)	120	-
New Laptop Refresh			700		700	-	(700)	700	-
	<b>3,030</b>	<b>2,904</b>	<b>692</b>	<b>(720)</b>	<b>2,876</b>	<b>50</b>	<b>(2,826)</b>	<b>2,876</b>	<b>-</b>

**Scheme Variations to 2023/24 Capital Programme**

Current Year 2023/24									
	Budget Approved by Finance Council on 27 Feb 2023 £ 000	Revised 2023/24 Budget at Q1 2023/24 £ 000	Virement / New Scheme Approvals £ 000	Slippage £000	Revised Budget at Q2 £ 000	Actual Spend to Date £ 000	Variance £ 000	Forecast £ 000	Variance After Slippage £ 000
<b>Finance &amp; Governance</b>									
Public Sector Decarbonisation Scheme		-			-	(45)	(45)	-	-
Corporate Accommodation Strategy Phase 2	831	828			828	25	(803)	828	-
Darwen Town Hall Reroofing		-			-	-	-	-	-
Witton 3G Changing Room Roof		-			-	(6)	(6)	-	-
Mill Hill Community Centre Roof		-			-	(2)	(2)	-	-
Treescaping Fund		20			20	4	(16)	20	-
	<b>831</b>	<b>848</b>	<b>-</b>	<b>-</b>	<b>848</b>	<b>(24)</b>	<b>(872)</b>	<b>848</b>	<b>-</b>
<b>Portfolios Total</b>	<b>36,843</b>	<b>58,270</b>	<b>2,602</b>	<b>(7,665)</b>	<b>53,207</b>	<b>5,908</b>	<b>(47,299)</b>	<b>53,207</b>	<b>-</b>
<b>Earmarked schemes:</b>									
Corporate ICT	700	692	(692)		-	-	-	-	-
Corporate Property Investment	1,727	2,463	(850)		1,613	-	(1,613)	1,613	-
Vehicles (funded from capital or leased)	700	2,221			2,221	354	(1,867)	2,221	-
<b>Total</b>	<b>3,127</b>	<b>5,376</b>	<b>(1,542)</b>	<b>-</b>	<b>3,834</b>	<b>354</b>	<b>(3,480)</b>	<b>3,834</b>	<b>-</b>
<b>Contingency schemes:</b>									
Asset Management Strategy	2,294	2,174			2,174	-	(2,174)	2,174	-
<b>Total</b>	<b>2,294</b>	<b>2,174</b>	<b>-</b>	<b>-</b>	<b>2,174</b>	<b>-</b>	<b>(2,174)</b>	<b>2,174</b>	<b>-</b>
<b>Totals</b>	<b>42,264</b>	<b>65,820</b>	<b>1,060</b>	<b>(7,665)</b>	<b>59,215</b>	<b>6,262</b>	<b>(52,953)</b>	<b>59,215</b>	<b>-</b>

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## EXECUTIVE BOARD DECISION

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

**LEAD OFFICER:** Strategic Director of Finance and Resources

**DATE:** 9<sup>th</sup> November 2023

**PORTFOLIO/S AFFECTED:** All

**WARD/S AFFECTED:** All

**KEY DECISION:** YES  NO

**SUBJECT: TREASURY MANAGEMENT QUARTER 2 MONITORING REPORT AND MID-YEAR STRATEGY REVIEW FOR 2023/24**

### 1. EXECUTIVE SUMMARY

- 1.1. To allow scrutiny of the Treasury Management function.
- 1.2. To update Members with regard to the Treasury Management position to date, and the proposed Strategy for the remainder of 2023/24.

### 2. RECOMMENDATIONS

It is recommended that the Executive Board:

- 2.1. Notes the Treasury Management position for the last quarter and the year to date, and approves the proposed Strategy for the remainder of the year
- 2.2. Approves that there are no changes to the existing Treasury and Prudential Indicators for 2023/24, as set at Executive Board on 9<sup>th</sup> March 2023.

### 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 is therefore central to the Council's prudent financial management.
- 3.2 In March 2023 the Executive Board approved a Treasury Management Strategy for 2023/24. It is necessary to review and consider updating the Strategy, if required.

- 3.3 The Treasury Management Strategy for 2023/24 complies with the CIPFA Code and with Ministry for Housing Communities and Local Government (MHCLG) Guidance on Investments.
- 3.4 CIPFA published a revised Prudential Code for Capital Finance and Treasury Management Code on 20<sup>th</sup> December 2021. The key changes in the two codes are around permitted reasons to borrow, knowledge and skills, and the management of non-treasury investments, and there is a change in reporting requirements that requires Treasury Management Prudential Indicators to be reported quarterly.
- 3.5 The principles of the Prudential Code took immediate effect although local authorities could defer introducing the revised reporting requirements until the 2023/24 financial year if they wished. The Council took advantage of the option to defer introducing the revised reporting requirements until the 2023/24 year.
- 3.6 This report:
- (a) satisfies the requirement to review the Treasury Management Strategy at the mid-point of the financial year
  - (b) satisfies the reporting requirements included in the 2021 Prudential Code and also summarises the interest rate environment for the second quarter of the year, and the borrowing and lending transactions undertaken, together with the Council's overall debt position.
- 3.7 A glossary of Treasury Management terms is appended to this paper.

## **4. EXTERNAL CONTEXT**

### **4.1. Economic background**

- 4.1.1. UK inflation remained stubbornly high over much the period compared to the US and euro zone, keeping expectations elevated of how much further the Bank of England (BoE) would hike rates compared to the regions. However, inflation data published in the latter part of the period undershot expectations, causing financial markets to reassess the peak in BoE Bank Rate. This was followed very soon after by the BoE deciding to keep Bank Rate on hold at 5.25% in September, against expectation for another 0.25% rise.
- 4.1.2. Economic growth in the UK remained relatively weak over the period. In calendar Q2 2023, the economy expanded by 0.4%, beating expectations of a 0.2% increase. However, monthly GDP data showed a 0.5% contraction in July, the largest fall to date in 2023 and worse than the 0.2% decline predicted which could be an indication the monetary tightening cycle is starting to cause recessionary or at the very least stagnating economic conditions.
- 4.1.3. July data showed the unemployment rate increased to 4.3% (3mth/year) while the employment rate rose to 75.5%. Pay growth was 8.5% for total pay (including bonuses) and 7.8% for regular pay, which for the latter was the highest recorded annual growth rate. Adjusting for inflation, pay growth in real terms were positive at 1.2% and 0.6% for total pay and regular pay respectively.
- 4.1.4. Inflation continued to fall from its peak as annual headline CPI declined to 6.7% in July 2023 from 6.8% in the previous month against expectations for a tick back up to 7.0%. The largest downward contribution came from food prices. The core rate also surprised on the downside, falling to 6.2% from 6.9% compared to predictions for it to only edge down to 6.8%.

- 4.1.5. The Bank of England's Monetary Policy Committee continued tightening monetary policy over most of the period, taking Bank Rate to 5.25% in August. Against expectations of a further hike in September, the Committee voted 5-4 to maintain Bank Rate at 5.25%. Each of the four dissenters were in favour of another 0.25% increase.
- 4.1.6. Financial market Bank Rate expectations moderated over the period as falling inflation and weakening data gave some indication that higher interest rates were working. Expectations fell from predicting a peak of over 6% in June to 5.5% just ahead of the September MPC meeting, and to then expecting 5.25% to be the peak by the end of the period.
- 4.1.7. Following the September MPC meeting, Arlingclose, the authority's treasury adviser, modestly revised its interest forecast to reflect the central view that 5.25% will now be the peak in Bank Rate. In the short term the risks are to the upside if inflation increases again, but over the remaining part of the time horizon the risks are to the downside from economic activity weakening more than expected.
- 4.1.8. The lagged effect of monetary policy together with the staggered fixed term mortgage maturities over the next 12-24 months means the full impact from Bank Rate rises are still yet to be felt by households. As such, while consumer confidence continued to improve over the period, the GfK measure hit -21 in September, it is likely this will reverse at some point. Higher rates will also impact business and according to S&P/CIPS survey data, the UK manufacturing and services sector contracted during the quarter with all measures scoring under 50, indicating contraction in the sectors.
- 4.1.9. The US Federal Reserve increased its key interest rate to 5.25-5.50% over the period, pausing in September following a 0.25% rise the month before, and indicating that it may have not quite completed its monetary tightening cycle.
- 4.1.10. Having fallen throughout 2023, annual US inflation started to pick up again in July 2023, rising from 3% in June, which represented the lowest level since March 2021, to 3.2% in July and then jumping again to 3.7% in August, beating expectations for a rise to 3.6%. Rising oil prices were the main cause of the increase. US GDP growth registered 2.1% annualised in the second calendar quarter of 2023, down from the initial estimate of 2.4% but above the 2% expansion seen in the first quarter.
- 4.1.11. The European Central Bank increased its key deposit, main refinancing, and marginal lending interest rates to 4.00%, 4.50% and 4.75% respectively in September, and hinted these levels may represent the peak in rates but also emphasising rates would stay high for as long as required to bring inflation down to target.
- 4.1.12. Although continuing to decline steadily, inflation has been sticky, Eurozone annual headline CPI fell to 5.2% in August while annual core inflation eased to 5.3% having stuck at 5.5% in the previous two months. GDP growth remains weak, with recent data showing the region expanded by only 0.1% in the three months to June 2023, the rate as the previous quarter.

## **4.2. Financial markets**

- 4.2.1. Financial market sentiment and bond yields remained volatile, with the latter generally trending downwards as there were signs inflation, while still high, was moderating and interest rates were at a peak.

4.2.2. Gilt yields fell towards the end of the period. The 5-year UK benchmark gilt yield rose from 3.30% to peak at 4.91% in July before trending downwards to 4.29%, the 10-year gilt yield rose from 3.43% to 4.75% in August before declining to 4.45%, and the 20-year yield from 3.75% to 4.97% in August and then fell back to 4.84%. The Sterling Overnight Rate (SONIA) averaged 4.73% over the period.

#### **4.3. Credit review**

- 4.3.1. Having completed a review of its credit advice on unsecured deposits at UK and non-UK banks following concerns of a wider financial crisis after the collapse of Silicon Valley Bank purchase of Credit Suisse by UBS, as well as other well-publicised banking sector issues, in March our advisors Arlingclose reduced the advised maximum duration limit for all banks on its recommended counterparty list to 35 days. This stance continued to be maintained at the end of the period.
- 4.3.2. Having put the US sovereign rating on Rating Watch Negative earlier in the period, Fitch took further action in August, downgrading the long-term rating to AA+, partly around ongoing debt ceiling concerns but also an expected fiscal deterioration over the next couple of years.
- 4.3.3. Following the issue of a Section 114 notice, in September Arlingclose advised against undertaking new lending to Birmingham City Council, and later in the month cut its recommended duration on Warrington Borough Council to a maximum of 100 days.
- 4.3.4. Arlingclose continued to monitor and assess credit default swap levels for signs of ongoing credit stress and although no changes were made to recommended durations over the period, Northern Trust Corporation was added to the counterparty list.
- 4.3.5. Heightened market volatility is expected to remain a feature, at least in the near term and, as ever, the institutions and durations on the Authority's counterparty list recommended by Arlingclose remains under constant review.

### **5. KEY ISSUES QUARTER 2**

#### **5.1. Investments Made and Interest Earned**

- 5.1.1. The graph in Appendix 1 shows the weekly movement in the totals available for investment, both actuals to date and projections for the rest of the year (adjusted for anticipated borrowing where applicable). These balances have been fairly stable across the period, ranging between £90M and £105M. Investment balances continued to be unusually high during this period, largely due to funds received from central government and grants received in advance of spend being incurred, including Darwen Town Deal funding of £8.1M and Levelling Up funding of £3.825M. It is intended that investment balances will ultimately reduce in future to between £10M and £20M.
- 5.1.2. Investments made in the period were mainly in "liquid" (instant access) deposits, either bank "call accounts" or Money Market Funds (MMFs). Returns on MMF holdings remained high over the period, following the Bank Rate increases, averaging around 5.07% throughout the period. Bank deposit account rates have also increased during the period, paying 5.14% by the end of September.
- 5.1.3. For limited periods, funds were also placed with the Government's Debt Management Account Deposit Facility (at 4.880% – 5.250%). The other fixed term investments made were:

Start Date	End Date	Counterparty	Amount £	Rate
03-Jul-23	03-Jan-24	Lancashire County Council	5,000,000	4.75%
02-Aug-23	02-Nov-23	Blackpool Council	5,000,000	4.50%
05-Jul-23	05-Oct-23	Eastleigh Borough Council	5,000,000	4.55%
19-Jul-23	20-Nov-23	Kirklees Council	5,000,000	4.58%
28-Jul-23	29-Jan-24	Barking & Dagenham	5,000,000	5.50%
02-Aug-23	02-May-24	London Borough of Newham	5,000,000	5.80%
27-Sep-23	27-Mar-24	Doncaster MBC	5,000,000	5.55%
30-Aug-23	30-Nov-23	Cheshire East Council	5,000,000	5.28%
15-Aug-23	15-Feb-24	Cornwall Council	5,000,000	5.35%
21-Aug-23	21-Feb-24	West Dunbartonshire Council	5,000,000	5.55%

5.1.4. At 30<sup>th</sup> September, the Council had approximately £89.7M invested, compared to £85.5M at the start of the period. Appendix 2 shows the breakdown of the closing investment balance. The Council's investment return over the period was approximately 4.681%. For comparison, as mentioned above, the Sterling Over Night Rate (SONIA) increased over the period, averaging 4.73%.

## 5.2. Borrowing Rates

5.2.1. The cost of long-term borrowing through the PWLB (Public Works Loan Board) is linked to central government's own borrowing costs.

5.2.2. The cost of short-term borrowing, based on loans from other councils, has risen during the period, following the Bank Rate rises. Interest rates on loans from 3 months out to a year were priced at rates between 5.40% to 6.00% by the end of the period.

5.2.3. Due to the high level of cash balances, the Council has not been required to use short-term borrowing during the period. Should the need arise we will review the options available.

## 5.3. Current Debt Outstanding

	30 <sup>th</sup> June 2023		30 <sup>th</sup> September 2023	
	£'000	£'000	£'000	£'000
<b>TEMPORARY DEBT</b>				
Less than 3 months	0		0	
Greater than 3 months (full duration)	0		0	
		0		0
<b>LONGER TERM DEBT</b>				
Bonds	18,000		18,000	
PWLB	119,980		118,206	
Stock & Other Minor Loans	22		22	
		138,002		136,228
Lancashire Council County – Transferred Debt		12,360		12,224
Recognition of Debt re PFI Arrangements		56,941		56,356
<b>TOTAL DEBT</b>		<b>207,303</b>		<b>204,808</b>
<b>LESS: TEMPORARY LENDING</b>				
Fixed Term		(62,200)		(65,000)
Instant Access		(23,267)		(24,867)
<b>NET DEBT</b>		<b>121,836</b>		<b>114,941</b>

5.3.1. The key elements of long term borrowing set out above are:

- (a) £18M classed as bonds, borrowed from the money markets, largely in the form of “LOBO” (Lender Option, Borrower Option) debt. The individual loans remaining range from 4.35% to 4.75%, at an average of around 4.48%.
- (b) £118.2M borrowed from the PWLB at fixed rates, at an overall average rate of around 3.87%. Loans repayable on maturity range from 3.06% to 7.875%, and EIP (Equal Instalment of Principal) loans from 1.73% to 3.35%.
- (c) Debt managed by Lancashire County Council after Local Government Reorganisation, which is repaid in quarterly instalments across the year, charged provisionally at 4.00%.
- (d) Debt recognised on the balance sheet as a result of accounting adjustments in respect of bringing into use school buildings financed through Public Finance Initiative (PFI) arrangements. The Council’s effective control over, and use of these assets is thereby shown “on balance sheet”, with corresponding adjustments to the debt. This does not add to the costs faced by the Council Tax Payer as these payments made to the PFI contractor are largely offset by PFI grant funding from the Government.

#### 5.4. Capital Financing Requirement

5.4.1. The Council’s CFR (Capital Financing Requirement) is the key measure of the Council’s borrowing **need** in the long term. It is

- (c) the accumulated need to borrow **to finance capital spend** (not funded from grants, etc.) **less**
- (d) the accumulated Minimum Revenue Provision (MRP) charges already made - councils must make a prudent MRP charge in their accounts each year, to finance their debt - **less**
- (e) any capital receipts applied to finance outstanding debt.

and therefore tends to increase if capital spend financed from borrowing exceeds MRP.

5.4.2. The Council’s actual long-term debt is significantly below the CFR – the gap has widened as long-term debt has been repaid. We have been using “internal borrowing” from available revenue cash balances to partly cover this gap which, despite the foregone investment income, has resulted in net interest savings. The position is summarised in the table below.

	<b>2022/23 Actual £M</b>	<b>31 Mar 2024 Forecast £M</b>
General Fund CFR	281.2	283.3
Less: CFR re Debt - Managed by Lancashire County Council (LCC) Re Private Finance Initiative (PFI) Arrangements	(14.8) (68.9)	(14.5) (68.7)
<b>Loans/Borrowing CFR</b>	<b>197.5</b>	<b>203.1</b>
Less: Usable Reserves and Working Capital	(110.3)	(119.9)
<b>Net Borrowing (excludes LCC and PFI debt)</b>	<b>87.2</b>	<b>83.2</b>

5.4.3. CIPFA's 2021 Prudential Code is clear that local authorities must not borrow to invest primarily for financial return and that it is not prudent for local authorities to make any investment or spending decision that will increase the capital financing requirement and so may lead to new borrowing, unless directly and primarily related to the functions of the Authority. PWLB loans are no longer available to local authorities planning to buy investment assets primarily for yield unless these loans are for refinancing purposes.

5.4.4. Borrowing is permitted for cashflow management, interest rate risk management, to refinance current borrowing and to adjust levels of internal borrowing. Borrowing to refinance capital expenditure primarily related to the delivery of a local authority's function but where a financial return is also expected is allowed, provided that financial return is not the primary reason for the expenditure. These changes align the CIPFA Prudential Code with the PWLB lending rules.

5.4.5. The Authority has not invested in assets primarily for financial return or that are not primarily related to the functions of the Authority, and has no plans to do so in future.

## 5.5. Liability Benchmark

5.5.1. The liability benchmark compares the Authority's actual existing borrowing against a liability benchmark that has been calculated to show the lowest risk level of borrowing. 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. It 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 of £10m required to manage day-to-day cash flow.

	<b>31.3.23</b>	<b>31.3.24</b>	<b>31.3.25</b>	<b>31.3.26</b>
	<b>Actual</b>	<b>Forecast</b>	<b>Forecast</b>	<b>Forecast</b>
Loans CFR	197.5	203.1	213.4	216.1
Less: Balance sheet resources	(110.3)	(119.9)	(99.0)	(100.0)
<b>Net loans requirement</b>	<b>87.2</b>	<b>83.2</b>	<b>114.4</b>	<b>116.1</b>
Plus: Liquidity allowance	10.0	10.0	10.0	10.0
<b>Liability benchmark</b>	<b>97.2</b>	<b>93.2</b>	<b>124.4</b>	<b>126.2</b>
<b>Existing borrowing</b>	<b>138.0</b>	<b>134.6</b>	<b>124.4</b>	<b>116.2</b>

5.5.2. Following on from the medium-term forecast 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, and expenditure and reserves all increasing by inflation of 1% p.a. This is shown in the chart below together with the maturity profile of the Authority's existing borrowing.

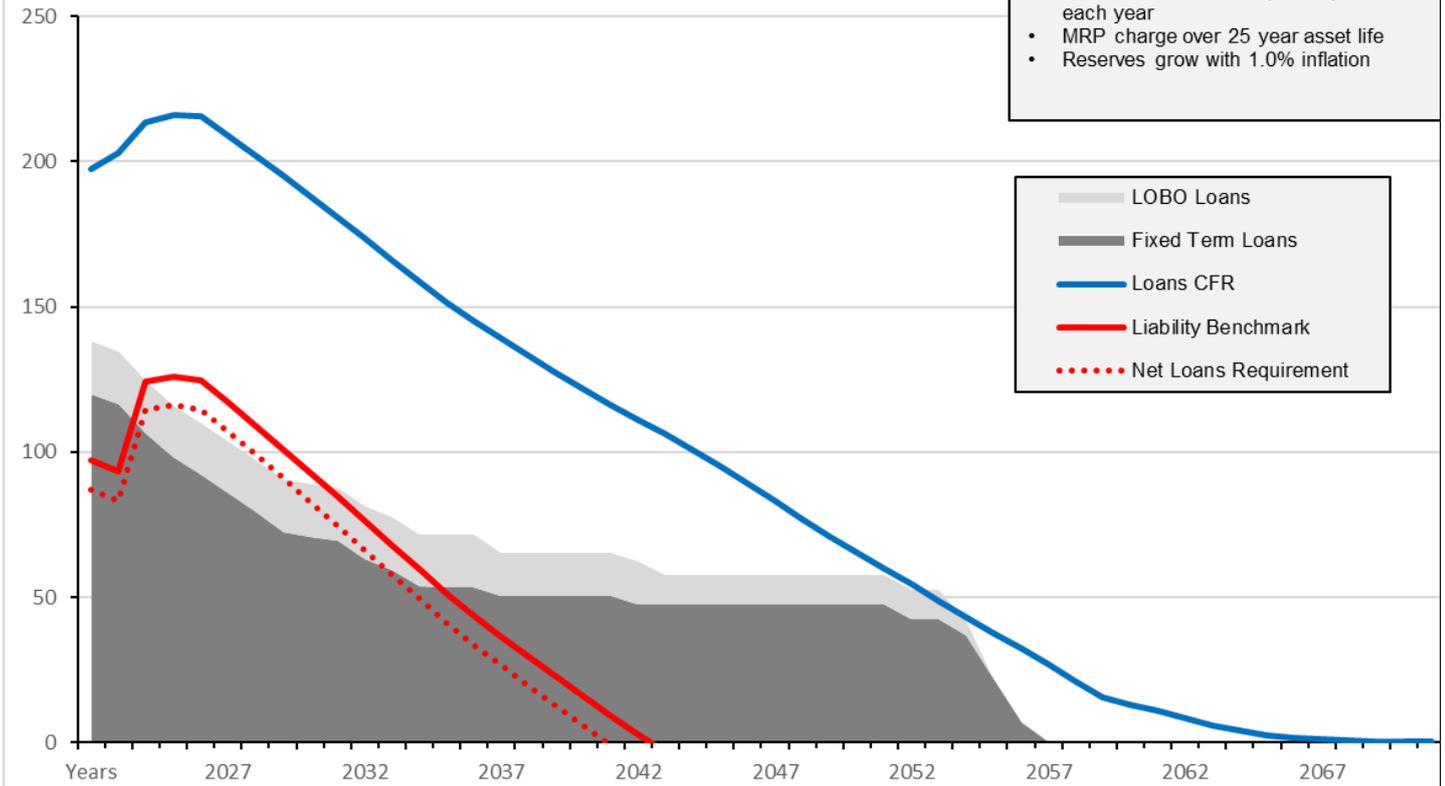
## Long Term Liability Benchmark

**Assumptions after 2026**

- £5M of debt funded capital expenditure each year
- MRP charge over 25 year asset life
- Reserves grow with 1.0% inflation

Legend:

- LOBO Loans
- Fixed Term Loans
- Loans CFR
- Liability Benchmark
- Net Loans Requirement



### 5.6. Performance against Prudential and Treasury Indicators

- 5.6.1. Appendix 3 shows the current position against the Treasury and Prudential Indicators set by the Council for the current year.
- 5.6.2. With regard to the movement in the key indicator, Total Borrowing against the Authorised Borrowing Limit, this is shown as the first graph in Appendix 4. Total borrowing at 30st Sept 2023 was £204.8M, which is below both our Operational Boundary (£301.8M) and our Authorised Borrowing Limit (£311.8M) for 2023/24.
- 5.6.3. During the period we have remained **within** both our Operational Boundary – which is set for management guidance – and the (higher) Authorised Borrowing Limit. The Authorised Limit is the key Prudential Indicator – any borrowing cannot be taken if this Limit is (or would be caused to be) breached.
- 5.6.4. This total debt includes the impact on the balance sheet of the recognition of assets that have been financed through PFI. The accounting adjustments are designed to show our effective long-term control over the assets concerned, and the “indebtedness” arising from financing the cost of them. They do not add to the “bottom line” cost met by the Council Tax Payer.
- 5.6.5. While the Council currently has no short-term borrowings, it may in the future hold part of its debt portfolio in loans of less than a year’s duration, as short-term loans can still represent a relatively cheap way to fund marginal changes in the Council’s debt requirements. This remains under review, with regular updates from the Council’s treasury management advisors, Arlingclose.

### **Interest Risk Exposures**

- 5.6.6. Our **Variable Interest Rate Exposure** (see second graph at Appendix 4) ended the period at -£76.9M, against the **limit** set for this year of £92.8M.
- 5.6.7. This indicator exists to ensure that the Council does not become over-exposed to changes in interest rates impacting adversely on its revenue budget. The limit is set to allow for short as well as long term borrowing, and takes:
- (a) all variable elements of borrowing (including short term borrowing – up to 364 days – and any LOBO debt at risk of being called in the year), which is then offset by
  - (b) any lending (up to 364 days).
- 5.6.8. The Variable Interest Rate Exposure is negative (£-76.9M) as our variable rate lending is currently higher than our variable rate borrowing.
- 5.6.9. Our **Fixed Interest Rate Exposure** was around £123.2M, against the **limit** of £212.1M. This indicator effectively mirrors the previous indicator, tracking the Council's position in terms of how much of the debt will not vary as interest rates move. The historically low interest rates prevailing over recent decades led the Council to hold a large part of its debt in this way.
- 5.6.10. This limit was set to allow for the possibility of much higher levels of new long-term, fixed rate borrowing.

### **Other Indicators**

- 5.6.11. Forecast Capital Expenditure is detailed in the Quarterly Corporate Capital Budget and Balance Sheet Monitoring Report to Executive Board, which is also on the agenda for this meeting, and includes an analysis of all movements since the Capital Programme was approved by Finance Council on 27<sup>th</sup> February 2023.
- 5.6.12. Although capital expenditure is not charged directly to the revenue budget, interest payable on loans and MRP repayments are charged to revenue. The net annual charge is known as the Financing Cost; within the Prudential Indicators, this is compared to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.
- 5.6.13. A new indicator was added to the Prudential Code for 2023/24, which compares net income from commercial and service investments to the net revenue stream i.e. the amount funded from Council Tax, business rates and general government grants.

## **6. TREASURY MANAGEMENT STRATEGY FOR THE REMAINDER OF THE YEAR**

- 6.1. The 2023/24 Strategy sought to minimise borrowing costs, in the context of the Council's long-term debt being considerably lower than its accumulated Capital Financing Requirement (CFR), with the difference being covered by the use of any available balances.
- 6.2. When the Strategy was written, it was expected that both short and long-term interest rates would rise throughout the financial year, and it was therefore likely to be more cost effective to maximise the use of internal resources in order to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk. This position remains unchanged.

### **Investment**

- 6.3. Both the CIPFA Code and government guidance require that funds be invested prudently, and with regard to security and liquidity, before seeking the optimum 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.
- 6.4. The Council's Investment Criteria allow investment in a range of other organisations and structures, but as there are limited opportunities for straightforward trading in Secured Deposits, and as priority is given to maintaining liquidity, short-dated and simpler options are mainly used. Investments are made in: fixed term deposits and instant access accounts with banks and building societies; instant access Money Market Funds; and fixed term deposits with local authorities and the UK Government's Debt Management Office. It is expected that these will continue to be the main investment options taken up across the remainder of the year.
- 6.5. It is proposed that there be no changes to the existing Investment Criteria and Investment Counterparty Limits.

### **Borrowing**

- 6.6. The Council's key objective when borrowing has been to strike an appropriately low risk balance between securing low interest costs and achieving cost certainty over the period for which funds are required. The flexibility to renegotiate loans, should long-term plans change is a further, secondary objective.
- 6.7. In keeping with these objectives, no new borrowing was undertaken in the first half of the year. This strategy enabled the Authority to reduce net borrowing costs (despite foregone investment income) and reduce overall treasury risk.
- 6.8. It is proposed that the Borrowing Strategy remain unchanged, with the Council looking to take new borrowing as determined by cash flow requirements and by reference to movements in actual and projected long-term interest rates.

### **Risk Management**

- 6.9. The Council's main objective for the management of its investments is to give priority to the security and liquidity of its funds before seeking the best rate of return. Therefore, most surplus cash is held in short-term investments with government bodies, and with highly rated banks and pooled funds. In addition, the Council can hold investments that entail a

slightly higher level of risk, but such risks are mitigated by limiting the amount and duration of exposure.

6.10. The Council's main objective for the management of its debt is to ensure its long-term affordability. The largest portion of its loans are from the PWLB at long-term fixed rates of interest.

6.11. Another significant element of the Council's long-term debt is £18M of loans from banks and other institutions. £13M worth are "lender's option, borrower's option" (LOBO) loans, under which the Lender can, at pre-determined times, exercise an Option to increase the rate payable on the debt, and the Borrower has the Option to either accept the proposed increase or repay the whole loan.

These loans have interest rates fixed at levels that were relatively low when they began, but if the Lender Option is exercised, the Borrower would have to deal with whatever interest rates are at a later date. This exposes the Council to some risk of rising long-term interest rates, but that is mitigated by the fact that £5M of this debt (forming a large part of the lowest interest rate elements) can only be "called" once in every five years. Recent movements in interest rates have increased the likelihood of the options on these loans being exercised. The Council holds £8M of LOBO loans with option dates within the next 6 months. The Council continues to review these loans and the opportunities available, should the options be exercised.

6.12. A combination of short duration investments and long duration debt exposes the Council to the risk of falling investment income during periods of low interest rates. This is not a concern in the current financial year because interest rates are high, however, even if interest rates were to fall, the risk of low investment returns is viewed as lower priority compared to the benefits of optimising the security and liquidity of investments, and the savings made on borrowing costs.

### **Indicators**

6.13. The previously approved Indicators were set at cautious levels and can remain unchanged.

6.14. The Council has complied with the Limits and Indicators it has set, and expects to do so over the remainder of the year.

## **7. POLICY IMPLICATIONS**

None

## **8. FINANCIAL IMPLICATIONS**

The financial implications arising from Treasury Management activities are reflected in the Council's overall Budget Strategy, and in ongoing budget monitoring throughout the year.

## **9. LEGAL IMPLICATIONS**

The report is in accordance with the CIPFA code and therefore is in accordance with the Financial Procedure Rules under the Council's Constitution.

**10. RESOURCE IMPLICATIONS**

None

**11. CONSULTATIONS**

None

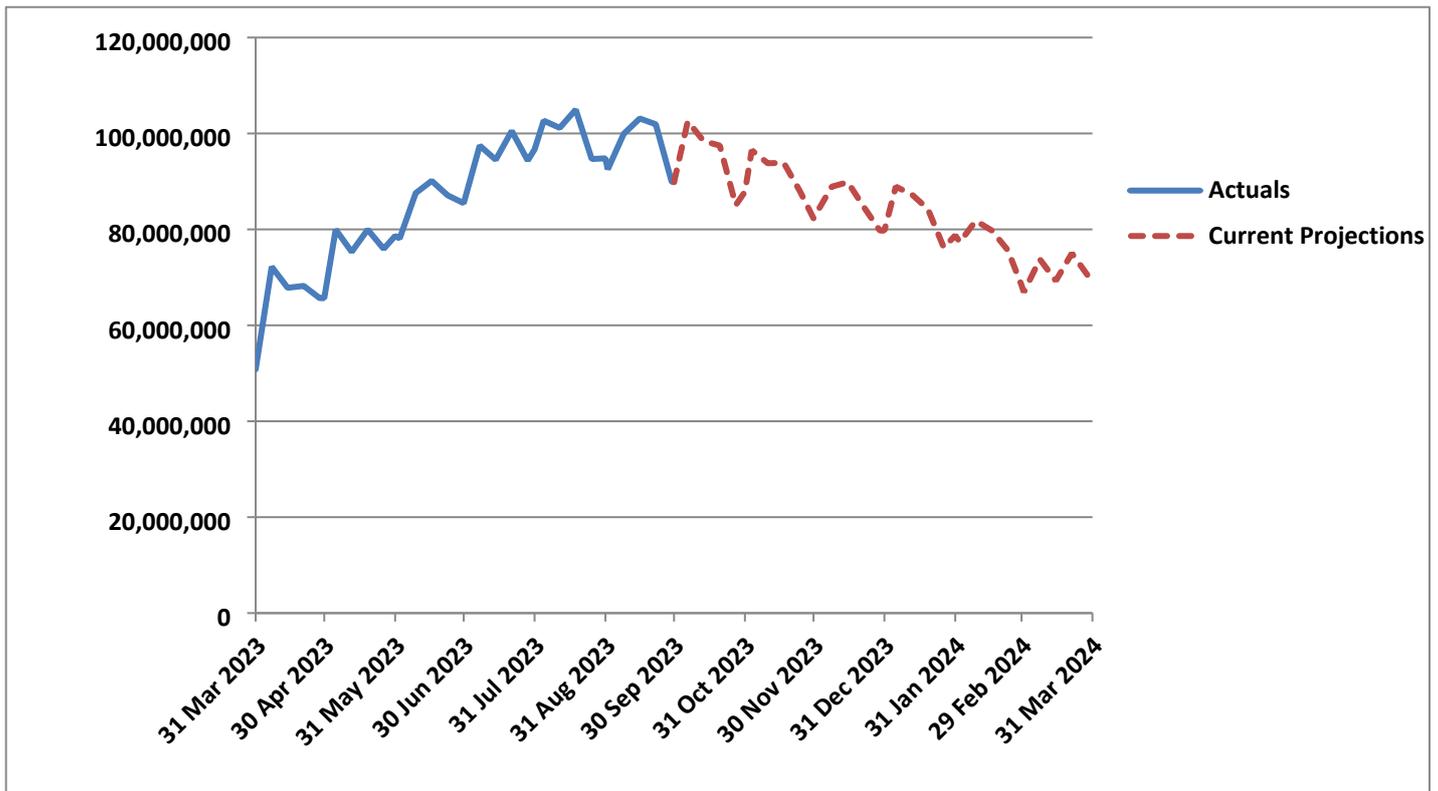
**12. STATEMENT OF COMPLIANCE**

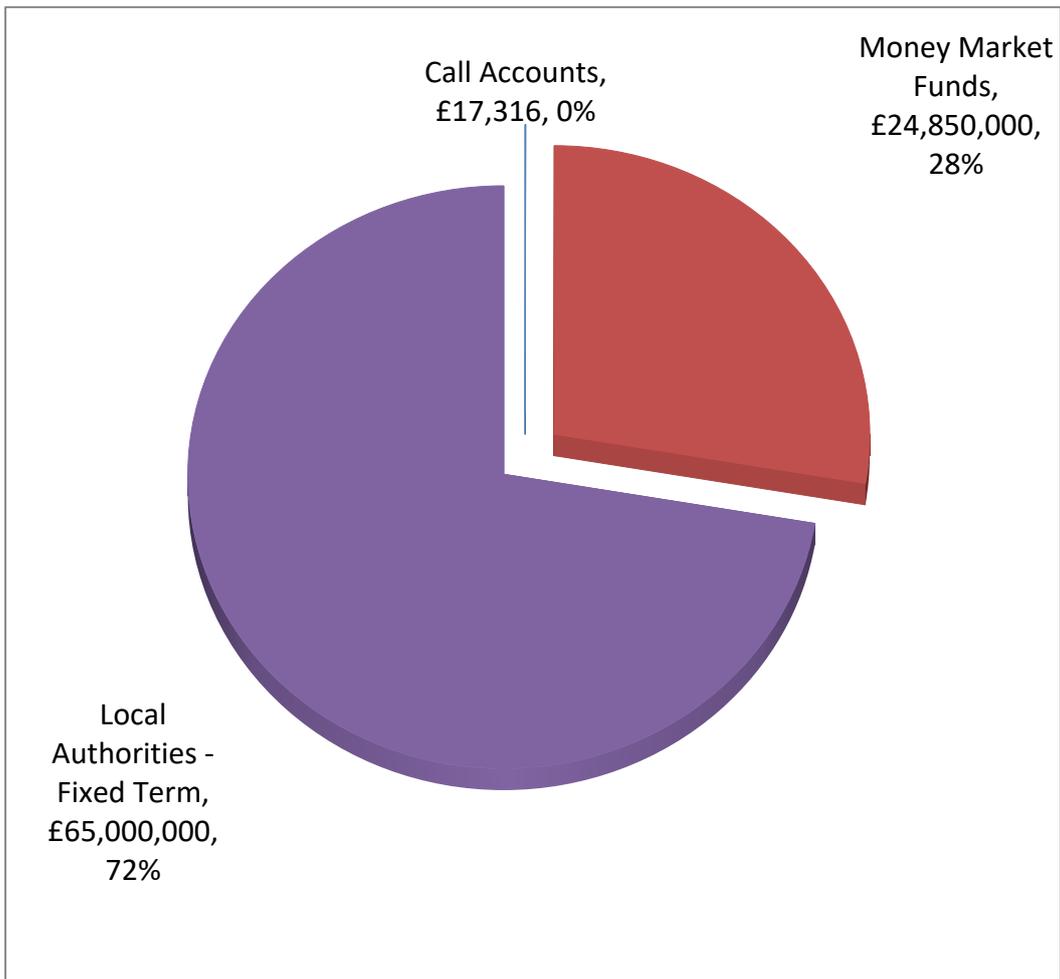
The recommendations are made further to advice from the Monitoring Officer and the Section 151 Officer has confirmed that they do not incur unlawful expenditure. They are also compliant with equality legislation and an equality analysis and impact assessment has been considered. The recommendations reflect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

**VERSION:** 0.01

<b>CONTACT OFFICER:</b>	Nikki Bell – Finance Manager – extn 267680 Jenny Bradley – Senior Finance Manager – extn 267681 Simon Ross – Head of Finance – extn 585569
	Oct 2023
<b>BACKGROUND PAPERS:</b>	CIPFA Guidance - CLG Investment Guidance - Council Prudential Indicators for 2023/24 approved by Council 27 <sup>th</sup> February 2023 - Council Treasury Management Strategy for 2023/24 approved by Executive Board 9 <sup>th</sup> March 2023

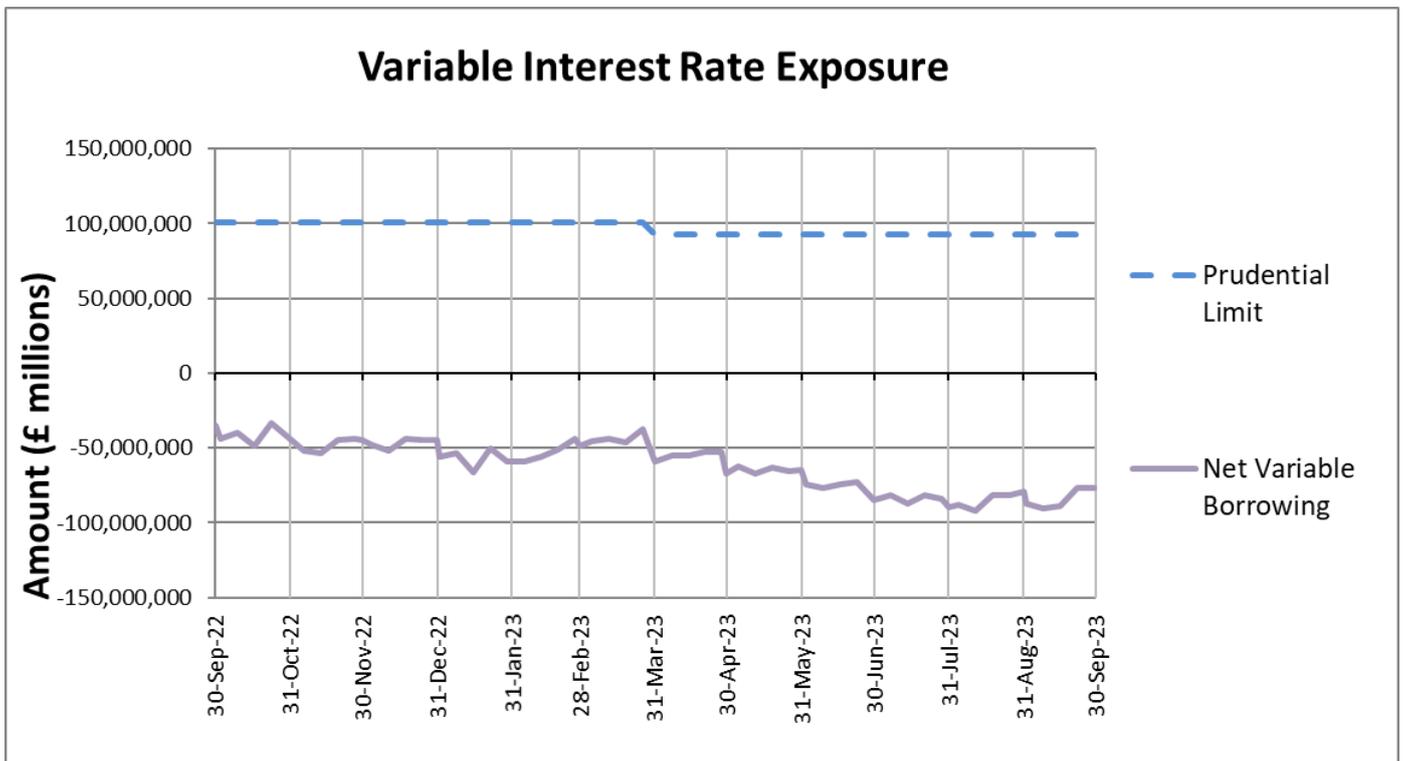
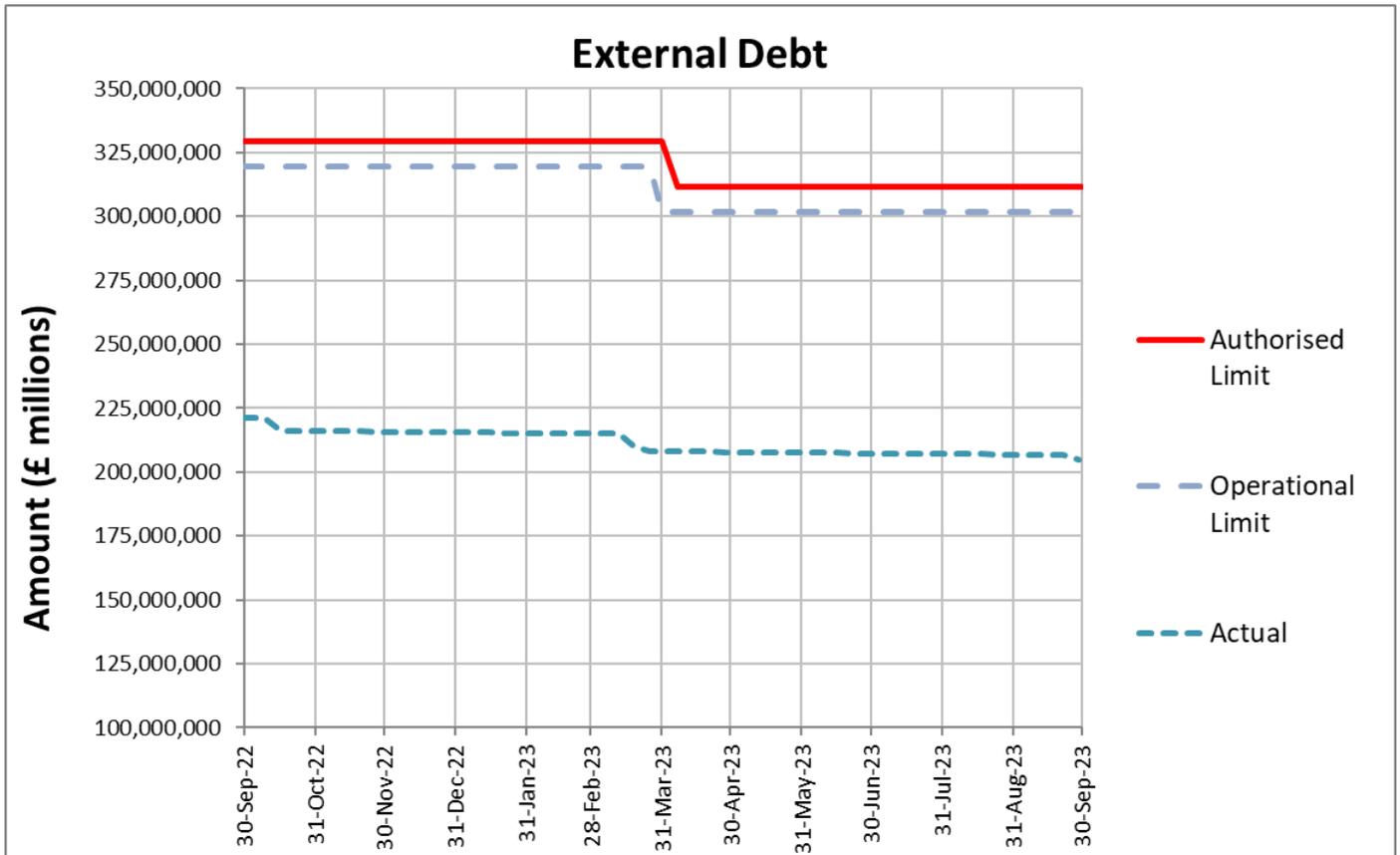
2023/24 (April 2023 to September 2023)





	Indicator 2023/24	As Approved Mar 23	Current Monitoring	Commentary		
	Estimated Capital Expenditure	£42.3M	£59.2M	Current monitoring includes slippage from 2022/23 and new schemes approved in the first two quarters of the year, as detailed in the Corporate Capital Budget and Balance Sheet Monitoring Report.		
	Estimated Total Capital Financing Requirement at End of Year	£291.8M (incl projections re LCC debt £14.5M, PFI debt £68.7M)	£286.3M (incl projections re LCC debt £14.6M, PFI debt £68.7M)			
	Estimated Ratio of Financing Costs to Net Revenue Stream	10.6%	8.7%			
	Proportion of Net income from Commercial and Service Investments to Net Revenue Stream	0.3%	1.0%			
Page 125	Outturn External Debt Prudential Indicators	LCC Debt	14.8M	<b>Borrowing to Date</b>	<b>£M</b>	Operational boundary and authorised borrowing limit have not been breached during the year.
		PFI Elements (no lease)	68.9M	LCC Debt	12.2	
		Remaining Elements	218.1M	PFI Elements	56.4	
		<b>Operational Boundary</b>	<b>301.8M</b>	BwD	136.2	
		<b>Authorised Borrowing Limit</b>	<b>311.8M</b>	<b>Total</b>	<b>204.8</b>	
	Variable Interest Rate Exposure	£92.8M	Exposure to Date	-£76.9M	Limit not breached during the year.	
	Fixed Interest Rate Exposure	£212.1M	Exposure to Date	£123.2M	Limit not breached during the year.	

Prudential Limits for Maturity Structure of Borrowing	<b>Lower Limit</b>	<b>Upper Limit</b>	<b>Period (Years)</b>	<b>Actual Maturity Structure to Date</b>			No limits breached during the year.
				<b>Period (Years)</b>	<b>£M</b>	<b>%</b>	
	0%	50%	<1	<1	21.2	15.6%	
	0%	30%	1-2	1-2	10.2	7.5%	
	0%	30%	2-5	2-5	19.6	14.4%	
	0%	30%	5-10	5-10	17.7	13.0%	
	20%	95%	>10	>10	67.6	49.6%	
			<b>Total</b>	<b>136.2</b>	<b>100%</b>		
Total Investments for Longer than 364 Days	£7M			No Long Term Investments Made			



**Investment Rates**

The interest rates for durations of less than a year are represented by LIBID (London Interbank Bid Rate), a reference rate measuring levels at which major banks are prepared to borrow from one another. This is a potential benchmark for the return on the Council's investments, though the rates actually available are constrained by the Council's investment criteria and largely short term investment horizon, designed to ensure cash is available when required.

**Borrowing Rates**

To indicate the potential costs of borrowing to fund the Council's capital programme, the reference point is Public Works Loans Board (PWLB) borrowing rates. The benchmark used is for "Certainty Rate" borrowing of "Maturity" Loans (loans of fixed lump sums, at fixed rates, over periods from 1 to 50 years).

The PWLB is the statutory body which lends to public bodies from Government resources – the Government has declared that it will be abolished at some point in the future, but that the facility for lending at good value will be continued - no date has been proposed for the change.

**PWLB Loans** - Fixed rate loans are repayable by one of three methods:

- (a) **Maturity**: half-yearly payments of interest only, with a single repayment of principal at the end of the term.
- (b) **Annuity**: fixed half-yearly payments to include principal and interest or
- (c) **EIP (Equal Instalments of Principal)**: equal half-yearly instalments of principal together with interest on the balance outstanding at the time.

**Certainty Rates** - a discount - currently 0.20% - is available on new PWLB borrowing to local authorities completing an information request on borrowing intentions to Central Government.

Current PWLB rates have no impact so long as no new longer term borrowing is taken, as all the Council's existing long term debt is at fixed rates.

**LOBO** - LOBO stands for Lender Option, Borrower Option. It means that the lender can increase the interest rate, which gives the borrower the option to repay the loan in full without penalty fees. Public bodies used to be only able to borrow money through government Public Works Loan Board (PWLB) loans, however borrowing from banks in the form of LOBOs was permitted from the early 2000s. LOBOs were made available with low rates (cheaper than then available PWLB rates) so they appeared to be an attractive alternative.

LOBOs have provoked criticism because of high initial profits to the lender from day one, and high subsequent interest rates. It is difficult to exit LOBO loans early unless the lender is in agreement, so they are less flexible, and there is a risk that if/when they are "called", the borrower may find itself having to refinance debt at high rates.

This Council always limited the scale of LOBO borrowing taken, so that it formed part of an overall balanced debt portfolio, while bringing the advantage of initial lower rates.

**PFI** - The private finance initiative is a way of creating "public-private partnerships" (PPPs) by funding public infrastructure projects with private capital.

**BSF** - Building Schools for the Future (BSF) was the name given to Central Government's investment programme in secondary school buildings in England in the 2000s. In Blackburn with Darwen, the schools funded through this scheme are Witton Park High School, Blackburn Central High School and Pleckgate High School.

### **Prudential Indicators**

Prudential Indicators are established mainly to allow members to be informed of the impact of capital investment decisions and to establish that the proposals are affordable, prudent and sustainable. In addressing the debt taken on by the Council, the indicators also deal with treasury issues, in particular the absolute level of debt being taken on (through the Authorised and Operational Borrowing Limits).

It should be noted that a "breach" of a prudential indicator is not necessarily a problem for the Council. Some indicators are more crucial than others, particularly in terms of their impact. If we spend more on the capital programme in total, that is not necessarily a problem if it has no adverse revenue consequences, for instance. Similarly, if we breach the indicator relating to variable interest rate exposure, this can just point to the balance of different types of debt taken up (between at fixed or variable interest rates) being significantly different from that anticipated when the indicator was set.

On the other hand, the Council's ability to borrow from the PWLB is constrained by needing to remain within the Authorised Borrowing Limit the Council has set for itself. If it became necessary to re-shape the Council's overall capital spending and borrowing strategy to the extent that the original Authorised Borrowing Limits were at risk of being breached, it would be necessary to obtain authority from full Council to change the borrowing limits.

### **Money Market Fund**

A Money Market Fund is a type of fund investing in a diversified portfolio of short term, high quality debt instruments - provides benefit of pooled investment - assets are actively managed with very specific guidelines to offer safety of principal, liquidity and competitive returns - such funds "ring-fenced", kept fully separate from the remainder of funds managed by the investment house running the fund.

Council only uses highly rated funds - **policy** is to limit to those with long-term credit ratings no lower than A-, but current **practice** is to only use AAA rated with daily access (like instant access bank accounts).

## 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 November 2023

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

**SUBJECT: Intermediate Care at Albion Mill – Proposal for transfer of services and commissioning arrangements**

### 1. EXECUTIVE SUMMARY

Intermediate Care at Albion Mill has been operational since January 2022. The current model is delivered in partnership through Blackburn with Darwen (BwD) Borough Council, Lancashire and South Cumbria NHS Foundation Trust (LSCFT), and BwD Local Primary Care (LPC). The service is funded through the Better Care Fund which is a pooled budget between the Council and the Integrated Care Board (ICB).

Since the Intermediate Care service opened in January 2022, it has been successful in mobilising a maximum of 50% of the total rehabilitation placements available. In practice, this has resulted in only one of the two Floors of the unit being utilised (13 suites and 2 apartments). This is due to a combination of difficulties relating to operationalising a new service within a new building and the complexities of working across several organisations. An alternative solution is required to ensure full utilisation of the scheme and subsequently the provision of sufficient high quality intermediate care provision to support the residents of the Borough. System partners across health and social care have been working together for some time to develop an optimal model for intermediate care to support Blackburn with Darwen residents. The outcome of several working groups, a due diligence exercise and specialist procurement advice, is to recommend that a single Provider arrangement and care model is agreed.

If agreed, the proposal is to move the current provision of nursing and therapy from LSCFT, and social care support from BwD Council, to a single provider. The proposal includes a phased approach to full implementation, commencing with the mobilisation of Floor 1 from December 2023.

Phase 2 will include the opening of the remaining suites and the diversion of the Discharge to Assess pathway through Albion Mill.

The lead Commissioner for the whole service will be Lancashire & South Cumbria ICB, who currently commission the nursing, therapy, clinical oversight and pharmacy elements of the existing model.

## **2. RECOMMENDATIONS**

That the Executive Board:

- Note the significant challenges with the current operating model and the need for urgent change.
- Approve that the ICB becomes the lead commissioner for the intermediate care service at Albion Mill.
- Approve the plan to commission a single provider to deliver the nursing, care and therapy services that make up the intermediate care service within Albion Mill.
- Support the intention to utilise a phased approach to opening the two floors
- If required, approve the transfer of existing Council staff at Albion Mill, via TUPE, to the new Provider;
- Give delegated authority to the Strategic Director for Adults and Health, in consultation with the Executive Member for Adult Social Care and Health and the Deputy Director for Legal and Governance, to conclude any agreements necessary to facilitate the recommendations above.

## **3. BACKGROUND**

Intermediate Care remains a key priority across all system partners as a means to improve health, care and wellbeing outcomes for the population of Blackburn with Darwen. Intermediate care and enhanced support at home enables our residents to maximise independence and stay living at home for longer following periods of illness or injury.

Albion Mill is a relatively new-build extra care and intermediate care facility located within the Borough. The intermediate care element of Albion Mill provides 35 suites across two floors (31 en-suite bedrooms and 4 apartments) and delivers person centred, integrated rehabilitation and recovery as part of a time-limited response, enabling people to return to living independently.

A procurement exercise led by BwD Council was undertaken across 2019/2020. One Provider tendered for the contract, however, following lengthy consideration and negotiation, the process was unsuccessful. Following the failed procurement and in the context of entering the early stages of the pandemic in 2020, a rapid solution was required to meet the required timeline and trajectory for the opening of Albion Mill. The subsequent partnership agreement ensured the programme of work remained on track and at the time, provided an opportunity to try an innovative, integrated approach to health and care commissioning.

## **4. KEY ISSUES AND RISKS**

The service commenced a phased approach to opening in January 2022 and has achieved some excellent outcomes for residents undertaking their rehabilitation programme. Since opening however, the Partnership has been unable to progress to full delivery of the 35 suites due to both operational and environmental issues. This has meant that the facility has been operating with reduced capacity and at times has generated concerns around quality and sustainability.

Fundamental challenges have arisen from the partnership delivery model. This has had a subsequent impact on the ability to deliver a single, seamless service. Adding layers of complexity to operational delivery has generated a number of vulnerabilities. These include:

- **Governance & safety:** separate organisational policies and procedures result in no single line of governance or accountability. This impacts on basic requirements such as incident reporting and recording and also generates duplication. Issues are not easily escalated or resolved due to the need to go through each individual organisation's governance processes.
- **Workforce:** separate staffing requirements have led to inefficiencies within the service model. Lines of accountability are complex due to staff being employed by multiple organisations. Workforce retention in LSCFT has resulted in high agency usage, with significant pressure on the nursing rota. This, coupled with some agency usage in BwD Council has, over time, presented challenges to staff morale and service continuity.
- **Mobilisation:** Despite the service being established with 35 suites, the current multi-provider arrangement has only been successful in opening one floor, which is a maximum of 13 beds and 2 apartments. Admission policies and processes have at times hindered step-up pathways due to multiple access requirements onto electronic resident/patient records. Additionally, there is a demand for an increased level of acuity/need which cannot be met by the current staffing model.
- **Quality:** three separate quality reviews have been undertaken, including a test CQC inspection, which have generated a series of recommendations. These primarily relate to: policies and procedures; management of medicines; auditing processes; and governance structure.

Whilst all partners have continued to work together to improve and mitigate risks, all agencies involved have concluded that the current partnership model is unable to deliver the future requirements of a fully utilised and high quality service. Transferring to a single provider model will immediately mitigate much of this risk and enable ongoing improvements, ultimately providing successful outcomes for a greater number of residents.

## 5. POLICY IMPLICATIONS

Operational policies and procedures relating to the provision of Intermediate Care at Albion Mill will be replaced by the policies and procedures of the single Provider going forward. This will be completed as part of the service transfer and mobilisation, with safety and continuity of care ensured.

## 6. FINANCIAL IMPLICATIONS

There are no new financial implications for the Council.

The Intermediate Care Service at Albion Mill is funded through the Better Care Fund budget which is pooled between BwD Council and the ICB. Additional hospital discharge grants are also managed through the BCF framework. This will remain the case going forward.

## 7. LEGAL IMPLICATIONS

TUPE arrangements will apply for the staff currently working within the Intermediate Care Service at Albion Mill.

It is proposed that the ICB becomes the lead commissioner for Intermediate Care at Albion Mill and that the new Provider will provide all elements of nursing, therapy and care within the service. This will allow the ICB and BwD Council to retain joint oversight of the service through local joint

commissioning arrangements. The delivery model for Albion Mill is evolving and it is recommended that this is reviewed regularly as part of the BwD Place Based Partnership. All necessary regulations will be adhered to as part of the transfer to a single Provider. As the lead commissioner, the ICB will adhere to all relevant regulations contained within the Public Contracts Regulations 2015.

## 8. RESOURCE IMPLICATIONS

Successfully implementing the new commissioning arrangements and the transfer of services to a single provider will require capacity and support from senior officers from within the Council. This will be managed within existing resources.

## 9. EQUALITY AND HEALTH IMPLICATIONS

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

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

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

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

## 10. CONSULTATIONS

Regular updates have been provided to Leadership, Elected Members, staff groups, Unions and partner organisations.

Prior to the implementation of change, a communication and engagement plan will be developed regarding the transfer of services including:

- Current staff providing the service
- Wider staff of all partners
- Unions
- Service users and their families / carers
- Stakeholders
- CQC
- Politicians
- Media

## 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>Zoe Evans, Katherine White</b>
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<b>DATE:</b>	24 <sup>th</sup> October 2023
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<b>BACKGROUND PAPER:</b>	
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## EXECUTIVE BOARD DECISION



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

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

### **SUBJECT: Academy Conversions**

#### **1. EXECUTIVE SUMMARY**

The Academies Conversion is a Central Government Policy and initiated by an Order by the Secretary of State. As result of this Order, the school site occupied by the schools, together with all the relevant associated rights, liabilities and staff transfer over to the Academy Trust. The Local Authority is required to grant a 125 year lease of the school site and the playing fields and also complete a Commercial Transfer Agreement (CTA).

This report informs the Executive Board of the obligation arising from each Academy Order to execute and complete legal documentation associated with the conversions, primarily in the form required by the Department for Education (DfE).

The report also outlines the financial processes that may be necessary to minimise or mitigate the risk for the Local Authority to absorb a School(s) deficit budget at the point of the school converting to an Academy.

#### **2. RECOMMENDATIONS**

Under Section 4 of the Academies Act 2010, the Secretary of State for Education makes an Academy Order, which recommends the named school to become an Academy.

The Executive Board notes that

- the Strategic Director of Children & Education in consultation with the Executive Member for Childrens, Young People and Education will agree conversions in line with:
  - The Academies Act 2010
  - The Academy Conversions (Transfer of School Surpluses) Regulations 2013
  - The Schools and Early Years Finance (England) Regulations 2023; and
- the Deputy Director of Legal and Governance will complete all necessary legal agreements including any lease necessary as outlined in the legal implications in order to execute such conversions; and

- where it is considered necessary to do so, and in accordance with the approved Scheme of Financing Schools, the Strategic Director of Finance and Resources may issue a “notice of concern” letter to schools in respect of financial delegation in order to safeguard the financial position of the Local Authority and/or a school ahead of a school becoming a sponsored academy.

### **3. BACKGROUND**

The Academy Act 2010, section 5B details the requirements placed upon the Local Authority in respect of the Duty to facilitate Conversion; those being:

- (1) Where an Academy order under section 4(A1) or (1)(b) has effect in respect of a school, the governing body of the school and the local authority must take all reasonable steps to facilitate the conversion of the school into an Academy.
- (2) Where the Secretary of State notifies the governing body or local authority that the Secretary of State is minded to enter into Academy arrangements with a specified person, their duty under subsection (1) includes a duty to take all reasonable steps to facilitate the making of Academy arrangements with that person.

When a maintained school becomes an academy, legislation sets out a process for the transfer of any financial surplus the school may have at the point of conversion. It also sets out what happens to any deficit a converting academy may have. The academisation of a school can be either through an Academy Converter route or a Sponsored Academy route. For an academy converter with a deficit budget at the point of conversion the DfE reimburses Local Authorities any such deficit and recovers the money back from the academy through abatement of General Annual Grant (GAG). Where a school with a deficit is to open as a sponsored academy, the deficit remains with the Local Authority, to be funded from its core budget. It is therefore recommended that Local Authorities work closely with schools becoming an academy to ensure that they manage the risk of an increasing deficit, and if a school is not managing its expenditure in a satisfactory manner, the Local Authority may withdraw delegation of the school’s budget share in order to limit the potential cost to the Local Authority’s budget.

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

Failure to comply with The Academy Act 2010 in relation to the Local Authorities duty to facilitate an academy conversion may result in reputational damage between the Local Authority and the DfE alongside reputational and relationship damage between the Local Authority, Schools and Academy Trusts.

Issuing schools that are an academy by means of a sponsored route a Notice of Concern may minimise or mitigate the risk for the Local Authority to absorb a deficit budget at the point of the school converting to an academy.

The Local Authority may issue a Notice of Concern to the governing body of any school it maintains where, in the opinion of Chief Officers, the school has failed to comply with any provisions of the scheme for financing schools. The principal criterion for issuing a Notice of Concern, and determining the requirements included within it, must be to safeguard the financial position of the Local Authority or school, and any such notice must set out the reasons and evidence for it being made and may place on the governing body restrictions, limitations or prohibitions in relation to the management of funds delegated to it.

The purpose of this provision is to enable a local authority to set out formally any concerns it has regarding the financial management of a school it maintains and require a governing body to comply with any requirements it deems necessary. The notice must clearly state what these requirements are and the way in which and the time by which such requirements must be complied with in order for the

notice to be withdrawn. It will also state the actions that the Local Authority may take where the governing body does not comply with the notice.

Where a local authority issues a notice of concern the scheme should provide for the notice to be withdrawn once the governing body has complied with the requirements it imposes.

## **5. POLICY IMPLICATIONS**

No

## **6. FINANCIAL IMPLICATIONS**

If the notice of concern isn't in place and the sponsored academy converts to an academy with a deficit balance, this cannot be covered by the Dedicated Schools Grant (DSG) (unless the authority de-delegates for schools in deficit, which we currently do not at Blackburn with Darwen) it would have to come from the council general fund. Therefore it is in the Local Authority's best interest to try and prevent those schools going into deficit.

Also any income from charging schools for academy conversions (see section 8) will be used to increase resource to manage future academy conversions.

## **7. LEGAL IMPLICATIONS**

There are 2 main elements to an academy transfer agreement between the local authority and the school. These are the Commercial Transfer Agreement (CTA), which documents the transfer of assets and liabilities from the governors of the named school to named Academy Trust. The CTA is a much more time consuming exercise than the other documentation as the CTA ensures all liabilities transfer, including contracts, staffing information and any loans by the Local Authority to the new Academy Trust.

Depending on the pre-conversion category of the school, the Secretary of State will require the Local Authority to either grant the Academy Trust a 125 year for the school site and (if required) playing fields or the freehold of the school site to the Academy Trust and 125 year for the playing fields.

## **8. RESOURCE IMPLICATIONS**

Initially academy conversions will be met through existing resource across Education, Finance, Legal, Procurement and Growth Teams. However, as the number of school requiring conversion increases additional resource will be require to facilitate timely conversions. There is a provision in place for the Local Authority to charge schools that make an application to convert to an academy, however in accordance with s.93 of the Local Government Act 2003, a local authority cannot charge for services that it is required by legislation to provide. Local authorities are therefore barred by statute from charging for the conversion of Inadequate and coasting schools.

## **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

Any changes or amendments to the scheme for financing schools are subject to approval through School Forum.

## 11. STATEMENT OF COMPLIANCE

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

## 12. DECLARATION OF INTEREST

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

**VERSION:** 1

<b>CONTACT OFFICER:</b>	Carol Grimshaw, Head of Service, Schools System Support Kirsty Thompson, Finance Manager, Schools and Education
<b>DATE:</b>	26 October 2023
<b>BACKGROUND PAPER:</b>	None

By virtue of paragraph(s) 3, 4 of Part 1 of Schedule 12A  
of the Local Government Act 1972.

Document is Restricted