



# Meeting of the Burnley Borough Council

To be held at 6.30 pm on  
Wednesday, 22nd February, 2023





Sir or Madam,

Notice is given of a MEETING of the COUNCIL of the BOROUGH OF BURNLEY to be held at UNITY COLLEGE, TOWNELEY HOLMES, BURNLEY, BB11 3DF on

**DATE: Wednesday, 22nd February, 2023**

**starting at 6.30 pm**

To transact the business specified below.

**Catherine Waudby**  
**Head of Legal and Democratic Services**

**Members of the public may ask a question, make a statement, or present a petition relating to any matter for which the Council has a responsibility or which affects the Borough.**

**Notice in writing of the subject matter must be given to the Head of Legal & Democratic Services by 5.00 pm on the day before the meeting. Forms can be obtained for this purpose from the reception desk at Burnley Town Hall, Manchester Road or from the web at: <http://burnley.moderngov.co.uk/ecCatDisplay.aspx?sch=doc&cat=13234> . You can also register to speak via the online agenda. Requests will be dealt with in the order in which they are received.**

**All Full Council meetings are livestreamed on the Council's [Youtube Channel](#)**

**Due to limited space in the venue members of the public wishing to observe the meeting are advised to watch the live stream on Youtube. Priority will be given to those who have registered to speak if seating capacity is exceeded.**

## **A G E N D A**

1. Minutes of Previous Meetings 7 - 14  
To receive, as read, the Minutes of the proceedings of previous Council meetings, held on 29<sup>th</sup> November 2022 and 25<sup>th</sup> January 2023, and to confirm them or otherwise.
2. Declarations of Interest  
To receive any declarations of interest.

3. Mayor's Communications

To receive communications (if any) from Her Worshipful the Mayor.

4. Public Question Time

To receive questions, statements or petitions (if any) from members of the public.

5. Items for Decision by the Council

- a) Recommendation of the Independent Remuneration Panel 15 - 30  
To consider recommendations from the Independent Remuneration Panel.
- b) Strategic Plan 2023 31 - 44  
To consider the Strategic Plan 2023.
- c) Revenue Budget Monitoring Q3 2022/23 45 - 64  
To consider the revenue budget monitoring Q3 2022/23.
- d) Capital Budget Monitoring Q3 2022/23 65 - 80  
To consider the capital budget monitoring Q3 2022/23.
- e) Medium Term Financial Strategy 2024/28 81 - 126  
To consider the medium term financial strategy 2024/2028.
- f) Treasury Management Strategy 2023/24 and Prudential Treasury Indicators 127 - 158  
To consider the Treasury Management Strategy 2023/24 and prudential treasury indicators.
- g) Council Tax Support Scheme 2023/24 159 - 172  
To consider a Council Tax Support Scheme 2023/24.
- h) Revenue Budget 2023/24 173 - 196  
To consider the revenue budget 2023/24.
- i) Capital Budget 2023/24 and Capital Investment Programme 2023/28 197 - 224  
To consider the capital budget 2023/24 and capital investment programme 2023/28.



- j) Revenue Budget Statutory Report by Finance Officer 225 - 232  
To consider a revenue budget statutory report by the Finance Officer (S151).
- k) Council Tax Resolution 2023/24 - To follow  
To consider a Council Tax resolution 2023/24.
- l) Pay Policy Statement 2023/24 233 - 302  
To consider a report on the annual Pay Policy Statement.
- m) Code of Conduct Review 303 - 320  
To consider a report on the review of the Code of Conduct for Members.
- n) Constitutional Updates and Reporting 321 - 494  
To consider a report detailing Urgent Decisions, Call-In Waivers, Amendments to the Constitution and Appointments to Committees.
- o) Local Government (Disqualification) Act 2022 Changes To Disqualification Criteria For Councillors 495 - 510  
To consider a report on the new grounds for disqualification from being elected to, or being a member of, a local authority.

## 6. Questions

To deal with questions (if any) relating to matters not contained in the Minutes before the Council and of which notice in writing has been received in accordance with Standing Order No. 10(2).

### Councillor Attendance

Please use the link below to access Councillor attendance records. You can refine your search by time or by committee.

<http://burnley.moderngov.co.uk/mgUserAttendanceSummary.aspx>

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## BURNLEY BOROUGH COUNCIL EXTRAORDINARY FULL COUNCIL

COMMITTEE ROOMS 2 & 3

Tuesday, 29th November, 2022

### PRESENT

### MEMBERS

Her Worshipful The Mayor (Councillor Cosima Towneley) in the Chair;

Councillors A Khan (Vice-Chair), A Anwar, H Baker, G Barton, G Birtwistle, C Briggs, S Cunliffe, S Graham, J Harbour, B Horrocks, M Hurt, S Hussain, J Inckle, M Ishtiaq, S Kazmi, A Kelly, T Kennedy, L Khan, J Launer, G Lishman, M Lishman, S Lone, J McGowan, N Mottershead, M Payne, A Raja, C Sollis, M Steel, M Townsend, D Whitaker and A Wight

### OFFICERS

Mick Cartledge	– Chief Executive
Lukman Patel	– Chief Operating Officer
David Bristow	– Mayor's Officer
Carol Eddleston	– Democracy Officer
Alison McEwan	– Democracy Officer
CJ Walmsley	– Democracy Officer

### 33 Minutes of the Last Meeting

**RESOLVED** The Minutes of the meeting of the Council held on 28<sup>th</sup> September 2022 were confirmed, subject to the correction of minute no 23(f) to read 'Councillor Fewings' as the nominated member of the Green Group on the Development Control Committee, and signed by the Mayor.

### 34 Declarations of Interest

There were no declarations of interest in any of the items on the agenda.

### 35 Parliamentary Boundary Review 2023

Consideration was given to a report outlining the proposed changes to the parliamentary boundaries put forward by the Boundary Commission.

Recommendation 2(a) in the report was moved by Councillor Afrasiab Anwar and seconded by Councillor Gordon Birtwistle.

RESOLVED, THAT: Recommendation 2(a) be approved, to ask the Chief Executive to write to the Boundary Commission supporting the changes to the Burnley Parliamentary boundary.

### **36 Appointments to Committees and Political Balance**

Consideration was given to a report setting out the revised political balance of the Council following the recent by-election of Councillor Bill Horrocks as ward councillor for Rosehill with Burnley Wood ward and a number of consequential changes required to committee memberships.

The report also requested a nomination to the position of Vice-chair of the Audit & Standards Committee following the decision taken at the last Full Council meeting that the positions of Chair and Vice-chair of the committee should not be held either by a member of the Executive or the Scrutiny Chair.

RESOLVED, THAT: The following changes be made to committee memberships and appointments:

- Add Councillor Bill Horrocks to Development Control Committee
- Remove Councillor Howard Baker from Audit & Standards Committee
- Remove Councillor Alan Hosker from Scrutiny Committee
- Add Councillor Alan Hosker to Audit & Standards Committee
- Remove Councillor Andy Fewings from Development Control Committee
- Add Councillor Jack Launer to Licensing Committee
- Remove Councillor Charlie Briggs from Licensing Committee
- Appoint Councillor Gordon Lishman as Vice-chair of Audit & Standards Committee.



# BURNLEY BOROUGH COUNCIL FULL COUNCIL

## MECHANICS THEATRE

Wednesday, 25th January, 2023

### PRESENT

### MEMBERS

The Worshipful The Mayor (Councillor Cosima Towneley) in the Chair;

Councillors A Khan (Vice-Chair), A Anwar, H Baker, G Barton, C Briggs, S Chaudhary, S Cunliffe, A Fewings, S Graham, J Harbour, B Horrocks, A Hosker, M Hurt, S Hussain, J Inckle, K Ingham, S Kazmi, A Kelly, L Khan, J Launer, A Lewis, M Lishman, S Lone, J McGowan, L Mehanna, N Mottershead, M Payne, A Raja, A Royle, C Sollis, M Steel, J Sumner, M Townsend, D Whitaker and A Wight

### OFFICERS

Mick Cartledge	– Chief Executive
Lukman Patel	– Chief Operating Officer
Chris Gay	– Governance Manager
Alison McEwan	– Democracy Officer
Carol Eddleston	– Democracy Officer
David Bristow	– Mayor's Officer
MJ Hindman	– Graphic Designer
Dexter Almond	– Admin Officer
Paul Barlow	– Graphic Designer

### 45 Minutes of the Last Meeting

**RESOLVED** With the addition of Cllr Bill Horrocks to the attendance the minutes of the meeting of the Council held on the 7<sup>th</sup> December 2022 were confirmed as a correct record and signed by the Chair.

### 46 Declarations of Interest

It was noted that the Chief Operating Officer would leave the meeting during Minute 53 – Arrangements for the Recruitment and Appointment of Chief Executive.

## **47 Accessible Streets**

It was moved by Councillor Martyn Hurt and seconded by Councillor Sue Graham that;

### **This council notes :**

1. Street clutter is increasing over time, particularly within the town centre.
  - Street clutter includes (but is not limited to) items like Advertising boards, guard rails, wheelie bins, outdoor tables and chairs, planters, badly placed signposts and lampposts, telecommunication boxes and masts, poorly placed EV chargers and bollards.
2. Other issues that affect accessibility include pavement parking, parking over dropped kerbs, pavement cycling/E-Scooter riding and overgrown bushes and hedges.
3. Visually impaired residents and visitors in particular are finding it increasingly difficult to navigate our streets and town centre, with guide dogs struggling to safely guide their owners around obstacles; high obstacles such as rope barriers causing canes to miss them, causing them to walk into them, or safe routes completely blocked, requiring visually impaired residents having to use the road.
4. The lack of tactile definition of roadway and pavement means that visually impaired people and guide dogs cannot tell if they are on the road or pavement in some areas, such as the pedestrianised area of St James's Street.
5. That Lancashire County Council and Lancashire Police are not fulfilling its duties around vehicles obstructing pavements and dropped kerbs.
6. That there are not enough dropped kerbs within the borough, and many stretches of pavement have no accessible routes, leaving those with accessibility issues having to use the road.

### **This council believes that:**

1. The streets of Burnley and Padiham should be accessible for all.
2. Public realm works should consider the accessibility needs of all residents in their design.
3. Reducing street clutter benefits everyone but has a greater benefit for those with additional accessibility needs.
4. On-Street EV Charging points should be built out into the highway rather than taking pavement space.

**This council resolves to:**

1. Place accessibility at the heart of future building and public realm works.
2. That the Leader of the Council and the Chief Executive write to the Chief Executive and Leader of Lancashire County Council requesting:
  - That all highways works take into account accessibility, and that improving accessibility of our pavements is treated high priority, such as increasing the number of dropped kerbs, particularly on streets where there are no accessible routes currently in place, and that dropped kerbs and crossing points should have tactile surfaces to indicate their location.
  - That requests for pruning and trimming works to bushes, trees and hedges that are causing pavement obstruction are dealt with promptly, and that they encourage residents to use the Love Clean Streets app to report these issues.
  - Request that when working on the roll-out of on-street EV chargers, that charging points are built out into the highway and not take pavement space.
  - That they make full use of their powers in enforcing issues such as pavement obstruction and parking on dropped kerbs.
3. Work with Urbaser to ensure that bins and waste receptacles are put in a place that does not obstruct pavements after they have been emptied, and also request residents and businesses to ensure that their bins and waste receptacles are not obstructing the pavement when presented for collection.
4. Take a more proactive approach to planning and streetscene enforcement where advertising boards, outdoor dining areas etc are exceeding the curtilage of the property.
5. That the Leader of the Council and the Chief Executive write to Chief Constable of Lancashire Police requesting that Lancashire Police:
  - Enforce the rules and regulations around the use of bicycles and other prohibited vehicles using the pavement
  - Proactively enforce the laws around motor vehicles obstructing pavements and dropped kerbs.
6. That the Chief Executive reports back to Full Council on the responses received from Lancashire County Council and Lancashire Constabulary.

On being put to the vote the motion was CARRIED and it was RESOLVED accordingly.

## 48 Appointments to Committees and Panels

Consideration was given to appointments to Committees and Panels.

It was RESOLVED that:

1. That the changes to the Political Balance were noted, and the consequential amendments to Committees are approved as set out below:

Committee	Remove	Add
Scrutiny	Vacancy	Cllr Alan Hosker
Audit & Standards	Cllr Alan Hosker	Cllr Howard Baker

2. That David Sparrow be re-appointed to the Independent Remuneration Panel until May 2025.

## 49 Polling Station Changes

Consideration was given to changes to polling stations for future elections.

It was RESOLVED that:

Full Council approve the following permanent changes to Polling Stations:

(a) Bank Hall Ward (EB) from Church of Jesus Christ of Latter Day Saints, Belvedere Road BB10 4BQ to Burnley Tennis Club, 30 Lower Ridge Close, off Belvedere Road, BB10 4BW.

(b) Rosegrove with Lowerhouse Ward (LB) from Parkside Methodist Church, 175 Cog Lane BB11 5AH to West End Community Centre, Venice Street, BB11 4BA.

(c) Coalclough with Deerplay Ward (KA) from Parkside Methodist Church 175 Cog Lane BB11 5AH to Coal Clough Community Centre, 2 Pasturegate Avenue, BB11 4DD.

(d) With the exception of a) to c) above, Members note the Returning Officers decision not to change any other polling stations.

## 50 Food Safety Delivery Plan 2023/24

Having regard to Minute 70 of the Executive consideration was given to the Food Safety Delivery Plan and it was RESOLVED that the plan be approved.

## 51 Health & Safety Delivery Plan 2023/24

Having regard to Minute 71 of the Executive consideration was given to the Health & Safety Delivery Plan and it was RESOLVED that the plan be approved.



## **52 Lancashire 2050**

Having regard to Executive Minute 68 consideration was given to a report on Lancashire 2050. It was RESOLVED that Council:

- (i) Endorse the outline Lancashire 2050 strategic framework (Appendix 'A') as the strategic framework that will guide further development of shared detailed priorities and actions with partners and stakeholders across the whole of Lancashire.
- ii) Agree that the Leader of the Council continues to work with Lancashire Leaders and that the Leader will make representations to that forum on any matters arising from the Council's consideration of this report.

**The Chief Operating Officer left the room for the duration of the following item.**

## **53 Arrangements for the Recruitment and Appointment of Chief Executive**

Consideration was given to the arrangements for the recruitment and appointment of a Chief Executive.

With the following clarification – The Appointments Committee would comprise The Leader, Deputy Leader, another Executive Member and the Group Leaders of the Liberal Democrat, Green and Conservative Groups (or appointed substitutes) – it was RESOLVED that Council:

- a) Confirm the Appointment Committee's authority to conduct the recruitment within the financial parameters set out in the report; and
- b) Establish a budget of £20,000 for the cost of recruitment support and advertising as set out in the report.

**The Chief Operating Officer returned to the meeting**

## **54 Planning - Quality of Decision Making**

It was RESOLVED that the report be noted.

## **55 Council Delegations**

Having regard to Minute 75 of the Executive, it was RESOLVED:

That Council agrees to add the following delegation to those of the Chief Operating Officer:

'The Chief Operating Officer is delegated authority to discharge delegations and functions afforded to a Head of Service in the Constitution and Standing Orders; in the absence of the relevant Head of Service, excluding those finance functions afforded to the Section 151 Officer.'

## **56 Reports from Committee Chairs**

Reports of Committee Chairs were noted as presented.

## **57 Strategic Plan Progress Reports**

**RESOLVED** That the Strategic Plan Progress Reports of Executive Members be noted.

## Report of the Independent Remuneration Panel on the Members' Allowance Scheme 2022-2025

### REPORT TO FULL COUNCIL



<b>DATE</b>	22/02/2023
<b>PORTFOLIO</b>	none
<b>REPORT AUTHOR</b>	Independent Remuneration Panel members
<b>TEL NO</b>	01282 477259
<b>EMAIL</b>	amcewan@burnley.gov.uk

#### PURPOSE

1. To consider the findings of the Independent Remuneration Panel (IRP) in respect of a proposed percentage increase to the current Members' Allowance Scheme (MAS) for the financial year 2022/23.

#### RECOMMENDATION

2. That the Council receives and considers a recommendation from the Independent Remuneration Panel to approve an increase of 4.04% to the members basic allowance for the financial year 1<sup>st</sup> April 2022- 31<sup>st</sup> March 2023, and the resulting increases to Special Responsibility Allowances as set out at Appendix 1.

#### REASONS FOR RECOMMENDATION

3. The Local Authorities (Members' Allowances) (England) Regulations 2003 require that before Council can determine its members' allowances it must have regard to a report from the Independent Remuneration Panel.

This report updates the recommendation of the IRP for 2022-23 financial year only.

#### SUMMARY OF KEY POINTS

4. Throughout the summer of 2021 the Independent Remuneration Panel conducted a review of the members' allowance scheme in Burnley in order to make a recommendation to Council. The Panel's report is attached at Appendix 2.
5. In the course of its review the Panel sought the views of members on the approved members' allowance scheme, the level of allowances going forward and whether there would be support for a further three-year scheme.

6. The Panel also considered the Council's structure and the political landscape. It considered the demands made on councillors' time and how this should be recompensed.
7. The Panel then compared Burnley's Members' allowance scheme with that of neighbouring authorities.
8. The Panel concluded that whilst the current members' allowance scheme, which had been set in 2019 for a three-year period, had brought Burnley's allowance up to a level comparable with that of that of neighbouring authorities, there was still a case for further small increases to ensure the level of allowances adequately recompensed members for their work.
9. The Panel recommended a further three-year scheme from 1st April 2022 index linked the to the percentage increase in employees pay under the National Joint Council (Administrative, Professional, Technical and Clerical) pay structure. This was approved by Council in February 2022 (see Appendix 2).
10. The National Joint Council (Administrative, Professional, Technical and Clerical) pay award for the 2022-23 financial year was finalised in November 2022. Instead of receiving a % pay award as in previous years, staff were awarded a lump sum of £1925 across all NJC pay scales.
11. This meant there was no consistent % that could be applied to members allowances. Therefore, the IRP convened to consider how best to approach the issue.
12. The IRP agreed that in order to prevent the MAS losing momentum, a % increase should be awarded so that the level of basic allowance would increase. As there was no clear % indicated due to the structure of the staff pay award, the IRP would recommend a % award. The scheme would then revert to the NJC % in future years.

13.

Option considered	
Do nothing	Members allowances were for a long period the lowest amongst comparable Local Authorities locally. Over recent years this has been brought back into line.
2.5% increase	The approved MAS set out that increases should be linked to staff pay increases. The lowest staff increase was 4.04% therefore this would not reflect the aim of the scheme.

6.62%	Average % salary increase. However, higher than some staff therefore considered not to reflect the aim of the scheme.
4.04%	Lowest % awarded to staff on NJC paycales. Considered by the IRP to be the most appropriate measure.

14. The IRP also considered the economic climate, affordability, prior reluctance to accept increases in difficult economic times and consultation with members & political groups against the desire to that members continued to receive appropriate allowances.

15. Having regard to all of the above, the IRP recommend a 4.04% increase to the basic member allowance for 2022-23, along with the associated increases to Special Responsibility Allowances. The basic allowance would rise from £3732.36 to £3883.15. Full details of the proposed scheme attached at Appendix 1

**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

16. The proposal can be funded from within existing budgets.

**POLICY IMPLICATIONS**

17. Council must have regard to the IRP recommendations before it takes a decision on the setting of its members' allowance scheme.

**DETAILS OF CONSULTATION**

18. Member Structures Working Group and Political Groups

**BACKGROUND PAPERS**

19. None

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Alison McEwan Ext 7259**

**ALSO:**

### Proposed Members Allowances 2022-23

The IRP are recommending a 4.04% increase to the Basic Members Allowance for 2022-23. The resulting allowances are set out below.

				<b>4.04% increase</b>
	SRA Multiplier (x basic Member Allowance)	<b>2021/22</b>		<b>2022/23</b>
Basic Member		3,732.36		3,883.15
Basic Member * 45		<b>167,956.20</b>		<b>174,741.75</b>
<b>The Executive</b>				
Leader	3.5	13,063.26		13,591.03
Deputy Leader	1	3,732.36		3,883.15
		<b>16,795.62</b>		<b>17,474.18</b>
Single Exec Member Allowance	1.25	4,665.45		4,853.93
Exec Members all share pot of 5 x allowance	5	<b>23,327.25</b>		<b>24,269.65</b>
Leader		3,887.88		4,044.95
Exec Member Resources		3,887.88		4,044.95
Exec Member Health & Wellbeing		3,887.88		4,044.95
Exec Member Housing & Development Control		3,887.88		4,044.95
Exec Member Community & Environment		3,887.88		4,044.95
Exec Member Economy & Growth		3,887.88		4,044.95

				<b>4.04% increase</b>
	SRA Multiplier (x basic Member Allowance)	<b>2021/22</b>		<b>2022/23</b>
<b>Chairs and Vice-Chairs</b>				
Chair Scrutiny	1.25	4,665.45		4,853.94
Chair Audit & Standards	0.5	1,866.18		1,941.58
Chair Development Control	0.8	2,985.89		3,106.52
Chair Licencing	0.5	1,866.18		1,941.58
		<b>11,383.70</b>		<b>11,843.62</b>
Vice Chair Scrutiny	0.4	1,492.94		1,553.26
Vice Chair Planning & Development Control	0.4	1,492.94		1,553.26
Vice Chair Licensing	0	-		-
Vice Chair Audit & Standards	0	-		-
		<b>2,985.89</b>		<b>3,106.52</b>
Opposition Group Leaders (share one pot)	1	<b>3,732.36</b>		<b>3,883.15</b>
Opposition Group Leader Conservative		1,244.12		1,294.38
Opposition Group Leader Green		1,244.12		1,294.38
Opposition Group Leader Burnley & Padiham Independent		1,244.12		1,294.38
<b>Total Cost to Council</b>		<b>226,181.02</b>		<b>235,318.87</b>
<b>Increase in Cost</b>				<b>9,137.85</b>



## **REPORT OF THE INDEPENDENT REMUNERATION PANEL**

**December 2021**

### **Introduction by the Chair**

I am pleased to present the report of the Independent Remuneration Panel for consideration by Council.

The Panel's remit is to look independently and objectively at the allowances paid to the elected members on Burnley Borough Council and to make recommendations on any amendments that we think are justified.

Back in 2019 we were pleased that Council accepted our recommendations for a three-year scheme of allowances indexed linked to the NJC staff pay awards. This has resulted in Burnley's members' allowance scheme keeping in line with that of neighbouring authorities rather than slipping behind as has happened in previous years. The Panel believes that the increases made over the last three years justifiably recognises the commitment and support those members provide to the Borough, its communities and residents.

This year we are recommending a further three-year scheme and again one which is linked to the NJC staff pay increases. We believe this is a sensible approach as it provides for allowances to increase at an appropriate rate and prevents the need for periodic 'catch-up' sums which are more difficult for members to agree to.

I and my colleagues on the Panel appreciate that setting members' allowances can be a challenging issue, especially in times of financial constraints. However we maintain that Councillors should be recompensed adequately for their efforts. We sincerely hope that Council members do not politicise what should be a non-political process of determining appropriate compensation.

In compiling this report the Panel would like to acknowledge the support of both officers and elected members whose input into the review process has been most helpful.

This report sets out our conclusions and recommendations on the Members' Allowance Scheme for the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2025 and we hope that you support them.

David Sparrow  
Chair of the Independent Remuneration Panel

**REPORT OF THE INDEPENDENT REMUNERATION PANEL DECEMBER 2021**

**Members of the Panel**

**Mr David Sparrow - Chair**

**Mr Graham Knott**

**Mrs Anne Slater**

The Panel was assisted by the Democracy Officers Imelda Grady and Alison McEwan.

Members of the Panel are independent of the Council and its review and recommendations are taken on a completely impartial basis.

**1. Role of the Independent Remuneration Panel (IRP)**

The Local Authorities (Members' Allowances) (England) Regulations 2003 require the Council to have regard to a report of an Independent Remuneration Panel prior to setting or making changes to its members allowance scheme.

Although the Council must consider the Panel's findings, it is a matter for the Council to decide the scheme of members' allowances and whether to implement any of the Panel's recommendations.

**2. Terms of Reference**

The terms of reference are to recommend to Council:

- The level of basic allowance payable to all members.
- Which members should receive a special responsibility allowance and at what level.
- The amount payable for Dependants' Carers' for children or dependants while they carry out approved duties under the regulations and at what level.
- The amount payable for Travelling and Subsistence Allowance when members carry out approved duties under the regulations and at what level.
- Whether there should be a payment of any co-optee allowance and at what level.
- Whether there should be provision for an annual adjustment of allowances by a specified index and for how long (but for no more than 4 years).

- The provision for an amendment to the scheme to apply from the beginning of the financial year
- The provision for allowances to be repaid following suspension or cessation of being a member or due to non-entitlement
- Whether the allowances should be pensionable.
- The provision for members to forego allowances

### 3. **Principles**

The Panel works to the following principles

- That the members allowance scheme should be fair, easy to understand and straightforward to administer
- That whilst some element of a councillor's time should be voluntary this should be balanced against the need to ensure councillors do not suffer financial loss and that potential candidates are not discouraged from standing for election
- That the level of basic allowance should adequately reflect and compensate members for their commitment and time spent on their duties at council meetings, representing the council on outside bodies and on carrying out work in their Wards and in the Borough.
- That the level of special responsibility allowance should reflect additional responsibilities over and above the generally accepted duties of a councillor and should be a multiplier of the basic allowance

### 4. **Methodology and evidence considered**

This year the Panel has met on four occasions to conduct its review, during which time the Panel considered

- The current members' allowance scheme 2019-2022
- Benchmarking allowances in neighbouring authorities
- The views of all councillors on the current scheme of allowances and any future options
- Information on the Council's decision-making structure and the responsibilities of councillors
- Information on the Council's budget position
- Comments received from a member of the public

5. **Findings**

- 1) The current allowance scheme has been in place since 2019 during which time allowances have increased incrementally each year to give a current level of basic allowance of £3668.17.
- 2) The Panel finds that whilst Burnley's basic allowance is in the lower quartile of other Lancashire peer authorities, it is in a much more stable position than in 2019.
- 3) The Panel is grateful to the members for sharing their views on the current Members Allowance Scheme and the Leader's views on the special responsibility allowance paid to his executive. The Panel was encouraged to hear that the three year scheme had been well received and a further three year scheme would be supported. We also found that whilst there was no dissatisfaction with the current level of allowances members did not want the Scheme to become stagnant as in previous years or become out of kilter with neighbouring authorities.
- 4) The Panel considered the allowances paid to the Executive members and the amendment that had been introduced by the Leader in October 2020 which was to appoint an additional Executive member on a cost-neutral basis. The proposal being for the Leader and Deputy Leader to take a reduced executive allowance and for the remaining three members to take a smaller reduction which would fund the sixth member. The incoming Leader in 2021 continued with this inherited approach.

The Panel was consulted on the size and cost neutral approach in 2020 and was supportive of this at that time. However going forward the Panel feels this financial split does not fit easily into a members allowance scheme and makes it more difficult to administer. It also feels that future Leader's will be burdened by this. In deliberations we feel that a more sensible approach would be to have a `pot` of money for the executive and that this is shared equally among the executive members, irrespective of its size. Member may recall that a similar shared `pot` was introduced in 2019 to remunerate the Group Leaders. By introducing an executive `pot` it allows the Leader to appoint an executive size of his choosing without impacting on the budget.

- 5) The Panel believes that a further three year scheme is preferred to a yearly scheme and that in order to keep allowances at an acceptable level the index link to NJC staff pay increases should be maintained. At the time of writing this report the index has not been confirmed for 2021 but the Panel feels it should be applied when announced and backdated and then for the scheme to continue to be index linked for the next three years.
- 6) The Panel notes that in the past there has been a reluctance for Councillors to award themselves a pay rise but believes an annual uplift linked to the NJC staff pay awards is fair and reasonable approach to take. It will provide an increase at an appropriate rate and prevent the need for periodic 'catch-up' sums which are more difficult to agree on. The Panel believes that not making these increases each year will only serve to place a burden on future administrations.
- 7) The Panel finds the levels of Special Responsibility Allowances to be broadly correct and that no changes to the multipliers are required.
- 8) The Panel finds that any changes to the dependent carers' allowance or travel and subsistence allowances be in line with the amounts set out below.

## 6. Conclusions and recommendations

The Panel has concluded that the current Scheme is fair, easy to understand and with the adjustment to the executive member allowances, easy to administer.

The Panel recommends that the level of basic allowance be linked to the National Joint Council (Administrative, Professional, Technical and Clerical) pay structure for the next three years. In order to prevent slippage incremental increases must be applied over the next three years. The Panel is aware that Council will have discretion whether to apply this but strongly advises that it does so.

The Panel recommends that the multipliers used to set the Special Responsibility Allowances remain the same but with an amendment to the executive member allowances. The Panel recommends that there should be a pot of money shared between executive members irrespective of its size. Therefore we believe that the Executive pot going forward should be based on 5

Executive member allowances going into a pot – this should then be shared equally between all members of the Executive reflecting the similar sizes of the portfolios.

The Panel recommends that there be no changes to the way the dependent carers' allowance, travel and subsistence allowances are administered.

The Panel recommends that no payments are made to co-optees.

The Panel recommends no changes be made to the payments made to the Independent Persons.

The Panel will meet in 2024 to consider the members allowance scheme for the 2025/26 financial year unless called upon by Council to review the allowances earlier.

Having considered detailed evidence and interviews throughout the course of the review, we recommend that the basic allowance and the special responsibility allowances should be as follows

#### **THE INDEPENDENT REMUNERATION PANEL MEMBERS ALLOWANCE SCHEME 2022-25**

1. **Basic Allowance** -The level of basic allowance paid to all members be linked to the National Joint Council (Administrative, Professional, Technical and Clerical) pay structure for three years from April 2022.
2. **Special Responsibility Allowances** -That there be no change to the definition of roles that attract special responsibility allowances and that the multipliers be as shown in brackets below
  - The Leader (basic allowance x 3.50)
  - The Deputy Leader (basic allowance x 1.00)
  
  - Executive portfolios (basic allowance x 1.25 x 5 and shared between the size of executive)
  - Chair of Scrutiny Committees (basic allowance x 1.25)
  - Chair of Development Control Committee (basic allowance x 0.80)
  - Chair of Licensing Committee (basic allowance x 0.50)
  - Chair of Audit and Standards Committee (basic allowance x 0.50)
  - Vice Chair of Scrutiny Committee (basic allowance x 0.40)
  - Vice Chair of Development Control Committee (basic allowance x 0.40)
  - Group Leaders (shared basic allowance x 1.00)

The following table shows the current levels of basic and special responsibility allowances for 2021/22 but will be subject to an uplift linked to the agreed percentage pay award, if any, in NJC staff pay structure. The Members Allowance Scheme for

2023/24 and 2024/25 will be subject the percentage increases in NJC staff pay structure.

	<b>2022/23 (subject to the 2021 % increases linked to NJC staff pay structure)</b>	<b>Totals</b>
Basic x 45	3668.17	165067.65
Leader x 1	12838.61	12838.61
Deputy Leader x 1	3668.17	3668.17
Executive Members (x5) (4785.21) (shared pot)	4785.21	23926.05
Scrutiny Chair x 1	4785.21	4785.21
Scrutiny Vice Chair x 1	1467.27	1467.27
Audit & Standards Chair x 1	1834.09	1834.09
Development Control Chair x 1	2934.54	2934.54
Development Control Vice Chair x1	1467.27	1467.27
Licensing Chair x 1	1834.09	1834.09
Group Leaders (shared pot)	3668.17	3668.17
Independent Persons (Standards) x2 (not index linked)	500.00	1000.00
<b>Total</b>		<b>224491.12</b>

3. **Dependent Carers and Childcare Allowances** - That the dependent carers' allowance and childcare allowance be paid at the current rate of the adult minimum wage and be paid under the following criteria.

Limitations

Costs necessarily incurred for:

- A child or children under the age of 16
- An elderly relative requiring full-time care
- A relative with a physical disability requiring full-time care

A relative with learning disabilities requiring full-time care

Safeguards

The person for whom care has been arranged must live in the same household as the member

The care in respect of which the allowance is claimed must not be provided by a person living in the member’s household, or by another parent of a child in the household;

Disabled dependents are excluded where the member is already in receipt of a carer’s allowance;

The member must notify the Council of the identity of the carer in respect of whose costs the allowance is claimed and the cared for;

Child(ren) or dependent must be registered with the Council in advance of any claim being made .

**4. Travel and subsistence allowance –**

The following travel and subsistence allowances shall be paid for attendance at approved events.

Car allowance - This be the same rate as that paid to officers determined locally.

Motor cycle allowance - This be the same rates as that set by HMRC

Other travel allowances

That the payment of travelling allowances by taxi cab be provided for Disabled and Vulnerable Members not to exceed; a) in cases of urgency or where no public transport was reasonably available, the amount of the actual fare and any reasonable gratuity paid; and b) in any other case the amount of travel by appropriate public transport.

Subsistence allowance be the same as that paid to officers, currently this is

<b>Meal</b>	<b>Maximum Allowance</b>	<b>Criteria</b>
Breakfast	£7.93	before 8.00am
Lunch	£10.94	between 12 noon – 2pm
Tea	£4.30	after 6.30pm
Evening Meal	£13.53	after 8.30pm

If a member is away from their home on official Council business for a continuous



period of 24 hours or more, and as a result is required by the Council to stay in accommodation overnight, they will be reimbursed with the actual costs incurred.

5. **Co-optees Allowance** - That no additional co-optees allowances be paid
6. **Annual Adjustment of Allowances** - That there be an annual adjustment of allowances in line with the percentage increase in employee's pay under the National Joint Council (Administrative, Professional, Technical and Clerical) Pay Award
7. **Backdating** - That there be no backdating of allowances.
8. **Repayment/suspension of allowances** - That there be repayment of allowances should a councillor be suspended, cease to be a councillor due to a relevant conviction or non-attendance, or resigns.
9. **Pensions** - That no member allowances be classified as pensionable under the Regulations.
10. **Foregoing allowances** – Any person may forego all or part of any allowances to which they are entitled. To do this they must give notice in writing to the proper officer of the Council.

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## Strategic Plan 2023

### REPORT TO EXECUTIVE



<b>DATE</b>	13/02/2023
<b>PORTFOLIO</b>	Leader
<b>REPORT AUTHOR</b>	Rob Dobson
<b>TEL NO</b>	3115
<b>EMAIL</b>	rdobson@burnley.gov.uk

### PURPOSE

1. To seek Executive endorsement of the Strategic Plan (appendix 1).

### RECOMMENDATION

2. That the Executive recommend the Strategic Plan to Full Council.

### REASONS FOR RECOMMENDATION

3. The Strategic Plan sets out a clear vision for the future: one that is evidence based, shared by all units of the Council, and is in tune with the aspirations of local people.

### SUMMARY OF KEY POINTS

4. The Strategic Plan sets out the Council's strategic priorities for the next three years. It is reviewed annually. The new draft restates the council's commitment to ongoing priorities, but also includes:
  - action to support vulnerable residents with the cost of living
  - working closely with the NHS and partners through new place-based partnerships for health
  - working with partners to ensure that residents are able and ready to participate in the workforce.

A commitment to embed hybrid working has been removed as this was achieved last year.

5. The Strategic Plan has four themes: *People*, *Places*, *Prosperity* and *Performance*. The *People* theme sets out how the council will support residents to achieve their full potential by, for example, supporting efforts to improve skills in the borough. The *Places* theme sets out our strategy in relation to the natural and built environment and community safety. i.e., maintaining a clean, green and safe borough. The *Prosperity* theme sets out the council's economic development priorities, and the *Performance* theme is about internal processes and improvement activity, i.e. the Council's organisational

development strategy.

6. Executive members will report progress against the strategic plan actions at future Full Council meetings.
7. The Strategic Plan covers the medium term: all the commitments will be delivered within the three-year period of the plan. Heads of Service use the Strategic Plan to develop their own unit plans. These set out in more detail the tasks associated with achieving the Council's objectives over the course of the next year.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

8. As set out in the Council's budget.

#### **POLICY IMPLICATIONS**

9. As set out in the strategic plan and the Council's strategic risk register.

#### **DETAILS OF CONSULTATION**

10. A residents' survey is conducted regularly, to help determine key priorities.

#### **BACKGROUND PAPERS**

11. The current strategic plan:  
<https://burnley.moderngov.co.uk/documents/s29370/Burnley%20Council%20Strategic%20Plan%20Feb%202022%20FINAL%20Clearing.pdf>

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Mick Cartledge, CEO.**

**ALSO:**



**Burnley**.gov.uk

# Burnley Borough Council's Strategic Plan

Update February 2023

## Contents

<b>BURNLEY COUNCIL'S VISION FOR OUR BOROUGH:</b>	<b>3</b>
<b>BURNLEY COUNCIL SERVICES</b>	<b>5</b>
<b>WHAT DO WE WANT TO ACHIEVE DURING 2023 AND BEYOND?</b>	<b>6</b>
<b>PEOPLE - CREATING FLOURISHING, HEALTHY AND CONFIDENT COMMUNITIES</b>	<b>6</b>
<b>PLACES: MAKING THE BOROUGH A PLACE OF CHOICE</b>	<b>7</b>
<b>PROSPERITY – PROMOTING TRANSFORMATIONAL ECONOMIC CHANGE FOR BURNLEY</b>	<b>8</b>
<b>PERFORMANCE- ENSURING A CONTINUOUS FOCUS ON IMPROVEMENT IN ALL ASPECTS OF THE COUNCIL'S PERFORMANCE</b>	<b>10</b>

## Burnley Council's vision for our borough:

*Burnley and Padiham will be places where families choose to live because of our clean, safe neighbourhoods, beautiful parks and unspoilt countryside. Businesses will choose to invest in our borough because of our skilled workforce, our diverse, competitive, modern economy and a supportive council.*

## Our values:

**One Burnley – Leading the Way**

**One Council – Working Together**

**One Team – Ambitious for Burnley**

- T - Together
- E - Enterprising
- A - Ambitious
- M - Meeting Customer Need

## Who is this document for?

The strategy is prepared to help Elected Members and officers execute the Council's business in a well-planned and effective manner. While it is primarily for an internal audience, it is also a public document. Local residents and businesses can use this document to stay informed about the Council's plans for the Borough. The Council's Executive members report progress against the strategic commitments at Full Council meetings.

## What is the purpose of the Strategic Plan?

1. The Strategic Plan describes how the Council will make its vision for the Borough reality.
2. The Strategic Plan unifies the Council's service units and is used to articulate common purpose.
3. Strategic analysis helps anticipate and prepare for change. The strategic planning process helps the Council audit internal capacity, informing decisions about resource allocation (staff, budgets, technology, equipment, and premises).
4. Finally, the Strategic Plan encourages dialogue amongst different service units in the Council. This in turn should lead to more joined up working as council officers identify points of connection at the level of outcome, output, process or input.

The plan is structured around the themes of People, Places, Prosperity and Performance.

This structure helps:

- breakdown departmental silos, so that Service Units are encouraged to think collaboratively about how to achieve corporate objectives.
- ensure that the Council focuses on a balanced range of priorities, so that interventions are mutually supportive. For example, the Council wants to encourage business growth so that local people have access to good, well-paid jobs (an objective under the *prosperity* theme). But to achieve this we must make sure that educational attainment improves (an objective under the *people* theme) and that, also, the environment for doing business is good thanks to clean streets and safe neighbourhoods (an action under the *places* theme);
- design services around the needs of citizens and businesses that we serve, rather than around the structure of the Council.

**The strategic plan does not cover every service delivered by the Council. The emphasis is on planning for major change and challenges, and defining priority actions linked to corporate objectives. But an overriding concern of the Council is to protect core services. Though budget pressures could mean changes to how we provide services, the Council will continue to provide good quality frontline services that are a priority for local residents. An overview of these services is set out below.**



## Burnley Council Services

- We collect rubbish, recyclable or non-recyclable, from every household and clean every street. Resident satisfaction with waste collection has increased significantly following changes to how we manage collections in some neighbourhoods, and collections were not affected by the pandemic.
- We own and manage the historic Towneley Hall that attracts tens of thousands of visitors every year.
- We manage over 550 hectares of parks and green spaces including six Green Flag Parks. The large increase in park users during the pandemic shows how important they are to wellbeing.
- In partnership with Burnley Leisure, we fund three quality leisure facilities (St Peter's, Padiham and the Prairie), and the Mechanics theatre which attracts top names in comedy, music and the arts.
- We work with businesses to support job creation, business growth, and inward investment.
- We prosecute those who commit environmental crime in the borough.
- We support victims of antisocial behaviour and work with the police to take action against anti-social behaviour.
- Around 2,500 contact our customer service team every week.
- We award benefit to around 10,500 households a year.
- We provide a quality advice and enforcement service for vulnerable households and individuals and work to tackle homelessness.
- We provide public protection services: we conduct food safety checks on food establishments; we carry out health and safety inspections of warehouses and retail premises; we license pubs, clubs, and taxis; we investigate environmental pollution complaints about noise, smoke, and private water supplies; and we provide CCTV monitoring.
- We work with the police and community organisations to help foster stronger community relations.
- We process around 500 planning applications each year and aim to ensure that new development in Burnley is built to high design standard. We also protect the heritage of the town through conservation areas management and listed building protection and take enforcement action to protect the quality of life of Burnley residents against unauthorised building activity.
- We conduct local land searches for buyers of land or property.
- We plan and deliver major regeneration projects, in partnership with the private sector.
- We manage car parks so parking in Burnley is easy.
- We ensure that taxpayers' money is spent prudently and that the Council allocates resources within its means by providing a professional treasury management and audit service.
- We make sure local citizens have a democratic voice, through proper and effective management of elections.

## What do we want to achieve during 2023 and beyond?

### People - creating flourishing, healthy and confident communities

#### **What are the challenges and opportunities?**

Reducing health inequality is a significant challenge for Burnley. For example, alcohol related hospital admissions, the number of incapacity benefit claimants for poor mental health, and deaths from smoking are all higher than the national average. Levels of worklessness due to ill health are also high. As a district council, we are well positioned to influence and deliver many measures that can help prevent ill health, both through our key functions and our enabling role. Our quality parks and green spaces are a “Natural Health Service,” and our housing services, environmental health function, our role in improving community safety, and in particular our partnership with Burnley Leisure, are all key. Our biggest long-term contribution to preventing ill health is our commitment to help grow the local economy. Poverty is a significant cause of poor health, so we want to help more local people into secure, decently paid jobs, as described in the prosperity theme of this strategy.

Increasing educational attainment and skills remains a top priority for the borough. The Council will continue to work with partners in the education sector to help maintain the focus on this.

<b>What do we commit to?</b>	<b>Lead</b>
<b>PE1-</b> We will continue to work with partners to make the borough a place of aspiration and pride. This will include supporting efforts to increase education attainment and skills development.	Chief Executive Leader
<b>PE2-</b> We will continue to develop the leisure and cultural offer in partnership with Burnley Leisure.	Chief Operating Officer Executive Member for Health and Wellbeing
<b>PE3-</b> We will continue to work with partners to provide necessary support systems to reduce homelessness and to end rough sleeping in the borough.	Head of Housing and Development Control Executive Member for Housing
<b>PE4-</b> We will continue to work on the wider determinants of poor health. This will include reducing food insecurity and responding to the cost of living crisis with practical support. We will work closely with the Integrated Care Board and ensure that the Borough Council plays an active role on the proposed placed based partnerships.	Head of Policy and Engagement Executive Member for Health and Wellbeing

## Places: making the Borough a place of choice

Resident feedback tells us that maintaining the cleanliness is a priority with reducing dog fouling is a key local concern.

Compared with the Lancashire average, a higher proportionate of residents live in private rented accommodation. Unfortunately, not all this accommodation is managed to a good standard, with some neighbourhoods blighted by incidents of antisocial behaviour, long term empty properties or properties that are unfit for habitation.

We are proud to maintain a significantly higher than average proportion of greenspace per head of population. Evidence suggests that access to parks and nature has major health benefits, as well as making the living environment attractive. Indeed, park use increased significantly during lockdown. Our parks are therefore a key asset in making the borough a good place to live and work. In addition, the Council has an obligation as a community leader to play a part in reducing harmful carbon emissions and responding to climate change.

The Council recognises that we are facing a climate change emergency that threatens our future. The Council will deliver reductions in single use plastic, bring forward de-carbonisation measures and will enable the uptake of electric vehicles and will provide financial support to help green businesses and shops.

<b>What do we commit to?</b>	<b>Lead</b>
<b>PL1-</b> We will implement a range of initiatives to maintain a clean, safe, attractive, and environmentally friendly borough. This will include community engagement, enforcement and cleansing in 'hotspot' areas.	Head of Streetscene Executive Member for Community and Environmental Services
<b>PL2-</b> We will improve the management and condition of rented accommodation in the private and social sectors and enforce standards in a robust way.	Head of Housing and Development Control Executive Member for Housing
<b>PL3-</b> We will work with partners to improve quality and choice in the borough's housing stock, and reduce the blight of empty properties	Chief Operating Officer Executive Member for Housing
<b>PL4-</b> We will implement our 2015-25 Green Space Strategy.	Head of Green Spaces and Amenities Executive Member for Health and Wellbeing
<b>PL5-</b> We will implement our Climate Change Strategy.	Chief Operating Officer Executive Member for Resources and Performance Management
<b>PL6-</b> We will invest in our heritage assets for the benefit of this, and future, generations.	Head of Finance and Property Management Executive Member for Resources and Performance Management

## Prosperity – promoting transformational economic change for Burnley

With a retail catchment area of 300,000 people, Burnley is a major retail and service centre in Pennine Lancashire. The town centre has benefitted from significant investment in public realm and visitor numbers are resilient. The council, in partnership with other key organisations, has developed a Town Centre and Canalside Masterplan setting out opportunities to diversify the leisure offer. The Council has progressed key projects including “Pioneer Place” and “Town 2 Turf” to deliver the masterplan.

The development and growth of UCLAN over the next three years will have a transformational impact on the town. The Council and UCLAN will work in partnership with the business community to delivery higher level skills and degree level apprenticeships as well as leverage the expertise of the University and other funding streams to support business innovation, business scale up and new business starts. The Council has also supported the expansion of Burnley College through a loan.

By promoting Burnley as an investment opportunity, and by improving travel connections and kick starting development to attract investors, the Council is dedicated to getting the most out of Burnley’s key assets: its rural setting, its proximity to the regional growth hub of Manchester, the economic development potential of Burnley’s land and its education and skills infrastructure. The Local Plan will act as the key supporting framework for encouraging employment and housing investment, with the aim of maintaining the recent trend of private sector job growth and growing the borough’s skilled workforce.

The Council is ambitious for Burnley. The devolution of powers from central government is an opportunity for the borough. To ensure that Burnley punches above its weight and gets a fair deal, the Council’s Executive and Management Team will make sure that the business case for Burnley is heard at sub-regional, regional and national decision-making levels.

The Council will also prioritise its spending towards businesses within our local economic area and will encourage partners in the local public sector to do the same.

<b>What do we commit to?</b>	<b>Lead</b>
<b>PR1-</b> We will contribute to the strategic direction of local, sub-regional and regional partnerships, and will position the borough for economic development investment.	Chief Executive Council Leader
<b>PR2-</b> We will proactively support the borough's businesses to innovate and expand, and make the borough a natural choice for business relocation.	Strategic Head of Economy and Growth Executive Member for Economy and Growth
<b>PR3-</b> We will deliver the Burnley Town Centre and Canalside Masterplan, and strategic projects in Padiham Town Centre.	Strategic Head of Economy and Growth Executive Member for Economy and Growth
<b>PR4-</b> We will implement the Local Plan, delivering new housing, employment sites, and infrastructure.	Strategic Head of Economy and Growth Executive Member for Economy and Growth
<b>PR5-</b> We will support UCLan's expansion, transforming Burnley into a University Town, supporting higher level skills and business innovation.	Chief Executive Council Leader
<b>PR6-</b> We will work with partners to ensure that residents are able and ready to participate in the workforce.	Strategic Head of Economy and Growth Executive Member for Economy and Growth

## Performance- ensuring a continuous focus on improvement in all aspects of the Council's performance

The longer-term effect of the pandemic and cost of living on the economy, and consequently on the UK's public finances and the council's income, remains significant risk, as do wider inflationary pressures and energy price rises.

The Council has a duty to deliver value for money for tax payers. New service delivery models may be required to achieve efficiencies. If services must be reduced, the Council will be clear about the process that has been followed in reaching these decisions.

The Council will continuously improve service delivery and will adapt to the needs of its customers.

<b>What do we commit to?</b>	<b>Lead</b>
<b>PF1-</b> We will manage our contract with Liberata robustly, so it delivers value for money and good services.	Chief Operating Officer Executive Member for Resources and Performance Management
<b>PF2-</b> We will adopt a Medium-Term Financial Strategy that will put the Council on a sustainable financial footing. This strategy will set the framework for preparing annual budgets, ensuring the annual budget strategy is set within the context of the longer-term outlook.	Head of Finance and Property Management Executive Member for Resources and Performance Management
<b>PF3-</b> We will develop our digital strategy, so that more residents transact with us online and we will continue to deliver services more efficiently.	Chief Operating Officer Executive Member for Community and Environmental Services
<b>PF4-</b> We will deliver our Organisational Development strategy, ensuring we plan for the structures and capabilities that the organisation needs, and empowering our workforce to deliver the objectives of the Strategic Plan.	Head of Policy and Engagement Executive Member for Resources and Performance Management



# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 83. Strategic Plan

### PURPOSE

To seek Executive endorsement of the Strategic Plan.

### REASON FOR DECISION

The Strategic Plan sets out a clear vision for the future: one that is evidence based, shared by all units of the Council, and is in tune with the aspirations of local people.

### DECISION

That the Executive **recommend the Strategic Plan for approval by Full Council.**

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## Revenue Monitoring Report 2022/23 – Quarter 3 (to 31 December 2022)

### REPORT TO EXECUTIVE



DATE	13 February 2023
PORTFOLIO	Resources and Performance Management
REPORT AUTHOR	Amy Johnson
TEL NO	(01282) 475869
EMAIL	ajohnson@burnley.gov.uk

### PURPOSE

1. To report the forecast outturn position for the year as at 31 March 2023 based upon actual spending and income to 31 December 2022.

### RECOMMENDATION

2. The Executive is asked to:
  - a. Note the projected revenue budget forecast position of a net underspend of £9k, as summarised in table 1 and detailed in Appendix 1. The net underspend of £9k has reduced from a forecast net overspend of £89k as reported in Quarter 2.
  - b. Note the financial impact of the Coronavirus pandemic and the cost-of-living crisis as can be seen in paragraph 5. In view of these exceptional times the revenue monitoring position is uncertain.

The Executive is also asked to seek approval from Full Council for:

- c. The latest revised net budget of **£15.322m** as shown in Table 1, and
- d. The net transfers from earmarked reserves of **£4.284m** as shown in Appendix 2.
- e. The requested carry forwards of **£419k** as show in Appendix 3.

### REASONS FOR RECOMMENDATION

3. To give consideration to the level of revenue spending and income in 2022/23 as part of the effective governance of the Council and to ensure that appropriate management action is taken to ensure a balanced financial position.

## SUMMARY OF KEY POINTS

### 4. Financial Impact of Covid -19 and the cost-of-living crisis

This report shows the forecast outturn position based on the net budget forecast within the current reporting period. In previous years, the focus of this report has been on the net budget forecast and the achievement of the savings targets. Due to the uncertainty around the ongoing impact of the Coronavirus pandemic and the current cost-of-living crisis, this year is a continuation of the 2021/22 financial year with the focus being on the forecast reductions in income and increases in expenditure together with an evaluation of progress against savings targets. It is therefore difficult to predict the ongoing impact on the potential year end outturn. At the end of the current reporting period, the forecast year end net budget surplus stands at £9k, which has decreased by £98k from the £89k forecasted overspend reported at Quarter 2. The surplus is based upon forecast income and expenditure as at the end of Quarter 3. The budget is being continually monitored.

The forecast year end net budget surplus of £9k includes the 2022/23 pay award which has been agreed nationally at flat rate increase of £1,925 across all scp's. This is in excess of the 2.5% pay award increase that was built into the Council's budget for the 2022/23 financial year and resulted in an additional cost of £532k. This includes the increase in the salary element of the contractual costs to our strategic partners.

Members will recall that £1.175m was set aside in a Covid-19 earmarked reserve over the past two years to help cover for any future shortfalls in income/increases in expenditure materialising as a result of the pandemic. Income pressures had started to reduce and were returning to pre-Covid levels. However, we are now seeing the impact of the cost-of-living crisis as pressure on income and expenditure budgets is becoming evident and is expected to increase over the coming months. As a consequence the 'Covid-19 Reserve' has been renamed to the 'Covid-19 and Cost-of-Living Reserve' so that it more accurately represents its use.

The current increases in inflation above the Bank of England's target of 2%, with the Consumer Prices Index standing at 9.2% in the 12 months to December 2022, have a future impact on the Council's budget position. This will place additional costs pressures on the Council's revenue budgets particularly around borrowing costs, salaries, external contract costs, cost of goods and services and fuel. Energy prices continue to be of particular concern, and we have seen huge increases over the last 12 months, and this is expected to continue. To help mitigate the future impact of the energy costs the Council set aside £197k at the end of 2021/22 in an earmarked reserve to help fund any future fluctuations. The levels of inflation factored into future years' budgets are continually kept under review to ensure that they are reflective of the current economic climate.

### 5. Revenue Budget Monitoring Process

All budget holders are required to review their budgets on a monthly basis. Three in-year reports on revenue budget monitoring are presented to The Executive and Scrutiny Committee during the course of the financial year. This is the third in-year report for

2022/23. In addition to these three reports there is a final report for revenue to consider the actual spending at the end of the financial year compared with the revised revenue budget. Under the scheme of delegation each budget area is delegated to a Head of Service who remains accountable for the effective discharge of financial management as an integral part of achieving strategic objectives and in turn meeting service delivery priorities.

All Heads of Service have been asked to consider their budgets and provide information and details of any actual or anticipated significant variations between spending / income and budgets.

## **6. Budget Changes**

Since the budget was approved, the following proposed budget changes have been made and are shown in Appendix 1:

- Virements approved by Heads of Service and Management Team.
- Decisions confirming additional awards of grant and contributions up to £50k approved by Heads of Service and Management Team.
- Executive Member for Resources and Performance Management decisions confirming additional awards of grant and contribution over £50k.
- Decisions made by the Executive.
- Transfers to/from Earmarked Reserves in respect of grants/contributions and also approved carry forwards from 2021/22 (Appendix 2).

Members are asked to approve the latest revised net budget of £15.322m as shown in Table 1.

## **7. Revenue Budget Summary**

Table 1 shows a summary by service area of the revised budget for the year along with the current forecast as at the end of Quarter 3 and the anticipated variance.

At the end of Quarter 3 the net budget forecast is currently £9k surplus. Incorporated into the budget are two savings targets: a £169k salary savings target and a £79k non salary savings target. This report would normally focus on the savings identified in year and the achievement of these targets, however due to the continuing uncertainty around the pandemic and cost of living crisis the focus is on the forecast reductions in income and increases in expenditure together with an evaluation of progress against savings targets. The net budget forecast of £9k surplus is based upon the latest estimates of income and expenditure, of which there are still many future unknowns. Consideration has only been given to the ongoing impact of the pandemic and the current cost-of-living crisis and there is a high probability that the impact will be longer-term spanning future financial years, with increased costs and income losses.

8. Members will recall that savings totalling £0.139m were built in to the 2022/23 revenue budget to ensure that a balanced budget was achieved. As part of the budget monitoring process, progress against the achievement of these savings is to be monitored in year, details of which can be seen below:

Description	Saving £000	Progress of Achievement
Savings from the flexible retirement of 1 post	14	Achieved by offsetting against vacant post.
Commercial Trade Waste Service - to deliver a £20k net saving based on income predictions on subscriptions to the service (net of operational costs)	20	Fully achieved. Target income achieved.
To reduce the existing waste contingency budget from £100k to £60k pa	40	Forecast to achieve. Budget to continue to be monitored.
Strategic Partnership - Efficiency saving following flexible retirement	15	Fully achieved.
Savings on insurance contract	50	Fully achieved.
<b>TOTAL</b>	<b>139</b>	

9. Due to the ever-changing environment the budget position is fluid and is being continually monitored and reviewed. More detailed forecasts will be provided throughout the year as part of the budget monitoring reporting cycles.

**Table 1: Revenue Budget Forecast Position 2022/23**

	Reconciliation of Approved Budget & Funding	Forecast position as at Quarter 2			Forecast position as at Quarter 3			
		Net Budget 2022/23	Revised Budget	Forecast Q2	Variance Q2	Revised Budget	Forecast Q3	Variance Q3
		£000s	£000s	£000s	£000s	£000s	£000s	£000s
a	Economy and Growth	734	1,026	1,026	0	1,037	1,070	33
b	Policy and Engagement	459	1,171	1,151	(20)	1,015	989	(26)
c	Management Team	373	373	373	0	373	373	0
d	Sport and Culture Leisure Client	805	805	805	0	910	910	0
e	Green Spaces and Amenities	1,251	1,391	1,404	13	1,531	1,543	13
f	Streetscene	3,159	3,439	3,516	77	3,523	3,549	26
g	Housing and Development Control	511	841	841	0	952	1,042	90
h	Strategic Partnership	4,033	4,033	4,033	0	4,141	4,141	0
i	Finance and Property	626	592	575	(17)	(1,409)	(1,426)	(17)
j	Revenues and Benefits Client	(1,329)	(1,329)	(1,329)	0	(1,309)	(1,309)	0
k	Legal and Democratic Services	1,079	1,173	1,178	4	1,198	1,202	4
l	People and Development	243	243	243	0	225	225	0
m	Central Budgets - Other <i>(includes corporate costs eg utilities, apprenticeship levy)</i>	685	822	784	(38)	735	1,197	464
	Central Budgets - Savings Targets <i>(see Table 2)</i>	(248)	(236)	(236)	0	(248)	(248)	0
	<b>NET SERVICE BUDGET</b>	<b>12,381</b>	<b>14,343</b>	<b>14,362</b>	<b>19</b>	<b>12,674</b>	<b>13,258</b>	<b>587</b>
	Pensions	784	784	784	0	783	783	(0)
	Provisions <i>(Balance to be determined at year end)</i>	0	0	0	0	0	0	0
	Impairments <i>(Provisions for Bad Debt)</i>	0	0	0	0	0	0	0
	Parish Precepts <i>(Disbursement to Parishes)</i>	169	169	169	0	169	169	(0)
	Treasury <i>(Investment Income &amp; Expenditure)</i>	1,081	1,081	1,151	70	1,660	1,000	(660)
	Capital Financing	1,444	2,192	2,192	0	3,675	3,675	0
	Earmarked Reserves (to / (from))	(538)	(2,663)	(2,663)	0	(1,603)	(1,537)	66
	Strategic Reserves (to / (from))	0	(585)	(585)	0	(2,038)	(2,038)	0
	<b>NET CORPORATE ITEMS</b>	<b>2,941</b>	<b>979</b>	<b>1,049</b>	<b>70</b>	<b>2,646</b>	<b>2,052</b>	<b>(594)</b>
	Council Tax	(7,480)	(7,480)	(7,480)	0	(7,480)	(7,480)	0
	Parish Precepts <i>(Receipts from Council Tax Payers)</i>	(169)	(169)	(169)	0	(169)	(169)	0
	Business Rates: Retained Income	(4,513)	(4,513)	(4,513)	0	(4,513)	(4,513)	0
	Business Rates: S31 Grants <i>(For award of business rates relief)</i>	(1,655)	(1,655)	(1,655)	0	(1,655)	(1,655)	0
	Prior Year Collection Fund (Surplus)/Deficit	1,261	1,261	1,261	0	1,261	1,261	0
	Revenue Support Grant	(1,700)	(1,700)	(1,700)	0	(1,700)	(1,700)	0
	New Homes Bonus	(576)	(576)	(576)	0	(576)	(576)	0
	Other Government Grants	(489)	(489)	(489)	0	(489)	(489)	0
	<b>FUNDING</b>	<b>(15,322)</b>	<b>(15,322)</b>	<b>(15,322)</b>	<b>0</b>	<b>(15,322)</b>	<b>(15,322)</b>	<b>0</b>
	<b>BUDGET BALANCE</b>	<b>0</b>	<b>0</b>	<b>89</b>	<b>89</b>	<b>(1)</b>	<b>(9)</b>	<b>(9)</b>

## 10. SAVINGS TARGETS

As previously mentioned, in setting the budget it was assumed that two savings targets would be achieved: £169k salary savings from not filling posts immediately and £79k in year savings/additional income target. At present the forecast budget underspend is £9k. A summary of the in-year targets and the projected budget forecasts categorised by salary and non-salary expenditure as at the end of Q3 can be seen in Table 2 below:

Savings	Revised Budget	Savings Forecast Q1	Savings Forecast Q2	Savings Forecast Q3	Balance of Savings yet to be Identified
	£000	£000			£000
Salary Savings	(169)	12	45	0	(112)
Non-Salary Savings	(79)	87	15	80	103
<b>TOTAL SAVINGS YET TO BE IDENTIFIED</b>	<b>(248)</b>	<b>99</b>	<b>60</b>	<b>80</b>	<b>(9)</b>

### Salary Savings Target

The position at the end of Quarter 3 is that £57k of salary savings have been secured to date as can be seen in Table 2 above, leaving a shortfall of £112k to identify throughout the remainder of the year.

### Non-Salary Savings Target

The latest position is that the estimated surplus in income and reduced expenditure forecast at Quarter 3 has overachieved the forecast target by £103k.

The combined balance of savings (salary and non-salary) identified totals a net budget surplus of £9k. The above estimates are based on forecasts at the end of Quarter 3, when there are still many future uncertainties. As such the budget is fluid in nature and may change (positively or negatively) as the year progresses.

## 14. SERVICE REPORTS

Departmental budgets and the current forecast for each service area can be found in Appendix 1. Summarised below by service area are narratives explaining movements in the projected forecast along with any issues or concerns to be highlighted.

### a. Economy and Growth

**Forecast Variance: £33k**

*Previous forecast variance: £0k*

Reduction in market hall income (£11k), service charges (£16k) and non-lease income (£8k) due to a decreased demand for stall hire. Offset in part by additional storage change income (£2k).

### b. Policy and Engagement

**Forecast Variance: £26k net underspend**

*Previous forecast variance: £20k*

Reduction in copying charges due to the purchase of a new copier (£2k). Reduction in spend on the Children's University project (£4k) due to no current planned commitments.

The Primary Engineer grant for Burnley Schools 2022/23 delivery is expected to be the same as the 2021/22, 50% less than previous years (£14k).

Costs associated with the Platinum Jubilee and Armed Forces Day were less than anticipated (£6k).

c. **Management Team**

**Forecast Variance: £0k**

*Previous forecast variance: £0k*

There are no variances or issues of concern to report in this quarter.

d. **Sport and Culture Leisure Client**

**Forecast Variance: £0k net overspend**

*Previous forecast variance: £0k*

All Facilities are operating at a surplus variance, compared to the budget set for 2022/23. There has been an increase in the cost of materials, such as pool chemicals, cleaning materials, sporting equipment & supplies, etc.

Hospitality is proving to be the most challenging area post Covid-19 and is currently forecasting a deficit at year end. The forecast is for price increases to continue into 2023. Teams are working hard to re-negotiate pricing, alter menus, increase customer pricing sensitively where possible.

We are noticing pressures from suppliers across all sites within Burnley Leisure, who are imposing substantial price increases due to the current economic climate. In addition, the increase in staffing costs due to the 2022/23 pay award is also an added financial pressure.

e. **Green Spaces and Amenities**

**Forecast Variance: £13k net overspend**

*Previous forecast variance: £13k net overspend*

Additional crematorium income (£36k) due to the number of crematoriums being higher than forecast due to a backlog of cremations across Lancashire.

Increased spend on playground repairs and maintenance (£26k) due to an increase in costs along with an increase in diesel spend (£15k) as the Council moves from red diesel to white (this includes the £5k increase reported previously).

Reduction in catering rights income at Thompson Park (£5k) due to an in year renegotiation of the lease with the tenant based on refreshment sales.

Additional sales income (£7k) at Towneley around the sale of books and tours as well as a various minor reductions in spend (£3k) offset in part by a reduction in income from exhibitions and room hire (£5k).

A reduction in Towneley events and refreshments income (£12k) is forecast due to there being no further bookings being taken for next year because of uncertainties around the building works being carried out. This is partially offset by a forecast reduction in expenditure (£7k) due to Burnley Leisure running the bar service. An increase in expenditure on the laundry budget is forecast for this year (£1k).

A reduction in income from memorial wall plaques (£10k) is forecast due to a general decline in demand.

Additional income of (£8k) is forecast due to an increase in the ice cream license at Towneley Park.

f. **Streetscene**

**Forecast Variance: £26k net overspend**

*Previous forecast variance: £77k net overspend*

Additional forecast car parking income (£50k), reducing the previously reported reduction of (£166k) to (£116k).

Additional income (£11k) from the household garden waste and (£79k) from the trade waste contracts to reflect the current services offered.

g. **Housing and Development Control**

**Forecast Variance: £90k**

*Previous forecast variance: £0k*

Reduction in planning fee income (£90k) due to a lower number of applications received than forecast.

h. **Strategic Partnership**

**Forecast Variance: £0k**

*Previous forecast variance: £0k*

There are no variances or issues of concern to report in this quarter.

i. **Finance and Property**

**Forecast Variance: £17k net underspend**

*Previous forecast variance: £17k net underspend*

There are no variances or issues of concern to report in this quarter.

Salary savings (£6k) due to the Accountancy Officer post being vacant for three months.

Additional expenditure (£1k) has been identified for the repair of the scissor platform in order to bring it back into service.

Salary savings (£12k) in respect of 2 vacant posts in Internal Audit during Quarter 1.

j. **Revenues and Benefits Client**

**Forecast Variance: £0k**

*Previous forecast variance: £0k*

There are no variances or issues of concern to report in this quarter.

k. **Legal and Democratic Services**

**Forecast Variance: £4k net overspend**

*Previous forecast variance: £4k net overspend*

There are no variances or issues of concern to report in this quarter.



Reduced income from the hire of rooms at the Town Hall post pandemic (£1k).

Additional expenditure required on nodes for Committee Rooms in order to run postal vote verification during elections, and on the Modern Government contract including the added functionality of electronic voting in council meetings (£2k)

The Legal Services software budget is forecast to be overspent by (£1k) due to the Legal Case Management software installed during 2021/22 being more than the budget provision.

#### **l. People and Development**

**Forecast Variance: £0k net overspend**

*Previous forecast variance: £0k*

There are no variances or issues of concern to report in this quarter.

#### **m. Central Budgets**

**Forecast Variance: £464k net overspend**

*Previous forecast variance: £38k underspend*

Reduction in change programme spend (£30k) due to no current planned commitments.

Salary savings (£38k) in respect of the period of vacant Climate Change Programme Manager post. The post has now been recruited to.

Additional salary costs (£532k) due to the additional 2022/23 pay award.

#### **n. Corporate Items**

**Forecast Variance: £595k net underspend**

*Previous forecast variance: £70k net overspend*

Reduction in PWLB expenditure (£355k) due to in year planned borrowing being pushed back to future years based on the capital programme and internal cashflow (this includes the £120k additional borrowing costs reported previously due to an increase in borrowing towards the end of 2021/22).

Additional interest income (£306k) due to rising interest rates impacting favourably in the council's investment deposits plus loan repayments from Burnley Leisure (this includes the additional £50k interest income reported previously).

Additional salary costs (£532k) due to the additional 2022/23 pay award.

Contribution to the Energy Volatility Reserve (£66k) to ensure that the reserve balance is sufficient to support the 2023/24 revenue budget.

#### **o. Funding**

**Forecast Variance: £0k net overspend**

*Previous forecast variance: £0k*

There are no variances or issues of concern to report in this quarter.

## 15. EARMARKED RESERVES

The council holds a number of earmarked reserves, details of which can be seen in Appendix 2 which shows the opening balance at the start of the year and any in quarter movements.

A summary of the reserves can be seen in Table 3 below:

	<b>Transformation Reserve</b>	<b>Growth Reserve</b>	<b>Other Earmarked Reserves</b>	<b>TOTAL</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>	<b>£000</b>
Balance as at 01/04/22	(2,802)	(1,538)	(18,177)	<b>(22,517)</b>
Adjustments	(1,873)	-	1,873	-
Movement in Q1	-	485	302	<b>787</b>
Drawn down in Q2	100	-	1,824	<b>1,924</b>
Drawn down in Q3	1,309	(185)	(88)	<b>1,036</b>
<b>Balance as at 31/12/22</b>	<b>(3,266)</b>	<b>(1,238)</b>	<b>(14,266)</b>	<b>(18,771)</b>

Included within the reserve balance above is the £1.175m from Covid 19 and Cost of Living reserve that was set aside to help cover for any future shortfalls in income/increases in expenditure.

Any savings proposals for 2022/23 that are subsequently adopted and include proposed reductions in posts, will require the cost of any redundancies to be met in the current financial year.

## 16. CAPITAL FINANCING

Included in the revenue budget is a revenue contribution to capital outlay (RCCO) of £1.855m. This is where revenue funds are used to finance capital schemes. The contribution of £1.855m relates to vehicle and machinery replacement (£175k), Worsthorne Recreation Ground Improvements (22k), refill fountains (£5k), Finsley Wharf & Canal Towpath Improvements (£34k), Burnley-Pendle Growth Programme (£300k), Building Infrastructure (£50k) and Pioneer Place (£1,269k).

## 17. CARRY FORWARD REQUESTS

Carry forward requests totalling £419k have been received from Budget Holders, details of which can be seen in Appendix 3. These amounts totalling £419k to be transferred into the Carry Forward reserve or other Earmarked Reserves and transferred back out to create additional revenue budgets in 2023/24 or when required.

18. As shown in the body of the report.

**POLICY IMPLICATIONS**

19. The revenue budget determines the extent to which the Council's strategic objectives can be pursued and achieved.

**DETAILS OF CONSULTATION**

20. None

**BACKGROUND PAPERS**

21. None

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Amy Johnson  
Finance Manager**

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Revenue Budget Forecast Position 2022/23 by Service Area

Appendix 1

			Quarter 3					
			ORIGINAL BUDGET 2022/23 £000s	REVISED BUDGET 2022/23 £000s	Current Forecast Q3 £000s	Current Variance Q3 £000s	Variance Reported Q2 £000s	Movement £000s
Economy and Growth	RAPP Holding Accounts	RAPP Holding Accounts	158	159	159	0	0	0
Economy and Growth	Markets	Burnley Markets	156	168	201	33	0	33
Economy and Growth	Markets	Markets Shared Areas	(29)	(29)	(29)	0	0	0
Economy and Growth	Planning Policy	Local Plan	14	35	35	0	0	0
Economy and Growth	Planning Policy	Planning Policy	205	262	262	0	0	0
Economy and Growth	Economic Development	Town Centre Management	76	76	76	0	0	0
Economy and Growth	Economic Development	Business Support	221	426	426	0	0	0
Economy and Growth	Economic Development	Burnley Branding	111	120	120	0	0	0
Economy and Growth	Economic Development	Burnley Bondholders	32	33	33	0	0	0
Economy and Growth	Economic Development	Sandygate Square Student Accomodation	(327)	0	0	0	0	0
Economy and Growth	Regeneration Development	Regeneration	84	(170)	(170)	0	0	0
Economy and Growth	Regeneration Development	Weavers Triangle	0	0	0	0	0	0
Economy and Growth	Regeneration Development	HAZ Heritage Action Zone	47	0	0	0	0	0
Economy and Growth	Regeneration Development	Padiham THI	(43)	(43)	(43)	0	0	0
<b>sub-total</b>			<b>707</b>	<b>1,037</b>	<b>1,070</b>	<b>33</b>	<b>0</b>	<b>33</b>
Policy and Engagement	Corp Engage & Policy Hold Acc	Corp Engage Holding Accounts	48	51	51	0	0	0
Policy and Engagement	Emergency Planning	Emergency Planning	2	2	2	0	0	0
Policy and Engagement	Communications	Communications	123	117	101	(16)	(14)	(2)
Policy and Engagement	Community Engagement	Community Engagement	223	419	413	(6)	(6)	0
Policy and Engagement	Performance And Policy	Performance and Policy	90	426	422	(4)	0	(4)
<b>sub-total</b>			<b>487</b>	<b>1,015</b>	<b>989</b>	<b>(26)</b>	<b>(20)</b>	<b>(6)</b>
Management Team	Management Team	Management Team	373	373	373	0	0	0
<b>sub-total</b>			<b>373</b>	<b>373</b>	<b>373</b>	<b>0</b>	<b>0</b>	<b>0</b>
Sport and Culture Leisure Client	Burnley Mechanics And Arts Devt	Burnley Mechanics And Arts Devt	58	58	58	0	0	0
Sport and Culture Leisure Client	Leisure Centres	St Peters Centre	247	247	247	0	0	0
Sport and Culture Leisure Client	Leisure Centres	Leisure Trust Client	358	463	463	0	0	0
Sport and Culture Leisure Client	Leisure Centres	Padiham Leisure Centre	83	83	83	0	0	0
Sport and Culture Leisure Client	Leisure Centres	Prairie Sports Village	59	59	59	0	0	0
<b>sub-total</b>			<b>805</b>	<b>910</b>	<b>910</b>	<b>0</b>	<b>0</b>	<b>0</b>
Green Spaces and Amenities	Bereavement Service	Cemeteries and Crematorium	(843)	(758)	(784)	(26)	10	(36)
Green Spaces and Amenities	Parks And Green Spaces	Community Parks and Open Space	1,444	1,591	1,629	38	(3)	41
Green Spaces and Amenities	Parks And Green Spaces	Recreation and Sport	284	271	271	0	0	0
Green Spaces and Amenities	Parks And Green Spaces	Allotments	(3)	(3)	(3)	0	0	0
Green Spaces and Amenities	Parks And Green Spaces	Parks Externally Funded Scheme	0	50	50	0	0	0
Green Spaces and Amenities	Art Gallery And Museums	Towneley Hall	293	301	302	1	6	(5)
Green Spaces and Amenities	Art Gallery And Museums	Towneley Hall Ext Fund Schemes	0	2	2	0	0	0
Green Spaces and Amenities	Transport	Grounds Maintenance	76	76	76	0	0	0
<b>sub-total</b>			<b>1,251</b>	<b>1,531</b>	<b>1,543</b>	<b>13</b>	<b>13</b>	<b>(0)</b>
Streetscene	Streetscene Holding Accounts	Streetscene Holding Accounts	908	1,054	1,054	0	0	0
Streetscene	Engineering Services	Bus Shelters	18	18	18	0	0	0
Streetscene	Engineering Services	Highways	13	18	18	0	0	0
Streetscene	Engineering Services	Street Lighting	83	83	83	0	0	0
Streetscene	Engineering Services	Drainage	4	4	4	0	0	0
Streetscene	Community Safety	Community Safety	209	232	232	0	0	0
Streetscene	Car Parking	Car Parking	(550)	(447)	(331)	116	166	(50)
Streetscene	Car Parking	Car Parking Enforcement	14	(4)	(4)	0	0	0
Streetscene	CCTV	CCTV	157	159	159	0	0	0
Streetscene	Environmental Services	Waste Cleaning Contract	73	176	176	0	0	0
Streetscene	Environmental Services	Street Cleansing	1,238	1,266	1,266	0	0	0
Streetscene	Environmental Services	Waste Collection	1,183	1,193	1,103	(90)	(90)	0
Streetscene	Environmental Services	Pest Control	21	21	21	0	0	0
Streetscene	Environmental Services	Dog Warden	56	16	16	0	0	0
Streetscene	Environmental Services	Default Works	(24)	(24)	(24)	0	0	0
Streetscene	Regulation	Environmental Health Client	(31)	(29)	(29)	0	0	0
Streetscene	Regulation	Taxi Licensing	(116)	(116)	(116)	0	0	0
Streetscene	Regulation	Other Licensing	(107)	(107)	(107)	0	0	0
Streetscene	Regulation	Public Funerals	10	10	10	0	0	0
<b>sub-total</b>			<b>3,159</b>	<b>3,523</b>	<b>3,549</b>	<b>26</b>	<b>77</b>	<b>(50)</b>
Housing and Development Control	Housing And Development Ctrl	Housing	361	651	651	0	0	0
Housing and Development Control	Development Control	Development Control	17	150	240	90	0	90
Housing and Development Control	Building Control	Building Control	79	79	79	0	0	0
Housing and Development Control	Selective Licensing	Selective Licensing	54	72	72	0	0	0
<b>sub-total</b>			<b>511</b>	<b>952</b>	<b>1,042</b>	<b>90</b>	<b>0</b>	<b>90</b>
Strategic Partnership	Strategic Partnership	Strategic Partnership	4,033	4,141	4,141	0	0	0
<b>sub-total</b>			<b>4,033</b>	<b>4,141</b>	<b>4,141</b>	<b>0</b>	<b>0</b>	<b>0</b>
Finance and Property	Finance Unit	Finance Unit	695	735	729	(6)	(6)	0
Finance and Property	External Audit	External Audit	56	56	56	0	0	0
Finance and Property	Internal Audit	Internal Audit	141	121	109	(12)	(12)	0
Finance and Property	Misc Income And Expenditure	Misc Income And Expenditure	18	(16)	(16)	0	0	0
Finance and Property	Property	Property	(285)	(2,305)	(2,304)	1	1	(0)
<b>sub-total</b>			<b>626</b>	<b>(1,409)</b>	<b>(1,426)</b>	<b>(17)</b>	<b>(17)</b>	<b>0</b>
Revenues and Benefits Client	Revenues And Benefits Client	Housing Benefits Services	(353)	(353)	(353)	0	0	0
Revenues and Benefits Client	Housing Benefits Payments And Subs	Housing Benefits Payments And Subs	(74)	(52)	(52)	0	0	0
Revenues and Benefits Client	Council Tax Support	Council Tax Support	(163)	(165)	(165)	0	0	0
Revenues and Benefits Client	Cost Of Collection Accounts	Cost Of Collection Accounts	(739)	(739)	(739)	0	0	0

<b>sub-total</b>			<b>(1,329)</b>	<b>(1,309)</b>	<b>(1,309)</b>	<b>0</b>	<b>0</b>	<b>0</b>
Legal and Democratic Services	Legal	Legal Services	349	390	391	1	1	(0)
Legal and Democratic Services	Legal	Local Land Charges	(44)	(18)	(18)	0	0	0
Legal and Democratic Services	Legal	FOI Requests	1	1	1	0	0	0
Legal and Democratic Services	Governance	Conducting Elections	80	81	81	0	0	0
Legal and Democratic Services	Governance	Register of Electors	83	84	84	0	0	0
Legal and Democratic Services	Governance	Charities Administration	0	0	0	0	0	0
Legal and Democratic Services	Governance	Parish Councils	2	2	2	0	0	0
Legal and Democratic Services	Governance	Democratic Services	313	335	338	3	3	0
Legal and Democratic Services	Governance	Civic Administration	18	11	11	0	0	0
Legal and Democratic Services	Governance	Mayoralty	34	66	66	0	0	0
Legal and Democratic Services	Governance	Members Expenses	243	246	246	0	0	0
<b>sub-total</b>			<b>1,079</b>	<b>1,198</b>	<b>1,202</b>	<b>4</b>	<b>4</b>	<b>(0)</b>
People and Development	People And Development	People and Development	243	225	225	0	0	0
<b>sub-total</b>			<b>243</b>	<b>225</b>	<b>225</b>	<b>0</b>	<b>0</b>	<b>0</b>
Central Budgets - Other	Central Budgets - Other	Central Budgets - Other	685	735	1,197	464	(38)	502
Central Budgets - Savings Targets	Central Budgets - Savings Targets	Salary Savings Target	(169)	(169)	(169)	0	0	0
Central Budgets - Savings Targets	Central Budgets - Savings Targets	Non-Salary Savings Target	(79)	(79)	(79)	0	0	0
<b>sub-total</b>			<b>437</b>	<b>487</b>	<b>949</b>	<b>464</b>	<b>(38)</b>	<b>502</b>
<b>NET SERVICE BUDGET</b>			<b>12,381</b>	<b>12,674</b>	<b>13,258</b>	<b>587</b>	<b>19</b>	<b>569</b>
Corporate Items	Pensions	Pensions	784	783	783	(0)	0	(0)
Corporate Items	Provisions	Provisions	0	0	0	0	0	0
Corporate Items	Impairments	Impairments	0	0	0	0	0	0
Corporate Items	Parish Precepts	Parish Precepts	169	169	169	(0)	0	(0)
Corporate Items	Treasury Investments & Borrowing	Treasury Investments & Borrowing	1,081	1,660	1,000	(660)	70	(730)
Corporate Items	Capital Financing	Capital Financing	1,444	3,675	3,675	0	0	0
Corporate Items	Earmarked Reserves	Earmarked Reserves	(538)	(1,603)	(1,537)	66	0	66
Corporate Items	Strategic Reserves	Strategic Reserves	0	(2,038)	(2,038)	0	0	0
<b>NET CORPORATE ITEMS</b>			<b>2,941</b>	<b>2,646</b>	<b>2,052</b>	<b>(594)</b>	<b>70</b>	<b>(664)</b>
Funding	Council Tax		(7,480)	(7,480)	(7,480)	0	0	0
Funding	Council Tax - Parish Precepts		(169)	(169)	(169)	0	0	0
Funding	Business Rates: Retained Income		(4,513)	(4,513)	(4,513)	0	0	0
Funding	Business Rates: S31 Grants		(1,655)	(1,655)	(1,655)	0	0	0
Funding	Prior Year Collection Fund (Surplus)/Deficit		1,261	1,261	1,261	0	0	0
Funding	Revenu support Grant		(1,700)	(1,700)	(1,700)	0	0	0
Funding	New Homes Bonus		(576)	(576)	(576)	0	0	0
Funding	Other Government Grants		(489)	(489)	(489)	0	0	0
<b>FUNDING</b>			<b>(15,322)</b>	<b>(15,322)</b>	<b>(15,322)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>BUDGET BALANCE</b>			<b>(0)</b>	<b>(0)</b>	<b>(9)</b>	<b>(9)</b>	<b>89</b>	<b>(98)</b>

Appendix 2

Quarter 3 Movements in Reserves

	Transformation Reserve	Growth Reserve	TOTAL Strategic Reserves	Other Earmarked Reserves
	£000	£000	£000	£000
Opening Balance	(2,802)	(1,538)	(4,341)	(18,714)
In Year Adjustments	(1,873)	0	(1,873)	1,873
Original Budget 2022/23 - use of reserves	0	0	0	538
<b>TOTAL</b>	<b>(4,675)</b>	<b>(1,538)</b>	<b>(6,214)</b>	<b>(16,304)</b>
Change in cycle 1	0	485	485	302
Change in cycle 2	100	0	100	1,824
Change in cycle 3	1,309	(185)	1,124	(88)
<b>Anticipated balance at 31 March 2023</b>	<b>(3,266)</b>	<b>(1,238)</b>	<b>(4,505)</b>	<b>(14,266)</b>
Approved use of reserves future years	1,766	1,233	2,999	(5,055)
Movement between reserves	0	0	0	0
<b>Balance after approvals</b>	<b>(1,500)</b>	<b>(6)</b>	<b>(1,506)</b>	<b>(19,321)</b>

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**REQUESTS for REVENUE Budget Carry Forwards from 2022/23 into 2023/24**

Appendix 3

Service Unit / Task	Details	Budget Code	Current Budget 2022/23 £	Forecast Spend/ (income) 2022/23 £	Remaining Budget 2022/23 £	Amount Requested £
<b><u>Streetscene</u></b>						
Waste & Cleansing Contract Contingency	£50k underspend from 2022/23 to be used to purchase a Scrubdeck vehicle in 2023/24. Planned efficiencies in light of late changes to Government Waste Strategy. This budget to be used to support upcoming procurement.	R6010/2702	50,000	0	50000	<b>50000</b>
Waste & Cleansing Contract		R6136/2137	175,632	131,632	44000	<b>44000</b>
					-	
			<b>225,632</b>	<b>131,632</b>	<b>94,000</b>	<b>94,000</b>
<b><u>Legal &amp; Democratic Services</u></b>						
					-	
Local Land Charges	To utilise the remaining surplus income carried forward from 21/22, together with the transitional grant received from HM Land Registry to support the migration of Local Land Charges.	R2032/2702	50,096	0	50,096	50,096
					0	
Local Land Charges	Predicted surplus income from Local Land Charges income in 22-23 to be utilised to support the migration of Local Land Charges	R2032/3333	(62,614)	(80,000)	17386	17,386
			<b>(12,518)</b>	<b>(80,000)</b>	<b>67,482</b>	<b>67,482</b>
<b><u>Corporate</u></b>						
Climate Change	For future climate change initiatives	H4835/2702	59,374	9,374	50,000	<b>50,000</b>
			<b>59,374</b>	<b>9,374</b>	<b>50,000</b>	<b>50,000</b>

Totals

272,488

#REF!

#REF!

211,482

**REQUESTS for EXTERNALLY FUNDED REVENUE Budget Carry Forwards from 2022/23 into 2023/24**

Service Unit / Task	Details	Budget Code	Current Budget 2022/23 £	Forecast Spend/ (income) 2022/23 £	Remaining Budget 2022/23 £	Amount Requested £
<b><u>Housing &amp; Development Control</u></b>						
Housing Advice	£20k Homelessness Prevention					
	£25,342 Homelessness Prevention					
	£25k Rough Sleeping	R3218/0081	70,342	12,988	57,354	<b>57,354</b>
Housing Advice	Homelessness Prevention	R3218/1979	15,300	8,000	7,300	<b>7,300</b>
	£105k Homelessness Prevention Grant					
Housing Advice	£45k Rough Sleepers & ABEN					
	£69,433 Protect & Vaccinate	R3218/2021	219,433	115,833	103,600	<b>103,600</b>
	£5k Homelessness Prevention Grant					
Housing Advice	£5k AFO Funding	R3218/2052	10,000	526	9,474	<b>9,474</b>
			<b>315,075</b>	<b>137,347</b>	<b>177,728</b>	<b>177,728</b>
<b><u>Economy &amp; Growth</u></b>						
Cultural Consortium	HAZ monies to be spent 23/23	R5334/0159	28,156	27,746	410	<b>410</b>
Cultural Consortium	HAZ monies to be spent 23/23	R5334/2106	14,400	10,400	4,000	<b>4,000</b>
Cultural Consortium	HAZ monies to be spent 23/23	R5334/3234	- 28,800 -	44,000	15,200	<b>15,200</b>
			<b>13,756 -</b>	<b>5,854</b>	<b>19,610</b>	<b>19,610</b>
<b><u>Corporate</u></b>						
Clinically Extremely Vulnerable	Unspent grant	R2009/3578	- -	7,221	7,221	<b>7,221</b>
Covid 19 FPN Income	Additional income	R2009/3528	- -	3,060	3,060	<b>3,060</b>
			<b>-</b>	<b>(10,281)</b>	<b>10,281</b>	<b>10,281</b>
<b>Totals</b>			<b>328,831</b>	<b>121,212</b>	<b>207,619</b>	<b>207,619</b>



# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 85. Revenue Budget Monitoring Q3 2022/23

### PURPOSE

To report the forecast outturn position for the year as at 31 March 2023 based upon actual spending and income to 31 December 2022.

### REASON FOR DECISION

To give consideration to the level of revenue spending and income in 2022/23 as part of the effective governance of the Council and to ensure that appropriate management action is taken to ensure a balanced financial position.

### DECISION

The Executive RESOLVED to:

- a. Note the projected revenue budget forecast position of a net underspend of £9k, as summarised in table 1 and detailed in Appendix 1. The net underspend of £9k has reduced from a forecast net overspend of £89k as reported in Quarter 2.
- b. Note the financial impact of the Coronavirus pandemic and the cost-of-living crisis as can be seen in paragraph 5. In view of these exceptional times the revenue monitoring position is uncertain.

And to recommend **approval by Full Council for:**

- c. **The latest revised net budget of £15.322m as shown in Table 1, and**
- d. **The net transfers from earmarked reserves of £4.284m as shown in Appendix 2.**
- e. **The requested carry forwards of £419k as shown in Appendix 3.**

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## Capital Monitoring Report 2022/23 – Quarter 3 (to 31 December 2022)

### REPORT TO EXECUTIVE



<b>DATE</b>	<b>13 February 2023</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Amy Johnson</b>
<b>TEL NO</b>	<b>(01282) 475869</b>
<b>EMAIL</b>	<b>ajohnson@burnley.gov.uk</b>

### PURPOSE

1. To provide Members with an update on capital expenditure and the resources position along with highlighting any variances.

### RECOMMENDATION

2. The Executive is asked to:
  - a. Recommend to Full Council, approval of net budget changes totalling a decrease of £18,513,011 giving a revised capital budget for 2022/23 totalling £20,225,741 as detailed in Appendix 1.
  - b. Recommend to Full Council, approval of the proposed financing of the revised capital budget totalling £20,225,741 as shown in Appendix 2.
  - c. Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £5,617,708 at 31 March 2023 as shown in Appendix 3.

### REASONS FOR RECOMMENDATION

3. To effectively manage the 2022/23 capital programme.

### SUMMARY OF KEY POINTS

#### 4. Monitoring Information

On 23 February 2022 Full Council approved the 2022/23 original capital budget, totalling £37,791,441. Since February, several reports have been approved by the Executive, resulting in revising the 2022/23 capital budget to £38,738,753 (as at 30 November 2022 Executive).

This is the third of three in-year monitoring reports, and as such the appendices accompanying this report provide Members with the position as at 31 December 2022 on

expenditure, along with providing Members with an update on the progress of the individual schemes delivery.

## 5. Executive Summary

- a. **Expenditure monitoring – Appendix 1** provides a detailed breakdown of the revised capital budget, scheme by scheme, presented under each of the relevant service unit areas responsible for delivering the capital projects. It shows the recommended revised budget position and expenditure as at the end of December 2022. The expenditure to date is £11,509,721 which is 57% of the proposed revised budget.
- b. **Revised budget and financing elements – Appendix 2** shows the revised budget of £20,225,741, along with identifying the recommended financing elements on a scheme by scheme basis. This is a decrease of £18,513,011.
- c. **Council resources position – Appendix 3** shows the latest position on capital receipts, section 106 monies and third party contributions. As at the end of this round of budget monitoring the assumed level of surplus available local resources, after taking into account the 2022/23 capital commitments, totals £5,617,708.

The resources are reducing each financial year, to an estimated balance on general capital receipts of £1.777m by March 2023. This is due to reduced opportunities to realise capital receipts, as the estate reduces, which will require prioritisation of future capital schemes in line with available resources.

Please note, the general receipts position requires a number of properties to be sold before 31<sup>st</sup> March 2023, some of which are high risk (or the estimated balance will reduce).

We will monitor these sales throughout the year, and update through the cyclical monitoring reports. Should these receipts not be received, we will need to source alternative financing.

### d. Building Infrastructure Works

#### Towneley Hall

The main contract for the refurbishment of the Hall has been tendered and work is scheduled to start early next year.

#### Town Hall

Structural repairs to the front of Burnley Town Hall have been completed in accordance with the specification of our specialist conservation structural engineer. All the scaffolding to the front has been removed and the final stonework repairs completed. Other than any minor snagging issues on repairs and redecoration to the railing's works are complete. Anti-bird fouling nets have been installed and, decoration of the main front entrance gates will be undertaken in the summer as part of repairs and maintenance generally.

Regarding the lightwell all structural works are complete however discussions are underway regarding increased costs for the external finishing. If these can be resolved satisfactorily the works will go ahead shortly, if not then they will be retendered.

### Council Chamber

Specialist advice regarding the dry rot outbreak and the condition of the ornate plaster ceiling in the main Council Chamber has been obtained and further structural advice regarding some slight movement obtained. Works will commence shortly. Given the specialist works involved this is programmed to take 22 weeks to complete the works. The cost of the specialist work, including the scaffold hire, is £107,500. There is an underspend of £15,892 from the Town Hall stonework budget which will be used to part fund these works. The capital budget has been increased by £91,608 to cover the remaining cost.

### Nicholas Street

Several outbreaks of dry rot have been stripped out and treated and the building continues to be monitored. A further dry rot infestation in the stairwell towards the Elizabeth end of the building has been identified is being treated as is the source of the damp which cause the same.

## 6. Revenue Implications

### a. Revenue Contributions / Reserves 2022/23

The Capital Programme includes Revenue Contributions / Reserves of £1,855,207 being:

Scheme	Funded	£
Vehicle & Machinery Replacement	Transport Reserve	160,186
Vehicle & Machinery Replacement	Revenue	15,000
Refill Fountains	Revenue Support Reserve	5,000
Finsley Wharf & Canal Towpath Improvements	Revenue Support Reserve	34,000
Burnley/Pendle Growth Corridor	Growth Reserve	300,000
Building Infrastructure	Revenue Support Reserve	49,500
Worsthorne Recreation Ground Improvements	Revenue Support Reserve	22,381
Pioneer Place	Transformation Reserve	1,269,150
<b>Total Revenue Contributions</b>		<b>1,855,207</b>

### b. Prudential Borrowing 2022/23

The MRP cost is the charge to revenue for the repayment of the principal amount borrowed based on the estimated life of the asset and is not incurred until the year after the schemes are completed.

The interest cost will be dependent on the timing of the borrowing and is subject to the interest rate at the time the borrowing is undertaken. The full year costs will be included within the revenue budget for 2022/23.

The original capital budget for 2022/23 of £37,791,441 included a planned borrowing requirement of £15,861,173.

The Outturn report dated 13 July 2022 seeks approval for slippage on borrowing of £688,904, revising the planned borrowing requirement to £16,550,077.

The Cycle 1 report dated 21 September 2022 also approved the planned borrowing requirement to £16,550,077.

The Cycle 2 report dated 30 November 2022 approved the planned borrowing requirement to £14,558,496.

Adjustments made in this report revises the planned borrowing requirement to £4,539,397 mainly due to the reprofiling of Pioneer Place & Town Centre & Weavers Triangle Project Work.

The revenue implications of borrowing £4,539,397 are a Minimum Revenue Provision (MRP) of £46k and an interest charge, assuming 3% on the borrowing, would equate to £136k for a full year.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

7. A decrease in the 2022/23 capital programme of £18,513,011 to give a revised budget of £20,225,741.

#### **POLICY IMPLICATIONS**

8. None arising directly from this report.

#### **DETAILS OF CONSULTATION**

9. None.

#### **BACKGROUND PAPERS**

10. None.

#### **FURTHER INFORMATION**

**PLEASE CONTACT:** **Amy Johnson – Finance Manager**



2022/23 CAPITAL BUDGET CYCLE 3 MONITORING - UPDATE

Scheme Name	Budget per Exec 30/11/22 £	Adjustments Per This Report		Changes to be	Revised Budget £	Total Spend as at 30/12/22 £	% Schemes Spend £	Narrative provided by Project Officers/Heads of Service
		Budget	Reprofiled into	approved in				
		Adjustments	Future Years	this report				
A	B	A + B						

**GREEN SPACES & AMENITIES**

Play Area Improvement Scheme	206,800			-	206,800	130,924	63%	The Lane Bottom scheme, re-development of Vanguard and the new multi-play unit at Lockyer Avenue have been completed, together with the additional work at Harold Avenue. We have a number of play areas to redevelop aiming for completion before the end of March 2023 or early 23/24.
Vehicle and Machinery Replacement	175,186			-	175,186	124,530	71%	Awaiting delivery of the new Tree Team pick up (due in January) and replacement Dennis 510 bowling green mower (end of January). These purchases will complete the programme.
Playing Pitch Improvements	20,000			-	20,000	2,590	13%	We have commissioned an external consultant to provide us with a detailed design specification and help us with the tender and construction phases for Lockyer Avenue and Queens Park schemes. As part of this work, they carried out an Infiltration Suds Geo Report and a Phase 1 Desk Study to provide preliminary assessments for coal mining risk and the potential for infiltration drainage at Lockyer Avenue. Once the detailed design specification work has been completed, we will use the plans to procure tender documents and bills of quantities with a view to tendering the work by the end of March 2023. We aim to have the drainage works at both sites completed in May or June 2023. We are working with both clubs that will be affected on alternative sites for them during the 2023/24 season as they will not be able to play on either site for 9 to 12 months.
Extension of Burnley Cemetery	25,000			-	25,000	-	0%	Scheme brief to be tendered in January to consultants who specialises in the development of new Cemeteries and Cemetery extensions. Balance to be carried forward.
Brun Valley Forest Park	22,787			-	22,787	4,480	20%	Seeding of wildflower meadows has taken place at Bank Hall Park, with the remaining sites at Bank Hall and Lydgate to be seeded by contractors in Quarter 3 and 4.
Worsnorne Recreation Ground Improvements	50,245			-	50,245	850	2%	Refurbishment of the changing rooms has been delayed due to the connection of water, electricity and sewerage but work to refurbish the interior and exterior of the changing rooms should commence early February..
Thompson Park Restoration	24,918			-	24,918	10,501	42%	Signage and flood defence works complete, it is anticipated that all outstanding works including road surfacing and works to the paddling pool control valves and lake inlet expected to be completed in this financial year.
Refill Fountains	5,000			-	5,000	-	0%	Bottle fillers have been delivered. Installation to take place.
Stoops Wheeled Sport	925			-	925	750	81%	Scheme complete
Changing Place	43,469			-	43,469	-	0%	Request transfer of this budget to the Towneley Hall Works capital budget to enable the changing places toilet at Towneley Hall to be provided as part of the current repair contract.
Crematorium Improvements	132,000		(132,000)	(132,000)	-	-	0%	No progress due to workload in GS&A and Engineers request to defer to 2023/24
Scott Park HLF	25,000			-	25,000	-	0%	No progress as yet. The aim is to use some of this money to appoint a consultant and submit an expression of interest to the National Lottery Heritage Fund before the end of March.
Memorial Park Improvements	146,042		(96,042)	(96,042)	50,000	-	0%	The tender for the replacement of the skate ramp with a new concrete wheeled sports area has been completed and work is due to commence on the wheeled sports area at the end of February for completion by the end of March. The remaining works in the programme will be completed during 2023/24 so request a reprofile of the budget for the balance.
Towneley Hall Works	550,000	100,000		100,000	650,000	238,838	37%	The contract commenced on site 24/10/2022 and is currently on schedule. Expenditure in current financial year estimated to be £650K with balance to 2023/24 & 2024/25
	<b>1,427,372</b>	<b>100,000</b>	<b>(228,042)</b>	<b>(128,042)</b>	<b>1,299,330</b>	<b>513,463</b>	<b>40%</b>	

**STREETSCENE**

Alleygating	26,872			-	26,872	-	0%	The council is going through the selection process for the 2022/23 allocation. There have been 90 applications this year and the capital funding will provide 5 or 6 new schemes. Full spend is anticipated in Quarter 4.
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Scheme Name	Budget per Exec 30/11/22	Adjustments Per This Report		Changes to be	Revised Budget	Total Spend as at 30/12/22	% Schemes Spend	Narrative provided by Project Officers/Heads of Service
		Budget Adjustments	Reprofiled into Future Years	approved in this report				
	A	B	A + B	£	£	£	£	
Towneley River Training Walls	84,698			-	84,698	7,440	9%	The full budget is anticipated to be spent in Quarters 3 and 4. Projects will include essential works along the River Brun and Thompson park to alleviate future flooding incidents.
Safer Streets	22,457			-	22,457	17,004	76%	Awaiting final contractor invoices. The project is complete.
Electric Vehicle Rapid Charge Points	232,110	(42,840)		(42,840)	189,270	-	0%	The Council have been successful in securing Office for Zero Emmission Vehicles funding to deliver this scheme. Capital works and spend is being undertaken in Quarters 3 and 4. It is anticipated that the full allocation of the budget will be utilised with the grant and also match funding from a private sector provider.
	<b>366,137</b>	<b>(42,840)</b>	-	<b>(42,840)</b>	<b>323,297</b>	<b>24,444</b>	<b>8%</b>	

Scheme Name	Budget per Exec 30/11/22 £	Adjustments Per This Report		Changes to be	Revised Budget £	Total Spend as at 30/12/22 £	% Schemes Spend £	Narrative provided by Project Officers/Heads of Service
		Budget	Reprofiled into	approved in				
		Adjustments	Future Years	this report				
A	B	A + B						

**ECONOMY & GROWTH**

Padiham Townscape Heritage Initiative	631,042	79,037	(110,000)	(30,963)	600,079	74,504	12%	There are two project on-site nearing completion (Exempar and National School Building) and a further two pipeline projects (12-14 and 25-27 Burnley Rd). The TH programme is on target to complete by Sept 2023.
Pioneer Place	14,833,842		(6,102,794)	(6,102,794)	8,731,048	6,316,303	72%	Work on site has progressed to programme. The steel works are completed; the cinema is fully clad and internal work is at an advanced stage; the restaurant units are ready for cladding; external areas have been prepared ready for surfacing and landscaping; the part of the car park next to Primark which has been handed over to the Council is operating normally. Agreements for lease on all five units are at an advanced stage with solicitors and tenants' specifications have been agreed.
NW Burnley Growth Corridor - Phase 2	-			-	-	-	0%	LEP funding of £5million toward the NW Growth Corridor scheme has been fully utilised. The EA continues construction work to the rear of the Town Hall which is expected to complete in Spring and are finalising designs for Phase 2 works scheduled to commence in May. Remaining construction works are being funded through the EA and other funding sources sought by the EA.
Lower St James Street Historic Action Zone	1,017,291		(536,084)	(536,084)	481,207	146,906	31%	Works to 143 St James Street are complete. Works have started on site at 160 St James Street with a completion date of 31st March 23. 156 St James Street has been approved and the contractor is due on site before the end of January. Planning is approved for 139/141 - works are going out to tender this week. 150-152, 153 164-166 are all at Design Stages. Cost profiles to be allocated to properties once tendered works have come in with exact costings.
Finsley Wharf & Canal Towpath Improvements	34,000			-	34,000	34,000	100%	Contribution to the Canal & Rivers Trust. Works completed awaiting invoice.
Vision Park	24,506			-	24,506	-	0%	Final work on signage completed, awaiting invoice from contractor.
Former Open Market & Former Cinema Block	57,738		(57,738)	(57,738)	-	-	0%	Remediation works to the parapet cannot be carried out this financial year due to the closure of Bankfield for highways works.
Town Centre & Weavers Triangle Project Work	623,370		(623,370)	(623,370)	-	-	0%	This expenditure is earmarked as matched funding for the Levelling Up Fund bid that has been successful, however the Council's funding is not required this year and will be rolled forward to future years.
Sandygate Halls (Commercial Units & Car Parking)	190,588			-	190,588	9,467	5%	Defect works and fitting out of office unit to be completed, subject to tenant signing agreement for lease.
Burnley-Pendle Growth Programme	300,000			-	300,000	-	0%	All works completed. Awaiting invoice.
Leveling Up Fund	13,014,613		(9,514,513)	(9,514,513)	3,500,100	1,297,822	37%	Design work on Manchester Road Station continues along with review of site investigation works. The Town to Turf Project has commenced - preparation works have been completed and the site compound mobilised with main construction works starting at the Turf Moor area of the scheme. Works to Newtown Mill are on site including erection of scaffold, stripping out, excavation works and foundations being laid for the new steel frame.
	<b>30,726,990</b>	<b>79,037</b>	<b>(16,944,499)</b>	<b>(16,865,462)</b>	<b>13,861,528</b>	<b>7,879,002</b>	<b>57%</b>	

**FINANCE & PROPERTY**

Leisure Centre Improvements	149,297		(100,000)	(100,000)	49,297	34,261	69%	The agreed programme of works is progressing and should be completed this financial year.
Building Infrastructure	1,052,475	91,608		91,608	1,144,083	483,130	42%	Structural repairs to the front of Burnley Town Hall have been completed in accordance with the specification of our specialist conservation structural engineer. Most of the scaffolding to the left hand side of the Town Hall entrance has been removed and the final stonework repairs are progressing well and should be completed during November. Following this the inner light well works will be progressed. Specialist advice regarding the dry rot outbreak and the condition of the ornate plaster ceiling in the main Council Chamber has been obtained and further structural advice regarding some slight movement issues has been received. Quotes have been received for this work which is due to commence shortly. Due to the specialist nature of the works involved the programme of works is estimated to take 22 weeks to complete.
Charter Walk Refurbishment	1,179,871		(1,169,628)	(1,169,628)	10,243	10,243	100%	Following the acquisition of the Charter Walk shopping centre in October 2021 this budget was approved to investigate and progress regeneration or demolition work to Calder House. A feasibility study is currently being undertaken, together with the short to longer term regeneration of the wider Charter Walk shopping centre, which will be completed and reported to members in due course.
Charter Walk Property Maintenance	50,000		(50,000)	(50,000)	-	-	0%	This budget will be used to fund maintenance work to be undertaken arising from building condition surveys and will be picked up through the repair and maintenance revenue budget.

Scheme Name	Budget per Exec 30/11/22 £	Adjustments Per This Report		Changes to be	Revised Budget £	Total Spend as at 30/12/22 £	% Schemes Spend £	Narrative provided by Project Officers/Heads of Service
		Budget	Reprofiled into	approved in				
		Adjustments A £	Future Years B £	this report A + B £				
Carbon Reduction Measures	159,610		(159,610)	(159,610)	-	-	0%	This budget will provide funding to progress initiatives included within the Council's Climate Change Strategy. We are awaiting the outcome of an assessment being undertaken by a specialist supplier.
IT Upgrades	7,000			-	7,000	3,650	52%	To replace 65 devices used by members and officers, in batches over 3 years, to access electronically meeting agenda papers and reports. The first batch of ten devices have been purchased and issued to members as upgrades and replacements.
Audio & Visual Upgrade to Facilitate On-line Meetings	100,000		(100,000)	(100,000)	-	-	0%	Replacement of the delegate public address and induction loop systems in the Council chamber and public gallery; and installation of an electronic delegate voting system and display and fixed live streaming cameras. Currently the audio visual upgrade tender and installation is on hold and is dependent upon the completion of the dry rot repair work in the Council Chamber. A date for completion of this work is currently unknown, this will require the budget to be reprofiled into 2023/24.
	<b>2,698,253</b>	<b>91,608</b>	<b>(1,579,238)</b>	<b>(1,487,630)</b>	<b>1,210,623</b>	<b>531,284</b>	<b>44%</b>	

Scheme Name	Budget per Exec 30/11/22 £	Adjustments Per This Report		Changes to be	Revised Budget £	Total Spend as at 30/12/22 £	% Schemes Spend £	Narrative provided by Project Officers/Heads of Service
		Budget	Reprofiled into	approved in				
		Adjustments	Future Years	this report				
A	B	A + B						

**HOUSING & DEVELOPMENT CONTROL**

Emergency Repairs	180,000	90,000		90,000	270,000	209,505	78%	In addition to the grants completed, there is a further £54,000 committed to an additional 14 grants that have been approved. As we start to enter the colder months, applications in relation to emergency works for heating and damp are likely to increase. It is recommended that the budget is increased to a total of £180,000.
Better Care Grant	2,000,000			-	2,000,000	1,433,486	72%	In addition to the grants completed there is currently a further £618,000 committed for disabled facilities grants. £10,000 for the safe and secure and declutter grant as well as £18,000 for dwelling dementia grants. With the current spend and current commitment it is anticipated that the full £2,000,000 budget will be spent by the end of 2022/23.
Energy Efficiency	40,000			-	40,000	31,682	79%	We are still predicting to complete 125 grants this year.
Empty Homes Programme	1,300,000	(79,037)		(79,037)	1,220,963	886,855	73%	The programme is targeting another 20 acquisitions this year and bringing 90 properties back in to use. We have had 9 loan applications this year so far which is a little slow, but understandable in the current economic climate.  We are still working with Calico and will complete the sale of 26 properties to them in October. Offers have been accepted on 2 properties with another almost ready for sale. A report on further Compulsory Purchase Orders has been prepared and is going to October Executive.  Renovations are underway at 3 properties with more being prepared. Five of these properties are being partly funded by Homes England for the Rough Sleeping Accommodation Programme. One further property was completed in November. All six properties need to be complete by early March 2023.  Wytham and Albion improvement scheme also commenced in October.
	<b>3,520,000</b>	<b>10,963</b>	<b>-</b>	<b>10,963</b>	<b>3,530,963</b>	<b>2,561,528</b>	<b>73%</b>	
	<b>38,738,752</b>	<b>147,160</b>	<b>(18,751,779)</b>	<b>(18,513,011)</b>	<b>20,225,741</b>	<b>11,509,721</b>	<b>57%</b>	

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Scheme Name	Revised Budget £	FINANCING ELEMENTS						Total Revised Budget £
		Prudential Borrowing £	Revenue Cont'n / Reserves £	Capital Grants £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party Contribution / Section 106 £	
<b>Green Spaces &amp; Amenities</b>								
Play Area Improvement Scheme	206,800	-	-	-	88,636	-	118,164	206,800
Vehicle and Machinery Replacement	175,186	-	175,186	-	-	-	-	175,186
Changing Place	43,469	-	-	-	-	-	43,469	43,469
Extension of Burnley Cemetery	25,000	25,000	-	-	-	-	-	25,000
Scott Park HLF	25,000	-	-	-	25,000	-	-	25,000
Memorial Park Improvements	50,000	-	-	-	-	-	50,000	50,000
Playing Pitch Improvements	20,000	-	-	-	-	-	20,000	20,000
Towneley Hall Works	650,000	350,446	-	299,554	-	-	-	650,000
Brun Valley Forest Park	22,787	-	-	-	-	-	22,787	22,787
Worsthorne Recreation Ground Improvements	50,245	-	22,381	2,780	-	-	25,084	50,245
Thompson Park Restoration	24,918	-	-	24,918	-	-	-	24,918
Stoops Wheeled Sport	925	-	-	925	-	-	-	925
Refill Fountains	5,000	-	5,000	-	-	-	-	5,000
	<b>1,299,330</b>	<b>375,446</b>	<b>202,567</b>	<b>328,177</b>	<b>113,636</b>	<b>-</b>	<b>279,504</b>	<b>1,299,330</b>
<b>Streetscene</b>								
River Training Walls	84,698	-	-	-	84,698	-	-	84,698
Alleygate Programme	26,872	-	-	-	26,872	-	-	26,872
Electric Vehicle Charging Scheme (Council Match Funding)	189,270	-	-	139,270	50,000	-	-	189,270
Safer Streets	22,457	-	-	22,457	-	-	-	22,457
	<b>323,297</b>	<b>-</b>	<b>-</b>	<b>161,727</b>	<b>161,570</b>	<b>-</b>	<b>-</b>	<b>323,297</b>
<b>Economy &amp; Growth</b>								
Padiham Townscape Heritage Initiative	600,079	-	-	409,988	5,905	79,037	105,149	600,079
Pioneer Place	8,731,048	3,645,652	1,269,150	3,816,246	-	-	-	8,731,048
Lower St James Street Historic Action Zone	481,207	-	-	379,263	-	-	101,944	481,207
Finsley Wharf & Canal Towpath Improvements	34,000	-	34,000	-	-	-	-	34,000
Vision Park	24,506	-	-	17,853	6,653	-	-	24,506
Leveling Up Fund	3,500,100	-	-	3,500,100	-	-	-	3,500,100
Sandygate Halls (Commercial Units & Car Parking)	190,588	190,588	-	-	-	-	-	190,588
Burnley-Pendle Growth Programme	300,000	-	300,000	-	-	-	-	300,000
	<b>13,861,528</b>	<b>3,836,240</b>	<b>1,603,150</b>	<b>8,123,450</b>	<b>12,558</b>	<b>79,037</b>	<b>207,093</b>	<b>13,861,528</b>
<b>Finance &amp; Property</b>								
Leisure Centre Improvements	49,297	-	-	-	49,297	-	-	49,297
Building Infrastructure	1,144,083	317,428	49,500	-	752,155	-	25,000	1,144,083
IT Upgrades	7,000	-	-	-	7,000	-	-	7,000
Charter Walk Refurbishment	10,243	10,243	-	-	-	-	-	10,243
	<b>1,210,623</b>	<b>327,671</b>	<b>49,500</b>	<b>-</b>	<b>808,452</b>	<b>-</b>	<b>25,000</b>	<b>1,210,623</b>
<b>Housing &amp; Development Control</b>								
Emergency Repairs	270,000	-	-	270,000	-	-	-	270,000
Better Care Grant	2,000,000	-	-	2,000,000	-	-	-	2,000,000
Energy Efficiency	40,000	-	-	40,000	-	-	-	40,000
Empty Homes Programme	1,220,963	-	-	-	-	1,220,963	-	1,220,963
	<b>3,530,963</b>	<b>-</b>	<b>-</b>	<b>2,310,000</b>	<b>-</b>	<b>1,220,963</b>	<b>-</b>	<b>3,530,963</b>
<b>TOTAL OF ALL SCHEMES</b>	<b>20,225,741</b>	<b>4,539,357</b>	<b>1,855,217</b>	<b>10,923,354</b>	<b>1,096,216</b>	<b>1,300,000</b>	<b>511,597</b>	<b>20,225,741</b>

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**CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2022/23 + CIP 2023-28**

**APPENDIX 3**

	<u>General Capital Receipts</u> £	<u>Vacant Property Initiatives Receipts</u> £	<u>Section 106 Money</u> £	<u>3rd Party Cont'ns</u> £	<u>Total</u> £
<b>Capital Resources Brought Forward on 1 April 2022</b>	<b>2,484,594</b>	<b>1,530,973</b>	<b>408,380</b>	<b>392,329</b>	<b>4,816,276</b>
<b>Add</b>					
Resources Received As At 31 December 2022	364,082	620,801	496,498	628,534	2,109,915
Further Resources Estimated to be Received during 2022/23:	25,000	1,544,330	-	-	1,569,330
<b>Potential Resources Available during 2022/23</b>	<b>2,873,676</b>	<b>3,696,104</b>	<b>904,878</b>	<b>1,020,863</b>	<b>8,495,521</b>
<b>Less</b>					
Required to finance Capital Programme	(1,096,216)	(1,300,000)	(25,084)	(456,513)	(2,877,813)
Earmarked for Revenue Expenditure	-	-	-	-	-
Earmarked for Delivery By Outside Bodies	-	-	-	-	-
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2023</b>	<b>1,777,460</b>	<b>2,396,104</b>	<b>879,794</b>	<b>564,350</b>	<b>5,617,708</b>
<b>Add</b>					
Resources Estimated to be Received during 2023/24	300,000	1,303,000	478,300	4,349,214	6,430,514
<b>Less</b>					
2023/24 Capital Budget	(1,247,110)	(1,300,000)	(478,300)	(4,528,774)	(7,554,184)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2024</b>	<b>830,350</b>	<b>2,399,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,494,038</b>
<b>Add</b>					
- Resources Estimated to be Received during 2024/25	150,000	1,300,000	398,907	145,360	1,994,267
<b>Less</b>					
- 2024/25 Capital Budget	(306,232)	(1,300,000)	(398,907)	(145,360)	(2,150,499)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2025</b>	<b>674,118</b>	<b>2,399,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,337,806</b>
<b>Add</b>					
- Resources Estimated to be Received during 2025/26	150,000	1,336,000	155,000	560,360	2,201,360
<b>Less</b>					
- 2025/26 Capital Budget	(162,370)	(1,300,000)	(155,000)	(560,360)	(2,177,730)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2026</b>	<b>661,748</b>	<b>2,435,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,361,436</b>
<b>Add</b>					
- Resources Estimated to be Received during 2026/27	150,000	1,360,000	-	30,000	1,540,000
<b>Less</b>					
- 2026/27 Capital Budget	(204,581)	(1,300,000)	-	(30,000)	(1,534,581)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2027</b>	<b>607,167</b>	<b>2,495,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,366,855</b>
<b>Add</b>					
- Resources Estimated to be Received during 2027/28	150,000	1,292,000	-	32,000	1,474,000
<b>Less</b>					
- 2027/28 Capital Budget	(221,350)	(1,300,000)	-	(32,000)	(1,553,350)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2028</b>	<b>535,817</b>	<b>2,487,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,287,505</b>

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# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 86. Capital Budget Monitoring Q3 2022/23

### PURPOSE

To provide Members with an update on capital expenditure and the resources position along with highlighting any variances.

### REASON FOR DECISION

To effectively manage the 2022/23 capital programme.

### DECISION

The Executive resolved to:

- a. **Recommend to Full Council approval of net budget changes totalling a decrease of £18,513,011 giving a revised capital budget for 2022/23 totalling £20,225,741 as detailed in Appendix 1.**
- b. **Recommend to Full Council approval of the proposed financing of the revised capital budget totalling £20,225,741 as shown in Appendix 2.**
- c. Note the latest estimated year end position on capital receipts and contributions showing an assumed balance of £5,617,708 at 31 March 2023 as shown in Appendix 3.

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<b>REPORT TO THE EXECUTIVE</b>
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<b>DATE</b>	<b>13th February 2023</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Howard Hamilton-Smith</b>
<b>TEL NO</b>	<b>01282 477173</b>
<b>EMAIL</b>	<b>HHamilton-Smith@burnley.gov.uk</b>

<b>Medium-Term Financial Strategy – 2024/25 to 2027/28 Incorporating the Reserves Strategy</b>
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<b>PURPOSE</b>
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1. To consider the longer term financial outlook within the context of a Medium-Term Financial Strategy covering the financial years 2024/25 to 2027/28, highlighting uncertainties, underlying risks and make recommendations to Council. The Medium-Term Financial Strategy should be read in conjunction with the Revenue Budget 2023/24 and the associated statutory report of the Chief Finance Officer.

<b>RECOMMENDATION</b>
-----------------------

2. The Executive is asked to recommend to Full Council:
  - 2.1 Approval of the latest Medium-Term Financial Strategy;
  - 2.2 Approval of the Reserves Strategy, as appended to the Medium-Term Financial Strategy; and
  - 2.3 Note that a refreshed document will be provided when required as an aid to monitoring the continued delivery of an annually balanced budget; and
  - 2.4 Note the annual review of the Financial Management Code.

<b>REASONS FOR RECOMMENDATION</b>
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3. Professional accounting practice recommends that a medium term financial strategy is in place to ensure that resources are aligned to strategic intent and business objectives. It also provides a firm and robust basis on which to prepare the annual budget. Given the current financial climate, the need for consideration of the medium term financial position is pertinent to ensuring sustainable service delivery and for the Council to remain viable as a going concern.

## SUMMARY OF KEY POINTS

4. A Medium-Term Financial Strategy (MTFS) is a key component of the Council's strategic planning process, aligning resources to service priorities and providing early identification of requirements for efficiency and cost improvement programmes. The MTFS provides an overarching framework for, and context to, the preparation of the annual budget. It provides an indicative headline position of the overall financial health of the Council, providing early sight of issues for full consideration by the Council and Executive.
5. Council will be aware that the 2023-27 MTFS was approved in February 2022. This report provides an update to the figures presented in that report based on the details issued by government as part of the provisional financial settlement for 2023/24 in December 2022, as well as incorporating a further year, namely 2027/28. The provisional financial settlement for 2023/24 was a one year settlement.
6. The Strategy has been developed using the latest information available. Assumptions and risks built into the Medium-Term Financial Strategy are documented within the Strategy. The headline reduction, over the four financial years 2024/25, 2025/26, 2026/27 and 2027/28, is a cumulative budget gap of £2.1m (14% of the 2022/23 net budget of £15.322m).
7. The financial environment in which the Council operates within is challenging, particularly within the context of continuing austerity. Given the reduced government funding during austerity and pressures on other income and uncertainty around future funding, the Council endeavours to meet those financial challenges taking a strategic view whilst protecting the quality of services and minimising impact on residents.
8. The Financial Management Code was required to be implemented in 2021/22 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code sets the standards of financial management for local authorities.
9. The FM Code is supported by the statutory requirement for all local authorities to have sound financial management. Section 151 of the Local Government Act 1972 requires that every local authority in England and Wales should "*make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.*" Compliance with the FM Code will assist local authorities to demonstrate that they are meeting these important legislative requirements.
10. The review of the FM Code was originally presented to Audit & Standards Committee at their meeting 17 March 2022. An annual review of our compliance can be seen at Appendix 2 of this report.

## FINANCIAL IMPLICATIONS AND BUDGET PROVISION

9. There are no direct financial implications arising from this report.

## **POLICY IMPLICATIONS**

10. The Medium Term Financial Strategy is a key document in ensuring the delivery of Council objectives and developing the strategic priorities.

## **DETAILS OF CONSULTATION**

11. None

## **BACKGROUND PAPERS**

12. None.

## **FURTHER INFORMATION**

<b>PLEASE CONTACT:</b>	<b>Howard Hamilton-Smith, Head of Finance and Property</b>
<b>ALSO:</b>	<b>Amy Johnson – Finance Manager</b>

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# MEDIUM-TERM FINANCIAL STRATEGY

## 2024/28



# Table of Contents

- INTRODUCTION .....3
- FINANCIAL CONTEXT .....4
- CORE SPENDING POWER.....4
- BUSINESS RATES POOLING 50% RETENTION.....7
- NEW HOMES BONUS .....8
- PENSIONS .....8
- COUNCIL TAX INCREASES.....10
- AN IMPACT ASSESSMENT OF THE REVENUE BUDGET 2023/24 ON FUTURE YEARS.....11
- POTENTIAL GAP FOR 2024/25, 2025/26, 2026/27 and 2027/28.....11
- BALANCING OVER THE MEDIUM TERM .....15
- RISKS .....17
- RESERVES & BALANCES.....19
- MONITORING & REVIEW .....21
- APPENDIX 1: RESERVES STRATEGY.....22
- BACKGROUND.....22
- LEGISLATIVE/REGULATORY FRAMEWORK.....22
- ROLE OF THE CHIEF FINANCIAL OFFICER.....23
- PURPOSE OF RESERVES & BALANCES.....23
- RISK FACTORS .....24
- REPORTING FRAMEWORK.....25
- STRATEGIC RESERVES PROTOCOL .....25
- OPERATIONAL RESERVES PROTOCOL.....26

## **INTRODUCTION**

1. This strategy provides an overarching framework which sets out the context in which future decisions on resource allocation and budgeting will be taken. The primary purpose of this Strategy is to provide an indication of the future financial position of the Council and in turn inform the annual budget setting process. It quantifies the likely level of resources that are available to deliver the Council's services and achievement of its core strategic objectives as set out in the Strategic Plan.
2. The Council continues to face challenging reductions in funding and will do so for the foreseeable future. Increasingly the ability to achieve strategic objectives is coupled with the need to deliver cash savings and cost reductions. Consequently, it is imperative that resources are allocated following an assessment of strategic priorities and that annual budget decisions are aligned to those priorities.
3. This Strategy includes:
  - Financial context and a high-level overview of funding changes likely to affect the strategy;
  - An impact assessment of the Revenue Budget 2022/23 on future years;
  - Gap analysis for 2024/25, 2025/26, 2026/27 and 2027/28 and underlying assumptions;
  - Balancing the medium term;
  - Risks;
  - Reserves Forecast;
  - Monitoring and Review.
4. This Strategy reflects the approach adopted in a number of other strategies and policies adopted by the Council, which should be read in conjunction with this document. These include the Revenue Budget 2023/24, the Statutory Report of the Chief Finance Officer and the Treasury Management Policy. In addition, the Reserves Strategy is a key document and is included as an appendix to this document.
5. The medium-term financial planning process has been in place for a number of years and is now an established part of the budget setting process. It provides a forecast of the cost of continuing to provide existing levels of service and the resources that are likely to be available to the Council over the period. It sets out the potential budget gap to inform the Executive and Full Council and to determine the overall size of the efficiencies and cost reduction programme needed over the medium term.

## **FINANCIAL CONTEXT**

6. The major aspects of the local government provisional settlement for 2023/24 as they affect 2024/25, 2025/26, 2026/27 and 2027/28:
  - The level of Council Tax increase (excluding any social care) beyond which a referendum is required is to increase to 3% for 2023/24 (2% in 2022/23)
  - The calculation of Core Spending Power
  - Continuation of New Homes Bonus but with changes. From 2017/18 the Government introduced a baseline for housing growth, 0.4% of a Council's band D equivalent properties, which will be deducted from the grant calculation each year. The scheme was amended in 2020/21 in that the grant allocation will be for one year only and will not attract any legacy payments. The scheme remained the same for 2021/22 and 2022/23 and continues to do so for 2023/24. It is likely the scheme won't exist in its current form from 2024/25, as it is being reviewed as part of the Spending and Fair funding Review.
  - Delay of the Spending Review and Fair Funding Review. The Government is currently in the process of reviewing the components of the business rates retention system, both individually and in aggregate, and the role they can play in providing a strong incentive for local authorities to grow the business rates in their area while minimising complexity. This was originally planned to be implemented in 2020/21 but has been delayed to 2025/26 as announced in the recent Policy Statement.
  - Confirmation of the Lancashire Pool continuing under the 50% business rates pooling arrangements, as per 2020/21, 2021/22 and 2022/23.
7. The final local government finance settlement is expected to be announced in February 2023.

## **CORE SPENDING POWER**

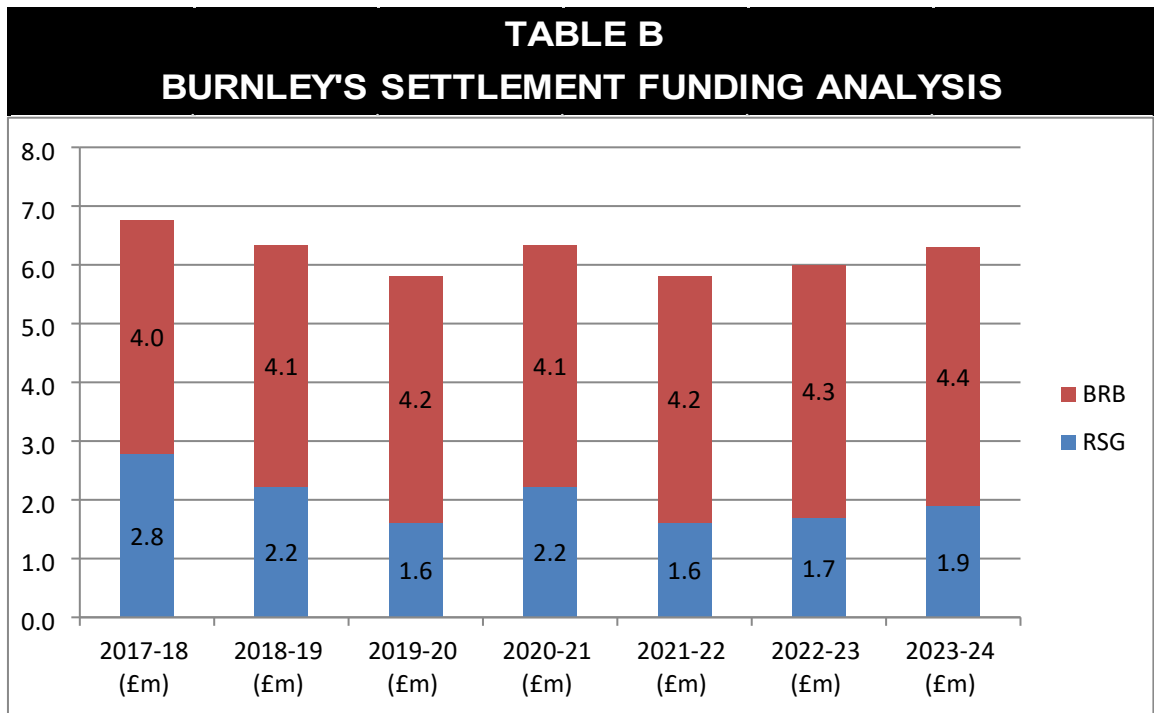
8. In previous years, the government stated that Core Spending Power reductions between financial years was limited to a maximum reduction and additional grant was provided to those authorities to ensure that they did not experience losses greater than this maximum reduction. This was amended for 2021/22 following the impact of Covid – 19 on local authority finances, with the Government announcing that for 2021/22 no local authority will have a core spending power less than in 2020/21. As a consequence, a one-off Lower Tier Services Grant was awarded to Councils. The grant was changed to Services Grant in 2022/23, ensuring that no authority has a reduction in CSP. For 2023/24 a Funding Guarantee Grant has been awarded to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before any assumptions on council tax rate increases, however includes assumptions on increases to Council Tax base). The calculation of Core Spending Power has changed over the years and is not limited to general government revenue grant and business rates but has also included Council Tax receipts, New Homes Bonus and other specific grants. This means that the headline percentage reduction quoted by the government also takes into account

income from sources other than core general government revenue grant and is not representative of only direct government funding.

9. The methodology of the Core Spending Power calculation for 2023/24 includes Revenue Support Grant, Business Rates baseline funding, Council Tax and New Homes Bonus. The Government introduced the Lower Tier Services grant in 2021/22 to ensure that no local authority has a core spending power less than in 2020/21 due to the impact of the Covid-19 on local authority finances and demands for services. This grant was awarded again in 2022/23 as a Services Grant and again in 2023/24 as the Funding guarantee Grant to ensure that no authority has a reduction in core spending power. Burnley's Core Spending Power will increase by 4.5% in 2023/24 (compared to a 5.9% increase in 2022/23).
10. A comparison of Burnley Spending Power with other local authorities is shown in Table A. Burnley has consistently faced Spending Power reductions significantly above the national average. However, as 2023/24 is a 'roll forward' year with inflationary adjustments and the continuation of the New Homes Bonus scheme, Burnley's Core Spending Power is forecast to increase by 4.5%. However, this is in comparison to an England average of a 9.2% increase overall.

<b>TABLE A SPENDING POWER REDUCTION / (INCREASE)</b>		
<b>Year</b>	<b>Burnley (%)</b>	<b>England Average (%)</b>
2016/17	4.4	2.1
2017/18	3.9	(1.3)
2018/19	3.3	(1.8)
2019/20	1.5	(2.5)
2020/21	(3.5)	(6.0)
2021/22	(2.6)	(2.8)
2022/23	(5.9)	(6.9)
2023/24	(4.5)	(9.2)

11. The direction of travel nationally has been for local government to be funded from local revenues only in the longer term (as shown in Table B):



12. Whilst this would be a concern nationally, the reduction will impact Burnley greater as it is more heavily dependent on government funding than other Councils which have greater buoyancy in their Council Tax and Business Rates base. This can be shown in Table C below:

**TABLE C**  
**% SPENDING POWER FINANCED THROUGH REVENUE SUPPORT GRANT**

Year	Burnley (%)	England Average (%)
2016/17	25	16
2017/18	20	9
2018/19	16	3
2019/20	12	2
2020/21	11	3
2021/22	11	4
2022/23	11	3
2023/24	11	3

13. As mentioned earlier, the Government had proposed to revise the methodology for allocating funding to Councils from 2021/22, including changes to the current business rates system and a Fair Funding Review
14. However, in October 2020 the Government announced that the multi-year spending review proposed for 2021/22 – 2023/24 was to be delayed a further year until 2022/23 and replaced with a shorter one-year spending review for 2021/22

only. The settlement for 2022/23 was a 'roll forward' of the 2021/22 year. A two-year settlement has been awarded for the 2023/24 and 2024/25 financial years.

15. Although this was welcomed, significant uncertainty exists for 2025/26 onwards.

### **BUSINESS RATES POOLING 50% RETENTION**

16. During 2019/20 Burnley was part of the Government's 2019/20 pilots which tested a system at 75% Business Rates Retention. This was originally planned for one year, with 2020/21 being the national roll-out of the new funding regime. However, despite the fair funding and spending review being delayed by a year, disappointingly these pilots were not offered again.
17. Despite extensive lobbying, the Government did not reverse this decision and offered only the 50% scheme for 2020/21, as it had run previously.
18. Therefore in 2020/21 Burnley reverted to a similar Lancashire 50% pooling arrangement than in 2018/19 which allows constituent members to come together and be treated as a single member of a business rate pool to combine their funding calculations under the business rate scheme, effectively adding their numbers together for all elements of the funding calculation, such as the tariff and top-ups. The benefit to be gained is that collectively, it produces a lower percentage levy calculation. Each authority continues to retain the growth in its business rates income that it would have retained as an individual authority outside of the pool. However, as part of a pool the Council would no longer be required to pay any levy to Central Government. The Lancashire application sets out what the tier splits would be for each member. This scheme continued for 2022/23 and will continue for 2023/24.
19. Prior to 2013/14, business rates were collected by local government and paid into a national pool and redistributed to local government as part of formula funding. This meant, for councils such as Burnley any variation in business rates collected (i.e., any increase in business rates or any reduction in business rates collected locally) did not affect the Council's financial performance as the Council's contribution from the national pool was fixed as part of the local government settlement.
20. Burnley has had some success in growing its business rate base over the last four years. Additional income of £1.2m is included within the 2023/24 budget in relation to business rates relief grants. However, there is still a great deal of uncertainty over this funding due to the extent of business rate appeals and demands to invest in economic growth. As a consequence, no further increase in business rates has been factored into this financial forecast.
21. A reassessment of rateable values based on property values as at 1<sup>st</sup> April 2021 has been carried out, taking effect from 1<sup>st</sup> April 2023.
22. In the recently published Policy Statement, the Government announced that the Fair Funding Review and Reset of Business Rates will not be implemented until at least 2025/26.

## **NEW HOMES BONUS**

23. The national funding formula has been incentivised to encourage councils to build additional homes. As such councils are rewarded as part of the New Homes Bonus (NHB) to build homes or bring back into use existing stock. In addition, an enhanced rate is paid for social housing. The 2017/18 budget settlement changed the formula for the NHB calculations. NHB was originally paid for 6 years but was reduced to 5 years in 2017/18 and was further reduced to 4 years from 2018/19 onwards. This was applied retrospectively to existing NHB allocations.
24. The scheme was again amended in 2020/21 with the allocation being for one year only and will not attract any legacy payments. This continued into 2021/22 and 2022/23 and will continue for 2023/24. It is likely the scheme won't exist in its current form from 2024/25, as it is being reviewed as part of the spending and fair funding review. This Council budgets for existing legacy payments and any new payments that are confirmed. The final year for receipt of existing legacy payments is 2022/23 which has resulted in a loss of income of £257k in 2023/24.
25. As mentioned earlier, the Government introduced a baseline for housing growth of 0.4% from 2017/18, up to which, the Council will receive no new allocation. The baseline for 2023/24 has remained at 0.4%. This means that for 2023/24's allocation, the first 125 properties do not attract a payment.

## **PENSIONS**

26. Burnley Borough Council is a member of the Lancashire County Pension Fund on behalf of former, current and future employees. Both employees and the employer make payments to the fund on a payroll basis, for employees who are in the scheme. The Council additionally makes annual payments to contribute towards the deficit the fund has (with regards to the Burnley element of the fund), when comparing the money paid out to scheme members versus money coming into the fund, which is evaluated on a per authority basis.
27. Every 3 years the Pension Fund revalues the assets and liabilities of the fund on a per-authority basis so that contribution and deficit payment rates are updated to ensure the fund is sustainable for each local authority.
28. The last revaluation was in 2022 which ascertains the payments required for the financial years 2023/24 to 2025/26.
29. As a result of the 2022 preliminary valuation results, the Council's Future Service Contribution Rate (employers pension contribution rate) will increase from 17.6% to 19.4% for the period 2023/24 – 2025/26. This is set by the fund at a rate that is being sufficient to meet the cost of new benefits being accrued by active members in the future.
30. Surplus is the extent to which the value of the Fund's service assets exceeds the value of the Fund's past service liabilities. This relates to assets and liabilities built up to date and ignores the future build-up of pension (which in effect is assumed to be met by future contributions as described above).



31. For the 2022 valuation, the council's fund has moved from an assessed deficit position to an assessed surplus position due to the positive performance of the fund and changes in some actuarial assumptions. This means that the Council no longer has to pay annual deficit payments of around £293k. For the three financial years 2020/21 - 2022/23 the council contributed to a pension reserve to help offset any potential adverse results of the 2022 revaluation. As the revaluation has resulted in a surplus to the fund, this contribution to the reserve is no longer required, resulting in a reduction of £332k to the budget.
32. These reductions have been used to cover the increased Service Contribution Rate, as set out above, as well as fund some of the cost pressures identified in the revenue budget (£455k). Increased contributions relating to the Liberata and Burnley Leisure schemes (see below) will also be funded from this reduction.
33. However, there is also a need to manage the inherent risks that Burnley face in the pension fund.
34. Investment returns can be volatile and any reduction in performance of the fund in the next three years will result in a reduction in valuation of the Council's assets in the Pension Fund, thereby potentially requiring a greater contribution in service rate and a move back to deficit payments from the next valuation in 2025, which would have to be funded by the Council for the 3 years from 2026/27 onwards. Changes in assumptions made by the actuaries from each valuation period can also have an effect on the scheme, both positive and negative, depending on the type of change.
35. Burnley is particularly sensitive to volatility of returns due to the value of its assets and liabilities in the fund in comparison to the value of Burnley's current contributors to the fund (current payroll), which is 25 times smaller than its liabilities.
36. This makes the Council vulnerable to relatively minor changes as it has a limited contribution base compared to its assets.
37. For example, if the pension fund's assets underperformed by 5% at the 2022 actuarial valuation, this reduction in the value of Burnley's share of assets in the fund would have required an additional £840k of annual revenue funding from the current provisional 2022 valuation. Although this could vary depending on a number of factors. This is illustrated in the table below:-

<b>2022 provisional actuarial valuation sensitivity analysis</b>		
	<b>Base as per 2022 valuation</b>	<b>Assets underperform by 5%</b>
Assets (£m)	167.4	159.0
Liabilities (£m)	148.1	140.7
Surplus / (Deficit) (£m)	19.3	18.3

Pay (£m)	6.9	6.9
Recovery period (yrs.)	16	16
“Maturity” (liabilities/pay)	25	25
Surplus (£m)	0.33	0.74
As a % of payroll	5%	11%
Increase	n/a	6%

38. This shows that if there was an underperformance of the fund over the next valuation cycle, there would be a considerable change in the surplus received, circa £0.41m annually, and would be potentially greater if assets underperformed by more than 5%. It should be noted this is an illustrative example to show the relationship between the different elements of the fund profile.
39. As the Council’s pension fund is now in a surplus, receipts of this surplus will be received annually from the pension fund (rather than as previously, where annual payments of the deficit were made to the pension fund). The council is intending to prepay the service contribution rate annually upfront for 2023/24, however that will be dependent upon cashflow demands.
40. Performance of the fund is monitored annually and any further action that is required will be reported back, along with financial implications.

### **COUNCIL TAX INCREASES**

41. For 2020/21 guidance issued by central Government required a referendum where proposed Council Tax increases were 2% or more than 2% (previously 3% in 2019/20). This remained at 2% in 2021/22 and 2022/23 however has been increased to 3% for 2023/24 and 2024/25.
42. The Council recognises the impact that Council Tax has on local residents and will always take their ability to pay into consideration when setting Council Tax levels. The Council should adopt an approach where local sources of funding are maximised as far as is reasonably practicable to do so. However, a 2.99% Council Tax increase has been factored into the medium-term financial forecast for each year for financial planning purposes only. Clearly, any decisions on setting future Council Tax levels will be considered each year at Budget Council.
43. The financial impact each year of not increasing Council Tax at all is an additional pressure of around £242k, assuming a 2.99% rise is foregone.

### **COST OF LIVING CRISIS**

44. The impact of the cost of living crisis on the 2023/24 budget and future years is unknown. The ongoing financial support given to local businesses is helping to support the local economy, however it is unclear what the impact will be once

these support packages end. A Covid-19 & Cost of Living reserve was set up in 2020/21 using financial support received from Central Government in 2020/21. Members approved in the Revenue Outturn Report at Full Council in July 2021 to transfer £1.6m into this reserve. The reserve has been called upon in 2021/22 and 2022/23 to fund related additional expenditure or loss of income and to provide funding for recovery initiatives. It is forecast that there will be a balance of £721k available at the end of 2022/23 for use in 2023/24 and future years.

### **AN IMPACT ASSESSMENT OF THE REVENUE BUDGET 2023/24 ON FUTURE YEARS**

45. The Medium-Term Financial Strategy for 2024-28 is dependent on the delivery of a number of assumptions within the annual budget for 2023/24. This strategy assumes that:
- the Council will approve an annual budget that delivers savings totalling £1.056m without having to use reserves to support the delivery of the 2023/24 Revenue Budget;
  - the Council receives the estimated business rates assumed in the calculation of the baseline funding level and any additional business rates included as funding within the approved net revenue budget; and
  - the assumed costs of delivering the Council’s services both directly and indirectly is in line with planning assumptions.
46. These assumptions are a realistic assessment of the underlying financial position as shown in the Medium-Term Financial Strategy. The annual budget will be approved in February 2023.

### **POTENTIAL GAP FOR 2024/25, 2025/26, 2026/27 and 2027/28**

47. The overall funding gap for 2024/28, using planning assumptions, is summarised below:

	<b>Reduction from 2023/24 Provisional Settlement (average -2% decrease of Core Spending Power)</b>	
	<b>(£m)</b>	<b>%</b>
Anticipated funding changes	(0.9)	
Pay and Prices/other	1.0	
<b>Potential Gap 2024/25</b>	<b>0.1</b>	<b>0.6</b>
Anticipated funding changes	(0.2)	
Pay and Prices/other	0.9	
<b>Potential Gap 2025/26</b>	<b>0.7</b>	<b>4.0</b>
Anticipated funding changes	(0.1)	

Pay and Prices/other	0.8	
<b>Potential Gap 2026/27</b>	<b>0.7</b>	<b>4.0</b>
Anticipated funding changes	(0.2)	
Pay and Prices/other	0.8	
<b>Potential Gap 2027/28</b>	<b>0.6</b>	<b>3.3</b>
<b>Cumulative Potential Gap 2023/27</b>	<b>2.1</b>	<b>12.1</b>

48. Underlying assumptions included within the forecast are:
- Anticipated funding changes include government support, fees & charges and Council Tax income;
  - Council Tax will increase by 2.99% for 2024/25, reverting back to 1.99% for 2025/26 onwards;
  - No increase has been factored in for non-inflationary changes in Council Tax base; business rates or additional New Homes Bonus;
  - Pay award assumed at 3% per annum (5% 2023/24), fees and charges income at 2% per annum;
  - Inflation assumed at between 2-5% dependent upon the contract;
  - Transitional funding to replace any potential loss of Revenue Support Grant (RSG) and New Homes Bonus (NHB); and
  - No assumptions built into forecast regarding changes to Council Tax Support claimant numbers, although the impact of changes to the scheme have been included.
49. The above scenario assumes that core power will increase by 4.4% in 2024/25 as per the Government's Policy statement, falling to a 2% reduction for 2025/26 onwards (with Core Spending Power defined as RSG/Transitional Support, Business Rates, Council Tax and New Homes Bonus).
50. However, as 2025 may see the conclusion of the spending and fair funding review which will review and redesign the funding mechanism for local government, below are 2 further scenarios showing Core Spending Power increases at 2% and at 0%:

51.

	Reduction from 2023/24 Provisional Settlement (average 0% increase in Core Spending Power)	
	(£m)	%
Anticipated funding changes	(0.9)	
Pay and Prices/other	1.0	
<b>Potential Gap 2024/25</b>	<b>0.1</b>	<b>0.6</b>
Anticipated funding changes	(0.3)	
Pay and Prices/other	0.9	
<b>Potential Gap 2025/26</b>	<b>0.6</b>	<b>3.4</b>
Anticipated funding changes	(0.3)	
Pay and Prices/other	0.8	
<b>Potential Gap 2026/27</b>	<b>0.5</b>	<b>2.9</b>
Anticipated funding changes	(0.3)	
Pay and Prices/other	0.8	
<b>Potential Gap 2027/28</b>	<b>0.5</b>	<b>2.9</b>
<b>Cumulative Potential Gap 2024/28</b>	<b>1.7</b>	<b>9.8</b>

	Reduction from 2023/24 Provisional Settlement (average 2% increase of Core Spending Power)	
	(£m)	%
Anticipated funding changes	(0.9)	
Pay and Prices/other	1.0	
<b>Potential Gap 2024/25</b>	<b>0.1</b>	<b>0.6</b>
Anticipated funding changes	(0.5)	
Pay and Prices/other	0.9	
<b>Potential Gap 2025/26</b>	<b>0.4</b>	<b>2.3</b>
Anticipated funding changes	(0.5)	
Pay and Prices/other	0.8	
<b>Potential Gap 2026/27</b>	<b>0.3</b>	<b>1.7</b>
Anticipated funding changes	(0.5)	
Pay and Prices/other	0.8	
<b>Potential Gap 2027/28</b>	<b>0.3</b>	<b>1.7</b>
<b>Cumulative Potential Gap 2024/28</b>	<b>1.1</b>	<b>6.3</b>

52. Until there are indicative allocations of funding for 2025/26 and beyond, the ability to forecast funding elements is severely restricted. Due to this uncertainty it is necessary to show various scenarios of funding changes in the above scenarios, which are summarised below:-

	<b>2% increase of Core Spending Power (£m)</b>	<b>0% increase of Core Spending Power (£m)</b>	<b>2% reduction of Core Spending Power (£m)</b>
<b>Potential Gap 2024/25</b>	<b>0.1</b>	<b>0.1</b>	<b>0.1</b>
<b>Potential Gap 2025/26</b>	<b>0.4</b>	<b>0.6</b>	<b>0.7</b>
<b>Potential Gap 2026/27</b>	<b>0.3</b>	<b>0.5</b>	<b>0.7</b>
<b>Potential Gap 2027/28</b>	<b>0.3</b>	<b>0.5</b>	<b>0.6</b>
<b>Cumulative Potential Gap 2024/28</b>	<b>1.1</b>	<b>1.7</b>	<b>2.1</b>

### **BALANCING OVER THE MEDIUM TERM**

53. The Council operates in a generally challenging environment. Given the significant reductions in the Council's funding from Government over the last decade and forecasts of further pressures over the medium term there will need to be a continuing fundamental review of the core purpose of the Council. This will demand strategic and corporate leadership and it is essential that there is seen to be strategic ownership of such a review given the scope of changes which will result from this.
54. The overall size of the challenge that the Council faces is significant and the formulation of a balanced budget over the longer term requires the delivery of savings through strategic prioritisation, service transformation and continuous improvement. The Council continues to make and face key decisions affecting the way it delivers core Council services.
55. The Council will consider fully its strategic intent as encapsulated in the Strategic Plan and will seek not only to reduce costs and deliver the necessary savings but seize opportunities to use those cost saving programmes as leverage for wider strategic benefits.
56. The structure of the Council should be adapted to reflect the challenging operating environment. Furthermore, these structural changes will require that there is also sufficient flexibility to meet all challenges which may arise. Significant service reconfiguration will therefore continue to take place and further progress will be made to update the way the Council is structured. A review of internal business processes will continue so as to promote automation and to reduce back office workloads. This will change the way we work in line with the organisational development strategy and through the promotion of self-service wherever possible.
57. The Council has a strong track record of delivering efficiency savings over recent years and this work will need to continue for the foreseeable future. The outcome

will be a Council which is more streamlined and focussed on key strategic objectives, delivered through transformed services working in partnership.

58. Given the challenges ahead, the Council will continue to use the commercial strategy which sets a framework for developing a commercial approach by everyone within and representing the Council. By doing this we will seek to maximise income from our activities and services whilst still having regard to the ability to pay. The Council will also minimise the costs involved in service provision through this approach by promoting better procurement and continuing to gain value from contracts with partner organisations and so aim to reduce the future funding gap.
59. Outcomes from the Spending Review and Fair Funding Review will be critical to determine the financial horizon for this authority. Without the outcome of this, there remains significant uncertainty for future funding of the Council, which makes it very difficult to plan over the medium term. Various scenarios for funding have been presented in this report. However, until indicative allocations are given for future years later on in 2024, that uncertainty will remain.
60. During 2021/22 the Council commissioned two significant capital projects, namely Pioneer Place and the acquisition of Charter Walk. Pioneer Place was initially reported to Full Council in December 2018, with revised schemes approved by Full Council in November 2020 and October 2021. The Development Agreement went unconditional in December 2021 and work commenced on site 24 January 2022. The acquisition of Charter Walk was approved by Full Council in July 2021 and the sale was completed in October 2021. The revenue costs for both of these schemes have been incorporated into the MTFS. Both of these developments will require significant financial support from the Council, as well taking on significant commercial risk over the lifetime of these projects (50 years and 30 years, respectively). The schemes will require significant use of reserves and will also see very significant amounts of borrowing – circa £36m for both schemes. These present threats to the financial viability of the Council. However, in partial mitigation, various strategies have been put in place. These include a strategy to build up reserves over the next 10 years to provide a buffer for budget pressures, specific reserves for the schemes to renew the assets and capture any over-performing income and recognition of limited capacity to take on other significant capital schemes. Any surplus generated by Charter Walk will be transferred into the Charter Walk Reserve to be used to meet future regeneration of the town centre. It is estimated that the surplus in 2022/23 will be around £0.8m.



## **RISKS**

61. The significant risk areas are:

<b>RISK</b>	<b>MITIGATION</b>	<b>ASSESSMENT</b>
(i) Ability to maintain a balanced budget over the medium-term	Consideration of core purpose of the Council. Development of a multi-year planned and systematic programme of efficiency and cost reduction measures; Ensure effective programme management to ensure timely delivery. Maintain an effective reserves strategy. Undertake close monitoring of Pioneer Place/Charter Walk schemes.	HIGH
(ii) Funding uncertainty with regard to the proposed changes in NHB funding, changes in Business Rates funding and the fair funding review for local government.	Horizon scanning national developments and proactive contribution to help shape the funding framework. Lobby for additional resources with government and also through the LGA. Seek to maximise local funding sources.	HIGH
(iii) Business rate volatility including appeals	No projected increase factored into MTFS, reserves available as buffer in short term. Active consideration of all appeals to minimise impact on revenues.	HIGH
(iv) Partnership performance – achievement of planned savings and delivery of these savings on time	Continued development of enhanced contract management skills and procedures. Project management discipline. Consolidation of good working relationships with contract partners.	MEDIUM
(v) Reserves - potential impact on reserves position, if they are required to support the delivery of a balanced budget over the medium-term.	Include policy on use of reserves within Medium-Term Financial Strategy (attached). Programme of action to increase reserve levels over the next 10 years.	HIGH

(vi) Potential claw-back or loss of any external or grant funding.	Compliance to external and grant funding conditions, careful programme monitoring of capital projects.	MEDIUM
(vii) Prices - the Strategy only allows for budget increases in specific areas, e.g. business rates and contractual requirements. The forecast for CPI and RPI is for bigger increases.	Review at each update of the Strategy	LOW
(viii) Pay – 3% in Strategy but pressure for higher settlements may develop in the future	Review at each update of the Strategy	LOW
(ix) Income and fees and charges.	Ensure that the Council's commercial strategy is used to maximise income opportunities. An allowance has been built into the Medium-Term Financial Strategy for an increase in line with the Council's commercial strategy. This will be reviewed as part of the annual fees and charges review.	LOW
(x) Treasury Management.	Approved Treasury Management Policy, with regular monitoring with support from external advisors.	LOW
(xi) Pensions – Managing the financial impact of the volatility of performance of pension fund investments and its impact on the Council's budgets	Additional employers' contributions will be made over the next 3-year period. A pensions reserve was established in 2021/22 to partially fund any adverse impact on the Council's pensions liability position after the next triennial pension revaluation in 2025.	HIGH

<p>(xii) Brexit – Uncertainty around the impact of Brexit and whether the UK invokes article 16 around the trading arrangements in Northern Ireland which has the potential to result in a no-deal Brexit. The potential impact on the UK economy and corresponding impacts on interest rates, the local economy and further spending pressures is unknown.</p>	<p>Continuation of resilience with regards to diversifying sources of income, driving further efficiencies, monitoring the outcome of Brexit negotiations and updating the MTFS as necessary</p>	<p>MEDIUM</p>
<p>(xiii) Cost of living crisis – Uncertainty around the impact of the cost of living crisis on income and expenditure streams in future years</p>	<p>Continue to monitor the Council’s revenue budgets in respect of loss of income and additional expenditure as well as monitoring the collection of local taxation. To continue to lobby Central Government for additional funding as necessary.</p>	<p>MEDIUM</p>
<p>(xiv) Heritage Assets – Uncertainty around the cost of capital works required for our Heritage Assets through the planned maintenance programme.</p>	<p>Undertake appropriate building surveys before work commences on any capital works. Continually monitor progress and cost of works throughout the programme.</p>	<p>MEDIUM</p>

## **RESERVES & BALANCES**

62. The overall forecast position on reserves is shown in the table below. This includes all strategic earmarked and general reserves. The forecast below includes approved commitments and anticipated spend and income into the reserves. The Reserves Strategy can be found in detail at Appendix 1.

	Strategic Earmarked Reserves £'000		General Fund Reserve £'000		Revenue Support Reserve £'000		Total £'000
<b>Balance as at 01/04/22</b>	4,341		1,379		1,251		6,971
<b>In year adjustments</b>	1,873				1,000		2,873
<b>Approved use to Q3 2022/23</b>	(1,709)		0		(74)		(1,783)
<b>Balance available after approvals as at Q3</b>	4,505	0	1,379	0	2,177	0	8,061
<b>Future commitments and risk</b>	(2,999)		0		1,587		(1,412)
<b>Balance remaining as at 31/03/28</b>	<b>1,506</b>		<b>1,379</b>		<b>3,764</b>		<b>6,649</b>

63. The reserves position does not include any requirement to support the budget gap on an on-going basis.
64. General reserves are held to provide short term emergency funds for exceptional circumstances and to cover risks that could impact the Council as a going concern. The current level of the Council's General Reserve is set at £1.379m and has been reviewed as part of the re-assessment of the MTFs and it is proposed that it should remain at £1.379m.
65. Earmarked reserves are held for specific purposes either as a strategic reserve to give flexibility in the use of corporate resources or as specific ring-fenced reserves for operational needs.
66. The Revenue Support Reserve is essential to provide resilience for the Council in light of reduced funding. As the authority adjusts to meet the pressures of reductions in Government funding, as well as awaiting the outcome of central government's funding review, which will govern local government funding from 2023/24 onwards, it has become increasingly challenging to produce savings annually as the authority contracts in resource and size. Savings proposals will carry more risk of successful implementation, whether they are income or expenditure related. The Revenue Support Reserve will be required to provide temporary mitigation for some of these risks. However, the purpose of the reserve is also to temporarily provide for unanticipated reductions in income, provide for unexpected revenue spend and to support shortfalls in major capital projects beyond their business cases and after their allocated reserves are exhausted. There is a 10-year programme to build-up this reserve from the General Fund. However, for clarity only 5 years of this programme is shown in the above table to align with the timeframe of this MTFs.
67. Any resources that are released by savings on the approved budget will be transferred into an earmarked reserve, although it is expected that given the increased pressures on the annual revenue budget the ability for the Council to build up reserves will become increasingly difficult in future years. The purposes, for which reserves are held, are included within Appendix 1.

68. It is Council policy that earmarked reserves should not be used to pay for continuing expenditure. Earmarked reserves should be used for the specific purpose for which they were set aside. This includes funding one-off or non-recurring items, invest to save initiatives or to provide short term and time limited support to manage the transition from the withdrawal of funding.
69. The Council's reserves are not set at excessive levels and furthermore, it is prudent to protect and enhance earmarked reserves where there are opportunities to do so to provide one-off protection particularly given the uncertainty of the current financial climate and longer term risks associated with the local government funding arrangements. It can be seen in the table above however that it is anticipated that a substantial part of the Council's strategic earmarked reserves will be at, or below, their recommended minimum level by the end of the MTFS period. The adequacy of strategic earmarked reserves will continue to be monitored to meet future demands.

### **MONITORING & REVIEW**

70. The Council operates delegated financial management. Following approval of the annual budget, budgets are delegated to service units where each Head of Service has delegated responsibility to ensure that they monitor and maintain budgetary control, achieve efficiency plans built into the budget and follow financial procedure rules. Each Head of Service is charged with ensuring their lead Member is fully briefed on financial issues. Corrective action plans are required in the event of any underperformance against budget to ensure the budget remains on track by the end of the financial year. Conversely, any service underspend at the end of the financial year will be used to contribute towards corporate priorities - general carry forward of underspends by services is not permitted. Any requests for specific service commitments to be rolled into the following financial year will be considered on an exception basis.
71. The Council is committed to achieving value for money in all aspects of its operations. To achieve this, reviews are regularly undertaken to determine whether cost improvements can be made, and to ensure that resources are prioritised and are aligned to strategic intent.
72. Any new proposals for on-going revenue growth must be backed up by a clear business case that demonstrates delivery of efficiencies aligned to strategic objectives. Criteria will be used to determine the relative priority of all capital projects.
73. The Council will operate a commercial strategy which will be reviewed periodically.
74. The Council will carry out three cycles of budget monitoring during each financial year together with a combined revenue and capital final outturn report, each of which will be reported formally to the Executive. These will also be reported to the Scrutiny Committee. Approval of any adjustments to capital or revenue budget control totals will then be sought from Full Council.
75. The financial modelling projections contained within this Medium-Term Financial Strategy are a dynamic model, which will be updated, revised and reported

following receipt of business intelligence, changes to underlying assumptions and as the position becomes clearer.

## **APPENDIX 1: RESERVES STRATEGY**

### **BACKGROUND**

1. The Council continues to face significant financial challenges and uncertainty in funding. The Council however remains committed to its ambitions of delivering its place shaping strategic priorities. This means that the Council is not only prioritising resources for key service objectives but is also continuing to adjust to a reduced cost base to ensure financial sustainability over the medium term.
2. Within this context, reserves play a vital role in offering transitional support to act as a buffer and to ensure smooth service transition as the Council adapts to organisational changes and new ways of working; and to offer time limited opportunity for investment to aid strategic delivery.
3. It is imperative, therefore, that the Council has in place a strong and robust reserves strategy, that adequately reflects the future needs of the organisation, set at a level that mitigates against future risks and certainties and provides opportunity for investment within the confines of overall affordability and availability of resource.
4. Given the current context of operations there are no planned arrangements for replenishing reserves drawn down beyond that set out in the report, although a minimum level of reserve (general reserve) has been assessed for the Council to remain a going concern. As part of the finalisation of the year end position, opportunities will be taken, if possible, to replenish reserves in the light of risk appraisal.
5. This reserves strategy sets out the protocol for use of reserves and re-assesses the adequacy of reserves.

### **LEGISLATIVE/REGULATORY FRAMEWORK**

6. The requirement for financial reserves is acknowledged in statute. Sections 32 & 43 of the Local Government Finance Act 1992 require billing and precepting authorities to have regard to the level of reserves needed for meeting estimated future expenditure, when calculating the budget requirement.
7. There are no statutory minimum levels imposed and it is not considered appropriate or practical for the Chartered Institute of Public Finance and Accountancy (CIPFA), or other external agencies, to give prescriptive guidance on the minimum or maximum level of reserves required, either as an absolute amount or a percentage of the budget.
8. The adequacy of the level of reserves is therefore a matter of local judgement bearing in mind the level of risk the council faces together with the requirement to provide any non-recurring or one-off support for strategic priorities.

9. The management of reserves within the current difficult financial environment is not universally agreed. There is a conflict between the expectation of Government that Councils should utilise their reserves over the medium term and the views of professional and regulatory bodies who suggest that reserves should be increasing over the same period.

## **ROLE OF THE CHIEF FINANCIAL OFFICER**

10. Within the existing statutory and regulatory framework, it is the responsibility of the Chief Financial Officer (in Burnley's case this is the Head of Finance and Property) to advise the local authority about the level of reserves that they should hold and to ensure that there are clear protocols for their establishment and use.
11. This requirement is also reinforced by Section 114 of the Local Government Finance Act 1988, which requires the Chief Financial Officer to report to all the authority's councillors, if there is or is likely to be unlawful expenditure or an unbalanced budget. This would include situations where reserves have become seriously depleted and it is forecast that the authority will not have the resources to meet its expenditure in a particular financial year.

## **PURPOSE OF RESERVES & BALANCES**

12. Reserves can be classed as general reserves or earmarked reserves and represent funds that are not part of the normal recurring budget of the Council but are distinct "pots" of finite funds.
13. General reserves are set aside to provide a short-term cushion for the impact of uneven cash flow, to provide an emergency fund for exceptional unmitigated circumstances and to ensure that the Council remains a going concern. The current level of the Council's general reserves is set at £1.379m. This includes an assessment of volatility within the business rates retention scheme. This figure is judged as a prudent level of balance to be set aside to ensure the Council remains financially liquid as a going concern. This fund is held as a fund of "last resort" when all other reserves or budgets have been completely depleted for unknown risks.
14. Earmarked reserves are held to mitigate against potential specific risks that the Council faces; cushion against uncertainty; provide for anticipated liabilities and provide short term investment for strategic priorities or support the operational delivery of specific services. These reserves are held for either strategic purposes to give flexibility in the use of corporate resources or are held as specific ring-fenced reserves for operational needs.
15. Given the increased pressures on the annual revenue budget the ability for the Council to build up reserves will become increasingly difficult in future years. Clear protocols therefore should be in place for the use of each earmarked reserve that set out:
  - The reason for/purpose of the reserve;
  - How and when the reserve can be used;
  - An assessment of the adequacy of the reserve in light of risk factors;

- Procedures for the reserve's management and control; and
- A process and timescale for review of the reserve to ensure continuing relevance and adequacy.

## **RISK FACTORS**

16. The table below identifies the key risks that are mitigated and managed through this reserves strategy:

<b>Risk</b>	<b>Reserve</b>
Short term liquidity and cash flow.	General
Unforeseen emergencies.	General
Strategic service transformation and ability to ensure services remain fit for purpose and deliver value for money.	Transformation
Achievement of high priority strategic objectives that require pump priming or inward investment.	Growth
Financial risks inherent in major developments and projects that are aligned to strategic priorities.	Revenue Support Specific scheme reserves
Provide interim support for emerging risks that were unknown at budget setting and are an unavoidable commitment through regulatory or legislative reform that are outside the direct control of the council	Transformation Revenue Support
Fluctuations, loss and uncertainty in funding or income levels coupled with the Council's ability to respond in a timely way, thereby providing a buffer to enable the Council to downsize.	Transformation
Variations in business rate yield due to the impact of appeals and other factors which can reduce funding availability	Business Rates Volatility
Ensure resources available to provide for future unavoidable and non-recurrent specific needs.	Transport & Plant Local Development Framework (Local Plan) Town Centre Master Plan Burnley Bondholders Cremator Relining
Transparency in accounting arrangements for self-financing initiatives.	Taxi Licensing Selective Licensing
Respond to changes in demand for services.	Transformation
Volatility of pension fund performance	Pensions
Impact of the cost of living crisis on income and expenditure revenue streams.	Covid-19 & Cost of Living Crisis
To manage future repair demands to Sandygate Student Accommodation.	Sandygate Major Refurbishment



To manage fluctuations in rental income against expenditure demands.	Sandygate Smoothing
To manage future repair demands to Charter Walk.	Charter Walk Major Refurbishment
To fund future regeneration of the town centre and to manage fluctuations in income against expenditure demands.	Charter Walk Regeneration
To manage future repair demands to Charter Walk.	Pioneer Place Major Refurbishment
To manage fluctuations in income against expenditure demands.	Pioneer Place Smoothing
To mitigate the impact of the 2020/21 collection fund deficit generated as a result of Covid-19 which is to be spread over 3 financial years.	Collection Fund Deficit

## **REPORTING FRAMEWORK**

17. The level and utilisation of reserves will be determined formally by the Council, informed by the advice and judgement of the Head of Finance and Property. The protocols covering all reserves are set out below for strategic and operational reserves respectively.
18. The Medium-Term Financial Strategy and the Council's annual Revenue Budget report include a statement showing movements in reserves. In addition, the Medium-Term Financial Strategy includes a forward forecast of future balances for the relevant period.

## **STRATEGIC RESERVES PROTOCOL**

19. Any member of Management Team, in consultation with the relevant Executive Portfolio Holder and the responsible officer for the relevant strategic reserve, may use a relevant reserve to support items, such as feasibility studies, to achieve transformation, regeneration or support speculative funding applications.

<b>Reserve</b>	<b>Level of reserve</b>	<b>Purpose</b>	<b>How &amp; When Used</b>	<b>Control Procedures</b>	<b>Timescale for review</b>
<b>Transformation</b>	Recommended to have available balance of £1.5m uncommitted	To support specific projects aimed at transforming services either to reduce the cost base; deliver value for money or ensure services remain fit for purpose	Used to mitigate the impact of any one-off expenditure that arises from organisational and transformational change and to assist with organisational downsizing	Managed by the Head of Finance and Property (Chief Financial Officer)	The overall level will be reviewed twice-yearly as part of the final accounts and budget processes and any movements monitored as

<b>Growth</b>	This reserve will cease to exist once depleted	To assist the Council in achieving its strategic objectives through the provision of one-off investment as leverage	Used to pump prime projects that deliver demonstrable wider strategic benefits that enable the council to fulfil its place shaping role	Managed by the Chief Executive	part of the budget monitoring process
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## OPERATIONAL RESERVES PROTOCOL

Operational Reserve	Level of Reserve	Purpose	How & When Used	Procedures for Management & Control	Timescale for Review
<b>Business Rates Volatility</b>	As assessed, depending on level of appeals and changes to the Council funding mechanisms	To safeguard against the inherent volatility within the business rates retention system particularly around the potential impact of appeals, as well as impact of changes to government funding of local authorities	Used to support the business rates funding figure included within the Council's net revenue budget in the event that actual business rates collected generate a figure below this estimated funding figure, as well as impact of changes to government funding of local authorities	Managed by the Head of Finance and Property (Chief Financial Officer)	Twice-yearly, as part of the final accounts and budget processes
<b>Transport &amp; Plant</b>	Dependent on planned replacement strategy for transport and plant financed from within service revenue budgets	To manage the financing of the Council's transport & plant requirements	There is an annual payment into the reserve, which helps to equalise spending, as transport & plant replacements are due	Managed by the Head of Green Spaces and Amenities	Twice-yearly, as part of the final accounts and budget processes
<b>Local Development Framework (Local Plan)</b>	Anticipated spending requirements	To fund the necessary work needed for the Core Strategy and other development plans	Any cost of the preparation of the Local Development framework will be funded through drawdown on this reserve	Managed by the Strategic Head of Economy and Growth	Monitored as part of budget monitoring process

<b>Taxi Licensing</b>	Self-financing	To ensure the costs associated with licensing is ring-fenced and recovered by the taxi trade	To manage annual surpluses and deficits on the account	Managed by the Head of Streetscene	The overall level will be reviewed twice-yearly as part of the final accounts and budget processes and any movements monitored as part of the budget monitoring process
<b>Selective Licensing</b>	Self-financing	To ensure the costs associated with licensing are ring-fenced and recovered by landlords	To manage annual surpluses and deficits on the account	Managed by the Head of Housing and Development Control	Monitored as part of budget monitoring process
<b>Primary Engineer Reserve</b>	Anticipated spending requirements	To support a training initiative in schools within Burnley	To fund delivery of the training on an annual basis	Managed by the Chief Executive	Monitored as part of budget monitoring process
<b>Town Centre Master Plan</b>	Anticipated spending requirements	To enable the Council to deliver a major Town Centre regeneration scheme	To assist in procuring the expertise to carry out an exercise to develop a vision and plan for the town centre	Managed by the Strategic Head of Economy & Growth	Monitored as part of budget monitoring process
<b>Burnley Bondholders Reserve</b>	Self-financing	To manage the excess sponsorship contributions for bondholder organisations	To fund Burnley brand and marketing initiatives in order to attract economic investment into the area	Managed by the Strategic Head of Economy and Growth	Monitored as part of budget monitoring process
<b>Cremator Relining Reserve</b>	Dependent on planned replacement strategy for cremator relining financed from within service revenue budgets	To manage the financing of the Council's cremator relining requirements	There is an annual payment into the reserve, which helps to equalise spending, as cremator relining are due	Managed by the Head of Green Spaces and Amenities	Monitored as part of budget monitoring process
<b>Revenue Support Reserve</b>	Anticipated spending requirements	To provide funding for unanticipated reductions in income and initiatives to offset budget reductions	To be used in response to income pressures identified during the budget monitoring process	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process

<b>Revenue Grants Unapplied</b>	Dependent upon revenue grants received	To hold revenue grants that have been received but not yet spent	To be used when expenditure on grant schemes is incurred	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Regeneration Reserve</b>	Anticipated spending requirements	To manage minor projects within the regeneration department.	The reserve is financed by revenue contributions and grants received.	Managed by the Strategic Head of Economy & Growth	Monitored as part of budget monitoring process
<b>Covid-19 &amp; Cost of Living Reserve</b>	Anticipated reductions in income collection and additional expenditure demands.	To manage the impact of Covid-19 & the cost of living crisis on income collection and additional expenditure pressures.	The reserve is financed from Government support received.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Sandygate Major Refurbishment Reserve</b>	Anticipated spending requirements	To manage future repair demands to Sandygate Student Accommodation.	The reserve is financed from rental receipts.	Managed by the Strategic Head of Economy & Growth	Monitored as part of budget monitoring process
<b>Sandygate Smoothing Reserve</b>	Anticipated spending requirements	To manage fluctuations in rental income against expenditure demands.	The reserve is financed from rental receipts.	Managed by the Strategic Head of Economy & Growth	Monitored as part of budget monitoring process
<b>Pension Reserve</b>	Funded from the reduction in the deficit payment following the 2019 Actuarial Review.	To mitigate the impact of future increases in pension deficit payments following future tri-ennial reviews.	The reserve is financed from a reduction in deficit payment following the 2019 Actuarial Review.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process

<b>Charter Walk Major Refurbishment Reserve</b>	Anticipated spending requirements	To manage future repair demands to Charter Walk.	The reserve is financed from rental receipts.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Charter Walk Regeneration Reserve</b>	Anticipated spending requirements	To fund future regeneration of the town centre and to manage fluctuations in rental income against expenditure demands.	The reserve is financed from rental receipts.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Pioneer Place Major Refurbishment Reserve</b>	Anticipated spending requirements	To manage future repair demands to Pioneer Place.	The reserve is financed from rental receipts.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Pioneer Place Smoothing Reserve</b>	Anticipated spending requirements	To manage fluctuations in rental income against expenditure demands.	The reserve is financed from rental receipts.	Managed by the Head of Finance & Property (Chief Financial Officer)	Monitored as part of budget monitoring process
<b>Collection Fund Deficit Reserve</b>	As per the 2020/21 collection fund deficit due to Covid-19	To fund the 2020/21 collection fund deficit due to Covid-19 which is to be spread over the 3 financial years 2021/2024.	Used to support the annual three year spread of the 2020/21 collection fund deficit within the Council's net revenue budget.	Managed by the Head of Finance and Property (Chief Financial Officer)	Twice-yearly, as part of the final accounts and budget processes
<b>Elections Reserve</b>	Anticipated spending requirements	To manage expenditure in relation to borough elections.	The reserve is financed by revenue contributions.	Managed by the chief Executive	Monitored as part of budget monitoring process

<p><b>Housing Initiatives Reserve</b></p>	<p>Anticipated spending requirements</p>	<p>To manage minor projects within the housing department.</p>	<p>The reserve is financed by revenue contributions and grants received.</p>	<p>Managed by the Head of Housing and Development</p>	<p>Monitored as part of budget monitoring process</p>
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Ref.	Description	Detail	CFO Assessment and Actions Required
<b>Responsibilities of the Chief Finance Officer and Leadership Team</b>			
A	The leadership team is able to demonstrate that the services provided by the authority provide value for money	Responsibility for managing the authority's financial resources and for ensuring its long-term financial sustainability lies with those responsible for making executive decisions and their advisors.	<p>The council has a clear governance structure which is documented in the constitution of the council.</p> <p>The Council's Scrutiny Committee review all financial Executive reports.</p> <p>The remit of the Council's Internal Auditors includes consideration of value for money.</p> <p>The Council's External Auditors carry out a value for money assessment each financial year.</p> <p>The Council has outsourced several service areas to Liberata to deliver services on our behalf. Regular service delivery meetings are held to monitor performance.</p> <p>The Council has outsourced the refuse collection service to Urbaser. Regular service delivery meetings are held to monitor performance.</p> <p>The Council has outsourced its leisure facilities to Burnley Leisure Trust. Regular service delivery meetings are held to monitor performance.</p> <p><b>Actions identified: None</b></p>

B	The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer in Local Government	<p>The Chief Finance Officer (CFO) is required:</p> <ul style="list-style-type: none"> <li>• To be a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest</li> <li>• To be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer-term implications, opportunities and risks are fully considered and aligned with the authority's overall financial strategy</li> <li>• The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively</li> <li>• The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose</li> <li>• The CFO in a local authority must be professionally qualified and suitably experienced</li> </ul>	<p>The Head of Finance and Property is the Council's Section 151 and Chief Financial Officer.</p> <p>The Head of Finance and Property is a key member of the Management Team.</p> <p>All Executive reports are reviewed and agreed by Management Team.</p> <p>The Head of Finance and Property oversees a team of suitably qualified personnel within the Finance, Internal Audit and Property sections.</p> <p>The Head of Finance and Property is professionally qualified and suitably experienced.</p> <p>The Council subscribes to various external professional services, for example, CIPFA FAN, LG Futures, PSTax, Link Asset Services from which appropriate professional advice is obtained as required.</p> <p><b>Actions identified: None</b></p>
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Governance and Financial Management Style			
C	The leadership team demonstrates in its actions and behaviours responsibility for governance and internal control	<p>Consideration should be given to the effectiveness of arrangements in place including:</p> <ul style="list-style-type: none"> <li>Establishing a clear framework for governance and internal control across the authority including for those entities with which the authority works in partnership</li> <li>Establishing clear arrangements for assurance and accountability</li> <li>Espousing high standards of governance and internal control in its own activities</li> <li>Creating, maintaining and nurturing a culture in which governance and internal control are embedded into the way in which the authority works</li> </ul>	<p>The Council's Constitution defines the roles of all Statutory Officers within the Council and also includes the scheme of Delegation and the Financial Procedure Rules.</p> <p>The terms of reference for Audit &amp; Standards Committee cover the areas of governance and internal control.</p> <p>Internal Audit review the systems of internal control through the Annual Governance Statement.</p> <p>Management Team regular meet with Executive Members at Policy Board and the Executive.</p> <p><b>Actions identified: None</b></p>
D	The authority applies the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016)	The framework recommends that the review of the effectiveness of the system of internal control is included in the Annual Governance Statement	<p>The Council's Annual Governance Statement (AGS) is prepared in accordance with this framework. The AGS is approved by Audit and Standards Committee and published alongside the annual Statement of Accounts.</p> <p><b>Actions identified: None</b></p>

E	The financial management style of the authority supports financial sustainability	<p>CIPFA identifies a hierarchy of three financial management styles:</p> <ul style="list-style-type: none"> <li>• Delivering accountability</li> <li>• Supporting performance</li> <li>• Enabling transformation</li> </ul>	<p>Budget holders are responsible for their budgets, with support from their Finance Business Partners.</p> <p>The Council’s Medium Term Financial Strategy and Capital Investment Programme aims to provide a holistic view to Management Team and Members on the revenue budget, capital programme, fees and charges, earmarked reserves and financial planning.</p> <p>The Council has a strong reputation for financial planning and the identification and achievement of savings to ensure that budgets are balanced annually.</p> <p>The Council has also identified several regeneration schemes which have been approved by Members and are aligned to the Council’s strategic objectives, for example, Pioneer Place, Charter Walk, Sandygate Halls.</p> <p><b>Actions identified: None</b></p>
<b>Medium to Long Term Financial Management</b>			
F	The authority has carried out a credible and transparent financial resilience assessment	The authority should explore the sensitivity of its financial sustainability to alternative plausible scenarios for key driver of costs, service demands and resources.	<p>The Council’s Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.</p> <p>The key risks facing the council are identified within the MTFS along with mitigating actions.</p> <p>The Council’s Reserve Strategy is included within the MTFS.</p>

			<p>The Council has a strong record of identifying current year and future year savings. These proposals are reviewed by Management Team and Executive Members before being approved by Full Council.</p> <p><b>Actions identified: None</b></p>
G	<p>The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members.</p>	<p>After having carried out a financial resilience assessment, the authority should demonstrate how the risks identified have informed the development of its longer-term financial strategy. The authority should report the implications of these risks on its future financial sustainability to its leadership team, including its elected members.</p>	<p>The Council's Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.</p> <p>The key risks facing the council are identified within the MTFS along with mitigating actions.</p> <p><b>Actions identified: None</b></p>
H	<p>The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities.</p>	<p>CIPFA's Prudential Code provides a framework for the self-regulation of the authority's capital financing arrangements. It requires local authorities to determine that capital expenditure and investment decisions are affordable, prudent and sustainable, and to set limits on the amount they can afford to borrow in the context of wider capital planning.</p>	<p>The Council's Capital Strategy has been prepared in accordance with the Prudential Code.</p> <p>The Council seeks specialist advice from Link Asset Services around borrowing and affordability over the shorter to longer term. This includes ensuring that future repayments are spread sufficiently to ensure affordability of repayment.</p> <p><b>Actions identified: None</b></p>

I	The authority has a rolling multi-year medium term financial plan consistent with sustainable service plans.	The authority should prepare a multi-year financial plan to ensure that its annual budget is in alignment with its longer-term financial aims. The plan should be consistent with associated service plans for the authority's principal services.	<p>The Council's Medium Term Financial Strategy (MTFS ) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS helps to formulate the annual budget.</p> <p>The MTFS process requires the identification of savings within service areas. Savings proposals are reviewed by Management Team and the Executive to ensure that they are in alignment with service plans.</p> <p><b>Actions identified: None</b></p>
<b>The Annual Budget</b>			
J	The authority complies with its statutory obligations in respect of the budget setting process.	<p>For local authorities in England and Wales:</p> <ul style="list-style-type: none"> <li>• The Local Government Act 2000 requires the Full Council to approve the annual budget, on the recommendation of the Executive, together with the associated council tax demand;</li> <li>• The Local government Act 2003, Section 25 requires the local authority's Section 151 Officer to report to the Council on the robustness of the estimates made in the annual budget and on the adequacy of the proposed financial reserves assumed in the budget calculations.</li> </ul>	<p>The annual budget is approved by Full Council at their February meeting along with the Council Tax Resolution.</p> <p>The Section 151 Officer is involved in the annual budget setting process and the production of the Medium Term Financial Strategy (MTFS).</p> <p>The Statutory Report of the Chief Finance Officer is submitted to Full Council annually at their meeting in February. The report focuses on the robustness of the estimates made when setting the annual budget along with the adequacy of the Council's reserves and the identification of risks.</p> <p><b>Actions identified: None</b></p>

K	The budget report includes a statement by the Chief Finance Officer on the robustness of the estimates and a statement of the adequacy of the proposed financial reserves.	The aim of this report is to provide information and assurance in respect of the estimates included within the annual budget, so that those responsible for scrutinising and approving the budget can take these into account as part of the scrutiny and approval process.	<p>The Statutory Report of the Chief Finance Officer is submitted to Full Council annually at their meeting in February. The report focuses on the robustness of the estimates made in the annual budget along with the adequacy of the Councils reserves and the identification of risks.</p> <p>The Medium Term Financial Strategy (MTFS) and the Treasury Management Strategy are also submitted to Full Council in February to be approved alongside the annual budget and the Council Tax Resolution.</p> <p><b>Actions identified: None</b></p>
<b>Stakeholder Engagement and Business Cases</b>			
L	The authority has engaged where appropriate with key stakeholders in developing its long-term financial strategy, medium-term financial plan and annual budget.	Stakeholder consultation can help to set the authority's priorities and to reduce the possibility of legal or political challenge. Furthermore, stakeholder consultation helps to encourage community involvement not just in the design of services but in their ongoing delivery.	<p>The Council consults with stakeholders (budget holders, service delivery partners etc) when setting the annual budget. Where savings proposals would impact on service delivery then public consultation would take place.</p> <p>Consultation is undertaken when compiling the Strategic Plan. The Strategic Plan is reported to Full Council.</p> <p><b>Actions identified: None</b></p>
M	The authority uses an appropriate documented option appraisal methodology to demonstrate the value for money of its decisions.	Option appraisals are necessary when a decision will have important financial or service implications. The appraisal should identify all income and expenditure, with alternative options considered.	Investment appraisals are carried out for all large regeneration schemes, for example, Sandygate Halls, Pioneer Place, Charter Walk. These appraisals factor in various scenarios of income and expenditure and include a sensitivity analysis.

			<p>The Executive receives reports on the appraisals to consider whether the schemes should progress.</p> <p>All Member briefings occur for all major schemes to ensure that the appropriate level of scrutiny can take place prior to any decisions being taken at Full Council.</p> <p><b>Actions identified: None</b></p>
<b>Monitoring Financial Performance</b>			
N	The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	<p>To enable the leadership team to have access to the information required to identify emerging risks, the authority needs to ensure its leadership team:</p> <ul style="list-style-type: none"> <li>• Receives reports about the right things</li> <li>• Receives reports at the right time</li> <li>• Receives reports in the right format</li> <li>• Takes action in respect of any issues identified</li> </ul>	<p>Quarterly budget monitoring reports (revenue and capital) and the annual outturn reports (revenue and capital) are reviewed by Management Team prior to being reported to the Executive.</p> <p>The Medium Term Financial Strategy (MTFS), annual budget report, Treasury Management Strategy and Capital Investment Programme are all reviewed by Management Team prior to being reported to the Executive.</p> <p><b>Actions identified: None</b></p>
O	The leadership team takes action using reports enabling it to identify and correct emerging risks to its budget strategy and financial sustainability.	The leadership team is able to monitor material elements of the authority's balance sheet which pose a risk to its financial sustainability.	<p>The Council's treasury management advisors (Link Asset Services) carry out an annual balance sheet review on behalf of the council.</p> <p>Quarterly monitoring reports (for revenue and capital) and considered by Management Team prior to being reported to the Executive. These reports include the up-to-date position on revenue and capital reserves.</p>

			<p>The Council’s Medium Term Financial Strategy (MTFS) looks at a forward projection of 4 years and includes three scenarios on funding – an increase of 2%, 0% and -2%. The MTFS is reviewed by Management Team and reported to Members twice per year – February and September.</p> <p>The Executive receive 3 in year treasury management reports (strategy, mid-year report and annual outturn) which inform Members of investments and borrowing.</p> <p><b>Actions identified: None</b></p>
<b>External Financial Reporting</b>			
P	<p>The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local authority Accounting in the United Kingdom</p>	<p>It is the responsibility of the Chief Finance Officer (Section 151 Officer) to:</p> <ul style="list-style-type: none"> <li>• Select suitable accounting policies and apply them correctly</li> <li>• Make judgements and estimates that are reasonable and prudent</li> <li>• Comply with the local authority Code</li> <li>• Keep proper accounting records which are up to date</li> <li>• Take reasonable steps for the prevention and detection of fraud and other irregularities</li> </ul>	<p>The Council’s Chief Finance officer is the Head of Finance and Property (Section 151 Officer).</p> <p>The Council’s annual Statement of Accounts includes a signed certification by the Head of Finance and Property confirming that the accounts give a true and fair view of the financial position of the authority at the reporting date and of its income and expenditure for the current financial year.</p> <p>The annual Statement of Accounts are reviewed by the Council’s External Auditors to ensure that they are materially accurate and that the responsibilities of the Chief Finance Officer have been met.</p> <p><b>Actions identified: None</b></p>

Q	The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions.	Effective financial reporting is key to ensuring that the authority and its leadership team understand how effectively its resources have been utilised during the year, including how material variances from initial and revised budgets to outturn have arisen and been managed.	The annual outturn report details the variances between revised budget and actual income and expenditure for each service area. A narrative around the significant variances is also included in the report.  <b>Actions identified: None</b>
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# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 87. Medium-Term Financial Strategy 2023/2028

### PURPOSE

To consider the longer-term financial outlook within the context of a Medium-Term Financial Strategy covering the financial years 2024/25 to 2027/28, highlighting uncertainties, underlying risks and make recommendations to Council. The Medium-Term Financial Strategy should be read in conjunction with the Revenue Budget 2023/24 and the associated statutory report of the Chief Finance Officer.

### REASON FOR DECISION

Professional accounting practice recommends that a medium-term financial strategy is in place to ensure that resources are aligned to strategic intent and business objectives. It also provides a firm and robust basis on which to prepare the annual budget. Given the current financial climate, the need for consideration of the medium-term financial position is pertinent to ensuring sustainable service delivery and for the Council to remain viable as a going concern.

### DECISION

The Executive RESOLVED to **recommend to Full Council:**

- 1. Approval of the latest Medium-Term Financial Strategy;**
- 2. Approval of the Reserves Strategy, as appended to the Medium-Term Financial Strategy;**

And to:

3. Note that a refreshed document will be provided when required as an aid to monitoring the continued delivery of an annually balanced budget; and
4. Note the annual review of the Financial Management Code.

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## REPORT TO EXECUTIVE



DATE	13 February 2023
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Howard Hamilton-Smith
TEL NO	01282 477173
EMAIL	HHamilton-Smith@burnley.gov.uk

## 2023/24 Treasury Management Strategy and 2023/24 – 2025/26 Prudential and Treasury Indicators

### PURPOSE

1.
  - a) To comply with the amended Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2021.
  - b) To outline a Treasury Management Strategy Statement for the financial year 2023/24.
  - c) To set out prudential indicators for the financial years 2023/26 in line with the CIPFA's Prudential Code 2021.
  - d) To seek approval for the Council's Minimum Revenue Provision (MRP) Policy Statement for the financial year 2023/24 in accordance with Government regulations.

### RECOMMENDATION

2. That the Executive recommend to Full Council approval of:
  - a) The Treasury Management Strategy Statement for 2023/24 as set out in Appendix 1
  - b) The prudential and treasury indicators for 2023/24 to 2025/2026 per Appendix 2 including the authorised limit for external debt of £96.918m in 2023/24.
  - c) The list of Counterparties for Deposits outlined within Appendix 3.
  - d) The Council's MRP Statement for 2023/24 as set out in Appendix 4 of this report.

## REASONS FOR RECOMMENDATION

- 3 a) To provide the proper basis required by current Government regulations and guidance to make charges for debt repayment (MRP) to the Council's revenue account.
- 3 b) To fulfil statutory and regulatory requirements and to provide a clear framework for local authority capital finance and treasury management.

## SUMMARY OF KEY POINTS

### 4. **Background**

The Council operates a balanced budget, which broadly means cash raised during the year will meet its cash expenditure. Part of the treasury management operations is to ensure this cash flow is adequately planned, with surplus monies being invested in low-risk counterparties, providing adequate liquidity initially before considering maximising investment return.

The second main function of the treasury management service is the funding of the Council's capital plans. These capital plans provide a guide to the borrowing need of the Council, essentially the longer-term cash flow planning to ensure the Council can meet its capital spending operations. This management of longer-term cash may involve arranging long or short-term loans, or using longer-term cash flow surpluses, and on occasion any debt previously drawn may be restructured to meet Council risk or cost objectives.

The contribution the treasury management function makes to the authority is critical, as the balance of debt and investment operations ensure liquidity or the ability to meet spending commitments as they fall due, either on day-to-day revenue or for larger capital projects. The treasury operations will see a balance of the interest costs of debt and the investment income arising from cash deposits affecting the available budget. Since cash balances generally result from reserves and balances, it is paramount to ensure adequate security of the sums invested, as a loss of principal will in effect result in a loss to the General Fund Balance.

*As a consequence, treasury management is defined as:*

"The management of the local authority's borrowing, investments and cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks."

### 5. **Treasury Management Statutory & Regulatory Requirements**

The Council is required to adopt a Treasury Management Strategy each year in advance of the forthcoming year. This report sets out the Treasury Management Strategy Statement for 2023/24 in Appendix 1 as well as the Prudential and Treasury Indicators for 2023/24 to 2025/26 in Appendix 2.

The primary requirements of the Code are as follows:

The Council is required to receive and approve, as a minimum, three main treasury reports each year, which incorporate a variety of policies, estimates and actuals.

- Treasury strategy and prudential and treasury indicators (this report) covering:
  1. the capital plans (including prudential indicators);
  2. a minimum revenue provision (MRP) policy (how residual capital expenditure is charged to revenue over time);
  3. the treasury management strategy (how the investments and borrowings are to be organised) including treasury indicators; and
  4. an investment strategy (the parameters on how investments are to be managed).
- A mid-year treasury management report – This will update members with the progress of the capital position, amending prudential indicators as necessary, and whether the treasury strategy is being met or whether any policies require revision.
- An annual treasury report – This provides details of a selection of actual prudential and treasury indicators and actual treasury operations compared to the estimates within the strategy during the previous year.

Quarterly Reports - In addition to the three major reports detailed above, from 2023/24 quarterly reporting (end of June/end of December) is also required. However, these additional reports do not have to be reported to Full Council but do require to be adequately scrutinised. This role is undertaken by the Executive Committee. The reports, specifically, will comprise updated Treasury/Prudential Indicators.

Scrutiny

Full Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Head of Finance & Property, who will act in accordance with the Council's policy statement and Treasury Management Practices (TMP's) and CIPFA's Standard of Professional Practice on Treasury Management.

Capital Strategy

The CIPFA 2021 Prudential and Treasury Management Codes require, for 2023-24, all local authorities to prepare a Capital Strategy report, which will provide the following;

- A high-level overview of how capital expenditure, capital financing and treasury management activity contribute to the provision of services
- An overview of how the associated risk is managed
- The implications for future financial sustainability

The aim of this capital strategy report is to ensure that all elected members on the Full Council fully understand the overall long-term policy objectives and resulting capital strategy requirements, governance procedures and risk appetite entailed by this Strategy.

The Capital Strategy will include capital expenditure, investments and liabilities and treasury management in sufficient detail to allow members to understand how stewardship, value for money, prudence, sustainability and affordability will be secured.

#### Increase in Borrowing Requirement

Tables 1 and 2 in Appendix 1 show an increase in the council's borrowing need for 2023/24 reducing in 2024/25 and 2025/26. This is largely due to the Pioneer Place development.

#### List of Counterparties

Appendix 3 summarises the proposed limits and methodology for choosing counterparties for deposits.

#### Minimum Revenue Provision (MRP)

Attached in Appendix 4 is the Council's annual policy statement for making minimum revenue provision on outstanding debt.

#### Economic Update

Appendix 5 shows an abridged version of Link Asset Services, the Council's treasury management advisors, view of the current economic climate and the prospects for interest rates.

#### Scheme of Delegation

Appendix 6 contains the council's Treasury Management Scheme of delegation.

#### Role of the Section 151 Officer

Appendix 7 lists the Treasury Management role of the Section 151 Officer.

### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

6.
  - The maximum value of deposits over 364 days and up to 2 years is to be £4m (with a maximum of £2m with any one counterparty, with the exception of the banking institutions whose individual limit is £4m). See Appendix 3.
  - The new limits for external debt for 2023/24 will be £88.107m for the operational boundary and £96.918m for the authorised limit (2022/23 = £95.346m).

### **POLICY IMPLICATIONS**

7. Compliance with the revised CIPFA Code of Practice on Treasury Management.

### **DETAILS OF CONSULTATION**

8. None

**BACKGROUND PAPERS**

9. None

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton-Smith  
Head of Finance & Property**

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## Treasury Management Strategy for 2023/24

The strategy for 2023/24 covers two main areas:

### **Capital Issues**

- the capital expenditure plans and the associated prudential indicators;
- the Minimum Revenue Policy (MRP) in Appendix 4

### **Treasury Management Issues**

- the current treasury position;
- treasury indicators which will limit the treasury risk and activities of the Council;
- prospects for interest rates;
- the borrowing strategy;
- policy on borrowing in advance of need;
- debt rescheduling;
- the investment strategy;
- creditworthiness policy; and
- policy on the use of external service providers.

These elements cover the requirements of the Local Government Act 2003, DLUHC Investment Guidance, DLUHC MRP Guidance, the CIPFA Prudential Code and the CIPFA Treasury Management Code.

### **Capital issues**

#### **The Capital Prudential Indicators 2023/24 – 2025/26 (See Table 1 in Appendix 2)**

The Council's capital expenditure plans are the key driver of treasury management activity. The output of the capital expenditure plans is reflected in the prudential indicators, which are designed to assist members' overview and confirm capital expenditure plans.

**Capital Expenditure.** This prudential indicator is a summary of the Council's capital expenditure plans, both those agreed previously, and those forming part of this budget cycle.

The table below summarises the capital expenditure plans and how these plans are being financed by capital or revenue resources. Any shortfall of resources results in a funding need (borrowing).

<b>Table 1 Capital Expenditure</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Revised Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
Programmed Spend	33,504	19,956	41,535	18,066	7,133
<b>Financed by:</b>					
Capital receipts	1,218	2,305	2,547	1,607	1,462
3rd Party Contributions	159	512	5,007	544	715
Capital grants	8,674	10,923	17,518	9,799	2,954
Revenue	191	1,855	1,062	282	198
<b>Net borrowing need for the year</b>	<b>23,262</b>	<b>4,361</b>	<b>15,401</b>	<b>5,834</b>	<b>1,804</b>

## Ratio of Financing Costs to Net Revenue Streams

This indicator shows the trend in the cost of capital (borrowing and other long term obligation costs net of investment income) expressed as a percentage against the net revenue stream. Table 1 in Appendix 2 shows there is a general trend that financing costs are taking up a higher percentage of the revenue budget. This is due to forecast reductions in future aggregate external funding based on 'revenue spending power' for the Council through reduced Government grant, together with increased borrowing costs to fund the council's capital programme.

## The Council's Borrowing Need (the Capital Financing Requirement)

This prudential indicator is the Council's Capital Financing Requirement (CFR). The CFR is simply the total historic outstanding capital expenditure which has not yet been paid for from either revenue or capital resources. It is essentially a measure of the Council's underlying borrowing need. Any capital expenditure above, which has not immediately been paid for, will increase the CFR and is represented by the net financing need for the year line. The Council's CFR is shown in Table 1 of Appendix 2 and below.

The CFR does not increase indefinitely, as the MRP is a statutory annual revenue charge which broadly reduces the borrowing need in line with each assets life, and so charges the economic consumption of capital assets as they are used.

<b>Table 2</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Revised Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
<b>Capital Financing Requirement</b>					
Total CFR at 31 <sup>st</sup> March	63,913	66,506	80,097	84,073	83,840
<b>Net financing need for the year</b>	<b>23,239</b>	<b>2,593</b>	<b>13,591</b>	<b>3,976</b>	<b>(233)</b>

<b>£m</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Revised Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
<b>Movement in CFR represented by</b>					
Net borrowing need for the year (Table 1 above)	23,262	4,361	15,401	5,834	1,804
Less MRP and other financing movements	(1,023)	(1,768)	(1,810)	(1,858)	(2,037)
<b>Movement in CFR in Year</b>	<b>22,239</b>	<b>2,593</b>	<b>13,591</b>	<b>3,976</b>	<b>(233)</b>

## Liability Benchmark

A new prudential indicator for 2023/24 is the Liability Benchmark (LB). The council is required to estimate and measure the LB for the forthcoming financial year and the following two financial years, as a minimum.

There are four components to the LB: -

1. **Existing loan debt outstanding:** the council's existing loans that are still outstanding in future years.
2. **Loans CFR:** this is calculated in accordance with the loans CFR definition in the Prudential Code and projected into the future based on approved prudential borrowing and planned MRP.
3. **Net loans requirement:** this will show the council's gross loan debt less treasury management investments at the last financial year-end, projected into the future and based on its approved prudential borrowing, planned MRP and any other major cash flows forecast.
4. **Liability benchmark** (or gross loans requirement): this equals net loans requirement plus short-term liquidity allowance (needed to ensure access to liquidity for short term cash flow variations)

The table below summarises the council's Liability Benchmark as at the end of the last financial year and estimates for the current and next three years, and shows that the council is consistently under its liability benchmark. This means that the council is maintaining an underborrowed position, which is prudent whilst interest rates for borrowing are high, but also indicates that future borrowing may be required in order to fund the council's capital programme or to repay debt.

<b>Table 3 Liability Benchmark</b>	<b>2021/22 Actual £000</b>	<b>2022/23 Revised Estimate £000</b>	<b>2023/24 Estimate £000</b>	<b>2024/25 Estimate £000</b>	<b>2025/26 Estimate £000</b>
Existing Loan Debt Outstanding	61,146	59,525	56,118	53,522	52,906
Loans CFR	63,913	66,506	80,097	84,073	83,840
Net Loans Required	20,930	31,067	45,214	49,759	50,106
Liability Benchmark	61,146	64,067	78,214	82,759	83,106
<b>(Over)/Under Liability Benchmark</b>	<b>0</b>	<b>4,542</b>	<b>22,096</b>	<b>29,237</b>	<b>30,200</b>

### **Treasury Management Issues**

The capital expenditure plans set out above, provide details of the activity of the Council. The treasury management function ensures that the Council's cash is organised within the relevant professional codes, so that sufficient cash is available to meet these activities. This will involve both the organisation of the cash flow and, where capital plans require, the organisation of appropriate borrowing facilities. The strategy covers the relevant treasury/prudential indicators, the current and projected debt positions and the annual investment strategy.

### **The Council's Current Portfolio Position**

Within the prudential indicators in Appendix 2 there are a number of key indicators to ensure that the Council operates its activities within well-defined limits. One of these is that the Council needs to ensure that its gross debt does not, except in the short term, exceed the

total of the CFR in the preceding year plus the estimates of any additional CFR for 2023/24 and the following two financial years. This allows some flexibility for limited early borrowing for future years, but ensures that borrowing is not undertaken for revenue or speculative purposes. In the Council's case, the estimated external debt at 31<sup>st</sup> March 2023 of £65m is less than the CFR which ranges from £66.5m to £84.1m and means that the Council 'borrows internally' (using reserves and balances) to finance past capital spending as this tends to be cheaper than external debt.

### **Treasury Limits for 2023/24 to 2025/26**

It is a statutory duty under Section 3 of the Act and supporting regulations, for the Council to determine and keep under review how much it can afford to borrow. The amount so determined is termed the "Authorised Borrowing Limit".

The Council must have regard to the Prudential Code when setting the Authorised Limit, which essentially requires it to ensure that total capital investment remains within sustainable limits and, in particular, that the impact upon its future council tax levels is 'acceptable'.

Whilst termed an "Affordable Borrowing Limit", the capital plans to be considered for inclusion incorporate financing by both external borrowing and other forms of liability, such as credit arrangements. The Authorised Limit is to be set, on a rolling basis, for the forthcoming financial year and two successive financial years, details of the Authorised Limit can be found in Table 2 in Appendix 2 of this report outlining the prudential and treasury indicators for 2023/24 – 2025/26.

**The Operational Boundary** is the limit beyond which external debt is not normally expected to exceed and is normally similar to the CFR. It is proposed to set this at 10% above the CFR.

**The Authorised Limit** is a further key indicator representing a control on the maximum level of borrowing, beyond which external debt is prohibited, and this limit needs to be set or revised by the Full Council. It reflects the level of external debt which, whilst not desired, could be afforded in the short term, but is not sustainable in the longer term. It is proposed to set this at 10% above the operational boundary and includes provision for 'unusual cash movements'.

### **IFRS16 – Leased Assets**

The CIPFA LASAAC, Local Authority Accounting Code Board has deferred the implementation of IFRS16 until the 2024/25 financial year.

A requirement for closing of the council's accounts for 2023/24 is therefore to bring operational leased assets onto the balance sheet. This will have the effect of increasing the council's CFR, External Debt, Authorised Limit and Operational Boundary. The Authorised Limit and Operational Boundary may therefore need to be amended mid-year, once the detailed impact is known.

### **Prospects for Interest Rates (Provided by Link Asset Services)**

Part of the service provided by Link Asset Services is to assist the Council to formulate a view on interest rates and the table below gives Link Asset Services forecast.

## Appendix 1

Link Group Interest Rate View	19.12.22												
	Dec-22	Mar-23	Jun-23	Sep-23	Dec-23	Mar-24	Jun-24	Sep-24	Dec-24	Mar-25	Jun-25	Sep-25	Dec-25
BANK RATE	3.50	4.25	4.50	4.50	4.50	4.00	3.75	3.50	3.25	3.00	2.75	2.50	2.50
3 month ave earnings	3.60	4.30	4.50	4.50	4.50	4.00	3.80	3.30	3.00	3.00	2.80	2.50	2.50
6 month ave earnings	4.20	4.50	4.60	4.50	4.20	4.10	3.90	3.40	3.10	3.00	2.90	2.60	2.60
12 month ave earnings	4.70	4.70	4.70	4.50	4.30	4.20	4.00	3.50	3.20	3.10	3.00	2.70	2.70
5 yr PWLB	4.20	4.20	4.20	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.20	3.10
10 yr PWLB	4.30	4.40	4.40	4.30	4.10	4.00	3.90	3.80	3.60	3.50	3.40	3.30	3.30
25 yr PWLB	4.60	4.60	4.60	4.50	4.40	4.20	4.10	4.00	3.90	3.70	3.60	3.50	3.50
50 yr PWLB	4.30	4.30	4.30	4.20	4.10	3.90	3.80	3.70	3.60	3.50	3.30	3.20	3.20

Our central forecast for interest rates was updated on 19 December and reflected a view that the MPC would be keen to further demonstrate its anti-inflation credentials by delivering a succession of rate increases. Bank Rate stands at 3.5% currently but is expected to reach a peak of 4.5% in Q1 2023.

Further down the road, we anticipate the Bank of England will be keen to loosen monetary policy when the worst of the inflationary pressures are behind us – but that timing will be one of fine judgment: cut too soon, and inflationary pressures may well build up further; cut too late and any downturn or recession may be prolonged.

The CPI measure of inflation looks to have peaked at 11.1% in Q4 2022 (currently 10.7%). Despite the cost-of-living squeeze that is still taking shape, the Bank will want to see evidence that wages are not spiralling upwards in what is evidently a very tight labour market. Regarding the plan to sell £10bn of gilts back into the market each quarter (Quantitative Tightening), this has started and will focus on the short, medium and longer end of the curve in equal measure, now that the short-lived effects of the Truss/Kwarteng unfunded dash for growth policy are behind us.

In the upcoming months, our forecasts will be guided not only by economic data releases and clarifications from the MPC over its monetary policies and the Government over its fiscal policies, but the on-going conflict between Russia and Ukraine. (More recently, the heightened tensions between China/Taiwan/US also have the potential to have a wider and negative economic impact.)

On the positive side, consumers are still estimated to be sitting on over £160bn of excess savings left over from the pandemic so that will cushion some of the impact of the above challenges. However, most of those are held by more affluent people whereas lower income families already spend nearly all their income on essentials such as food, energy and rent/mortgage payments.

### PWLB RATES

- The yield curve movements have become less volatile of late and PWLB 5 to 50 years Certainty Rates are, generally, in the range of 4.10% to 4.80%.
- We view the markets as having built in, already, nearly all the effects on gilt yields of the likely increases in Bank Rate and the elevated inflation outlook.

### The Borrowing Strategy

The Council is currently maintaining an under-borrowed position which means that the capital borrowing need (the CFR), has not been fully funded with loan debt as cash supporting the Council's reserves, balances and cash flow has been used as a temporary

## Appendix 1

measure. This strategy is prudent as medium and longer dated borrowing rates are expected to fall from their current levels once prevailing inflation concerns are addressed by tighter near-term monetary policy. That is, Bank Rate increases over the remainder of 2022 and the first half of 2023.

The Head of Finance & Property will monitor interest rates and adopt a pragmatic approach to changing circumstances:

- if it was felt that there was a significant risk of a sharp fall in borrowing rates, then long term borrowings will be postponed,
- if it was felt that there was a significant risk of a much sharper rise than that currently forecast, then the portfolio will be re-appraised with the likely action that fixed rate funding will be drawn whilst interest rates are lower than they are projected to be in the next few years.
- will take a view on prevailing and perceived future interest rates and take decisions on whether to borrow longer-term or short-term accordingly whenever a borrowing requirement arises. As well as taking a view on the appropriate mix of fixed and variable interest rate exposure in the light of prevailing and perceived future market conditions.
- undertake a constant review of the Council's total external debt portfolio to determine the scope for any restructuring possibilities and make recommendations to Full Council accordingly.

### **The Borrowing Policy and Borrowing Requirement**

The Council will not borrow more than or in advance of its need purely in order to profit from the investment of the extra sums borrowed.

The Council's maximum borrowing requirement (Authorised Limit for external debt) is £96.918m next year. This is limited to 10% above the operational boundary of £88.107m, which has been set at 10% above the CFR.

Risks associated with any borrowing in advance activity will be subject to prior appraisal and subsequent reporting through the mid-year or annual reporting mechanism.

### **Debt Rescheduling**

Rescheduling of current borrowing in our debt portfolio is unlikely to occur as there is still a very large difference between premature redemption rates and new borrowing rates.

The reasons for any rescheduling to take place will include: -

- the generation of cash savings and / or discounted cash flow savings
- helping to fulfil the treasury strategy;
- enhance the balance of the portfolio (amend the maturity profile and/or the balance of volatility).

Consideration will also be given to identify if there is any residual potential left for making savings by running down investment balances to repay debt prematurely as short term rates on investments are likely to be lower than rates paid on current debt.

All rescheduling will be reported to the Council at the earliest meeting following its action.

### **New Financial Institutions as a source of borrowing**

Currently the PWLB Certainty Rate is set at gilts plus 80 basis points. However, consideration may still need to be given to sourcing funding from the following sources:

- Local Authorities (primarily shorter date maturities)
- Financial Institutions (primarily insurance companies and pension funds but also some banks, out of forward dates where the objective is to avoid a cost of carry or to achieve refinancing certainty over the next few years)
- Municipal Bonds Agency (possibly still a viable alternative depending on market circumstances prevailing at the time)

Our advisors, Link Asset Serves, will keep us informed as to the relative merits of each of these alternative funding sources.

### **Annual Investment Strategy**

#### **Investment Policy – management of risk**

The Council's investment policy has regard to the following;

- DLUHC's Guidance on Local Government Investments ("The Guidance")
- CIPFA Treasury Management in Public Services Code of Practice and Cross Sectoral Guidance Notes 2021 ("The Code")
- CIPFA Treasury Management Guidance Notes 2021

The Council's deposit priorities focus on;

- Security of Capital
- Liquidity, and
- Yield

The Council will aim to achieve optimum return [yield] on deposits commensurate with proper levels of security and liquidity.

In the current economic climate, it is considered appropriate to maintain a degree of liquidity to cover cash flow needs but to also consider "laddering" investments for periods up to 12 months with high credit rated financial institutions, whilst investment rates remain elevated, as well as wider range fund options.

The above guidance from the DLUHC and CIPFA places a high priority on the management of risk. This council has adopted a prudent approach to managing risk and defines its risk appetite by the following means: -

1. Minimum acceptable credit criteria are applied in order to generate a list of highly creditworthy counterparties. This also enables diversification and thus avoidance of concentration risk. The key ratings used to monitor counterparties are the short-term and long-term ratings.

2. Other information: ratings will not be the sole determinant of the quality of an institution; it is important to continually assess and monitor the financial sector on both a micro and macro basis and in relation to the economic and political environments in which institutions operate. The assessment will also take account of information that reflects the opinion of

## Appendix 1

the markets. To achieve this consideration the Authority will engage with its advisors to maintain a monitor on market pricing such as “credit default swaps” and overlay that information on top of the credit ratings.

3. Other information sources used will include the financial press, share price and other such information pertaining to the financial sector in order to establish the most robust scrutiny process on the suitability of potential investment counterparties.

4. The council has defined the list of types of investment instruments that the treasury management team are authorised to use, together with lending and transaction limits. These are set out in appendix 3 to this report.

The council will also pursue value for money in treasury and will monitor yield from investment income against appropriate benchmarks for investment performance. Regular monitoring of investment performance will be carried out during the year.

### Monitoring Performance:

The council has retained HSBC UK Bank plc as the provider for administering the Council’s banking facilities [contract renewed in December 2021 for a three-year term]. The Council continues to have a ‘sweep’ facility for our current account. This means that if we do not deposit monies with other counterparties but leave the balance with HSBC, they will automatically transfer the money into an interest earning deposit account. This account is effectively a call account whereby we can get the money back instantly if required. The current rate the Council is achieving on these deposits is in line with that achieved with other counterparties.

### Approved list of Counterparties for Deposits

There are strict limits in terms of the type of institution with which funds may be deposited and the length of time funds can be invested for.

As part of the Treasury Policy Statement, as a minimum, the approved list of counterparties is reviewed annually and reported to Council. The current list was approved by Full Council on 23 February 2022 and there are no proposed changes for 2023/24. Any changes arising during the year requiring approval will be reported as appropriate.

It is proposed that the maximum amount that can be deposited with other counterparties for a period exceeding 364 days and up to 2 years remains limited to £4m which is shown in Appendix 3.

### Creditworthiness Policy

This Council uses the creditworthiness service provided by Link Asset Services. This service uses a sophisticated modelling approach with credit ratings from all three rating agencies – Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays: -

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swaps (CDS) spreads to give early warning of likely changes in credit ratings



## Appendix 1

- sovereign ratings to select counterparties from only the most creditworthy countries

This modelling approach combines credit ratings, credit watches, credit outlooks and CDS spreads in a weighted scoring system for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are also used by the Council to determine the duration for investments and are therefore referred to as durational bands. The Council is satisfied that this service gives a much improved level of security for its investments. It is also a service which the Council would not be able to replicate using in house resources.

The Council is alerted to changes to ratings of all three agencies through its use of the Link Asset Services' creditworthiness service.

- If a downgrade results in the counterparty/investment scheme no longer meeting the Council's minimum criteria, its further use as a new investment will be withdrawn immediately.

In addition to the use of Credit Ratings the Council will be advised of information on:

- movements in CDS against the iTraxx benchmark and other market data on a daily basis via its Passport website, provided exclusively to it by Link Asset Services. Extreme market movements may result in downgrade of an institution or removal from the Councils lending list.

Sole reliance will not be placed on the use of this external service. In addition, this Council will also use market data and market information, and information on any external support for banks to help support its decision making process.

### **Creditworthiness**

Significant levels of downgrades to Short and Long-Term credit ratings have not materialised since the crisis in March 2020. In the main, where they did change, any alterations were limited to Outlooks. However, more recently the UK sovereign debt rating has been placed on Negative Outlook by the three major rating agencies in the wake of the Truss/Kwarteng unfunded tax-cuts policy. Although the Sunak/Hunt government has calmed markets, the outcome of the rating agency reviews is unknown at present, but it is possible the UK sovereign debt rating will be downgraded. Accordingly, when setting minimum sovereign debt ratings, this council will not set a minimum rating for the UK.

### **Investment Strategy**

**In-house funds.** Investments will be made with reference to the core balance and cash flow requirements and the outlook for short-term interest rates (i.e., rates for investments up to 12 months). Greater returns are usually obtainable by investing for longer periods. The current shape of the yield curve suggests that is the case at present, but there is the prospect of Bank Rate peaking in the first half of 2023 and possibly reducing as early as the latter part of 2023 so an agile investment strategy would be appropriate to optimise returns.

Accordingly, while most cash balances are required in order to manage the day to day cash flow requirements, where cash sums can be identified that could be invested for longer periods, the value to be obtained from longer-term investments will be carefully assessed.

### **Investment Performance**

The council will use an investment benchmark to assess the investment performance of its investment portfolio.

### **End of Year Investment Report**

At the end of the financial year, the council will report on its investment activity as part of its Annual Treasury Report.

### **Policy on the use of treasury management consultants**

The Council uses Link Asset Services, Treasury Solutions as its external treasury management advisors.

The Council recognises that responsibility for treasury management decisions remains with the organisation at all times and will ensure that undue reliance is not placed upon our external service providers.

It also recognises that there is value in employing external providers of treasury management services in order to acquire access to specialist skills and resources. The Head of Finance & Property through recommendations to Full Council, will ensure that the terms of their appointment and the methods by which their value will be assessed, are properly agreed and documented, and will be subject to regular review.

## PRUDENTIAL AND TREASURY INDICATORS 2023/24 - 2025/26

TABLE 1 - PRUDENTIAL INDICATORS	2021/22 Actual £' 000	2022/23 Revised Estimate £' 000	2023/24 Estimate £' 000	2024/25 Estimate £' 000	2025/26 Estimate £' 000
<b>Capital Expenditure</b>	33,504	19,956	41,535	18,066	7,133
<b>Ratio of financing costs to net revenue stream</b>	12.9%	21.5%	21.5%	21.4%	25.0%
<b>Net borrowing requirement</b> brought forward 1 April			88,107	92,480	92,224
<b>Capital Financing Requirement as at 31 March</b>	63,913	66,506	80,097	84,073	83,840
<b>Liability Benchmark</b>	61,146	64,067	78,214	82,759	83,106

TABLE 2 - TREASURY MANAGEMENT INDICATORS	2021/22 Actual £' 000	2022/23 Revised Estimate £' 000	2023/24 Estimate £' 000	2024/25 Estimate £' 000	2025/26 Estimate £' 000
<b>Authorised Limit for external debt -</b>			96,918	101,728	101,446
<i>For 2023/24, this is the Council's statutory limit for debt as determined under section 3(1) of the Local Government Act 2003. Limits have also been provisionally set for the following two financial years. These limits include provision for "unusual cash movements" as referred to in the Code.</i>					
<b>Operational Boundary for external debt -</b>			88,107	92,480	92,224
<i>This is lower than the authorised limit by the additional headroom provided for "unusual cash movements". It equates to the maximum level of external debt projected in estimates.</i>					
<b>Actual/Estimated external debt at year end</b>	61,146	64,960			
<b>Upper limit for fixed interest rate exposure</b> expressed as :- Net interest re fixed rate borrowing / investments			100%	100%	100%
<b>Upper limit for variable rate exposure</b> expressed as :- Net interest re variable rate borrowing / investments			25%	25%	25%
<b>Upper limit for total principal sums invested over 364 days</b>	0	4,000	4,000	4,000	4,000

TABLE 3 - Maturity Structure of fixed rate borrowing during 2023/24		lower limit	upper limit
This indicator limits the period to repayment of overall expected debt outstanding and shows five bands. There are minimum and maximum proportions of overall debt within each band. This means that the amount of debt in each band will fall within this range as a proportion of overall debt.	under 12 months	0%	20%
	12 months - within 24 months	0%	20%
	24 months - within 5 years	0%	25%
	5 years - within 10 years	0%	30%
	10 years and above	0%	90%

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## **TREASURY MANAGEMENT PRACTICE (TMP1) – Credit and Counterparty Risk Management**

**Specified Investments:** All such investments will be sterling denominated, with maturities up to a maximum of one year, meeting the minimum “high” quality criteria where applicable.

**Non-Specified Investments:** These are any investments which do not meet the specified investment criteria, and in the council’s case will include investment in Property Funds and Burnley College.

A variety of investment instruments will be used, subject to the credit quality of the institution, and depending on the type of investment made, it will fall into one of the above categories.

### **Link Asset Services Methodology in Determining Creditworthiness of Counterparties:**

Link Asset Services’ creditworthiness service employs a sophisticated modelling approach with credit ratings from all three rating agencies - Fitch, Moodys and Standard and Poors, forming the core element. However, it does not rely solely on the current credit ratings of counterparties but also uses the following as overlays:

- credit watches and credit outlooks from credit rating agencies
- Credit Default Swap [CDS] spreads to give early warning of likely changes in credit ratings and gauge a market view of the counterparty
- sovereign ratings to select counterparties from only the most creditworthy countries

Link Asset Services’ modelling approach combines credit ratings, credit watches and credit outlooks in a weighted scoring system which is then combined with an overlay of CDS spreads for which the end product is a series of colour code bands which indicate the relative creditworthiness of counterparties. These colour codes are used to determine the maximum duration for deposits and are therefore referred to as durational bands. This approach gives a much improved level of security for its deposits. The table below also shows the current limits for deposits with any bank or group of banks which is £2m except for the Councils own bank, HSBC, which has an individual limit of £50m and other named institutions below (£4m) .

### **Banks / Groups of Banks & Building Societies whose Individual Limit is £4m**

The following banking institutions have individual limits of £4m:-

Lloyds Banking Group plc including Bank of Scotland and Lloyds Bank  
 Royal Bank of Scotland Group plc including National Westminster Bank and Royal Bank of Scotland  
 Abbey National Treasury Services plc  
 Barclays Bank  
 Santander UK plc  
 Nationwide Building Society

## Goldman Sachs International Bank

<b>Banking Institutions Colour Bandings</b>	<b>Maximum Duration ( Per Link Asset Services)</b>	<b>Current Individual Limits per Bank/Group of Banks (£)</b>
White	0 months	No deposits to be placed
Green	100 Days	Unlimited, but no more than 4m per Bank/Group of Banks
Red	6 months	Unlimited, but no more than 4m per Bank/Group of Banks
Orange/Blue	12 months	To a maximum of 4m over 364 days, and no more than 4m per Bank/Group of Banks
Purple	24 months	To a maximum of 4m over 364 days, and no more than 4m per Bank/Group of Banks
<b>Other Institutions</b>	<b>Maximum Duration</b>	<b>Individual Limits (£)</b>
Local Authorities*	12 months	6m
Government Debt Management Office	12 months	Unlimited
Money Market Fund **	12 months	2m
Property Funds ***	N/A	2m
Burnley College	15 Years	4m

\* the total amount deposited with Local Authorities not to exceed £8m and no more than £6m per Local Authority.

\*\* the total amount deposited in Money Market Funds not to exceed £8m and no more than £2m per MMF.

\*\*\* the maximum amount invested in Property Funds not to exceed £2m.

## Minimum Revenue Provision (MRP) policy statement 2023/24

The Council is required to pay off an element of the accumulated General Fund capital spend each year (the CFR) through a revenue charge (the minimum revenue provision - MRP), although it is also allowed to undertake additional voluntary payments if required (voluntary revenue provision - VRP).

The Council is required to calculate a prudent provision of MRP which ensures that the outstanding debt liability is repaid over a period that is reasonably commensurate with that over which the capital expenditure provides benefits. The MRP Guidance (2018) gives four ready-made options for calculating MRP, but the Council can use any other reasonable basis that it can justify as prudent.

### Annual Statement on Policy for Making Minimum Revenue Provision on Outstanding Debt (Annual MRP Statement)

#### Relating to the Financial Year 2023/24

The Council's policy on making the minimum revenue provision (MRP) for the repayment of debt to be charged to the Council's revenue account for the financial year 2023/24 is as follows:

The MRP shall be calculated in accordance with the Local Authorities (Capital Finance and Accounting) (England) (Amendment) Regulations 2008 and the guidance issued under section 21(1A) of the Local Government Act 2003.

#### **The Council is recommended to approve the following MRP Statement:**

The MRP shall be calculated:

- a) For capital expenditure incurred before 1 April 2008 or which in the future will be Supported Capital Expenditure, MRP will be charged on a 2% straight line basis. This ensures that the debt will be repaid within 50 years.
- b) For capital expenditure funded from prudential borrowing in accordance with option 3 of the guidance for financial years 2008/09 to 2018/19.

Calculated on the asset life method - using the equal instalment method. The calculation will divide the borrowing relating to each particular asset and divide this by the estimated life of the asset to produce an equal annual charge to the revenue account. This will also be the method used when the asset is not Burnley Council's asset but where the Council has made a capital contribution to the cost.

- c) For capital expenditure incurred for financial years 2019/20 onward, MRP will be calculated on the asset life method – using the annuity method. Under this calculation, the revenue budget bears an equal annual charge (for principal and interest) over the life of the asset by taking into account the time value of money.

The schedule of charges produced by the annuity method results in a consistent charge over an asset's life, taking into account the real value of the annual charges when they fall due.

The annuity method also matches the repayment profile to how the benefits of the asset are consumed over its useful life (i.e. asset deterioration is slower in the early years of an asset's life than later years)

The total of a) b) and c) above will be the overall annual MRP.

Regulations allow Authorities to apply an 'MRP holiday', whereby the MRP charge is deferred until a year after the practical completion of the asset. The Authority will apply this allowance where appropriate.



## Economic Background

*(provided by the Council's external service providers, Link Asset Services):*

Against a backdrop of stubborn inflationary pressures, the easing of Covid restrictions in most developed economies, the Russian invasion of Ukraine, and a range of different UK Government policies, it is no surprise that UK interest rates have been volatile right across the curve, from Bank Rate through to 50-year gilt yields, for all of 2022.

Market commentators' misplaced optimism around inflation has been the root cause of the rout in the bond markets with, for example, UK, EZ and US 10-year yields all rising by over 200bps since the turn of the year. The table below provides a snapshot of the conundrum facing central banks: inflation is elevated but labour markets are extra-ordinarily tight, making it an issue of fine judgment as to how far monetary policy needs to tighten.

	<b>UK</b>	<b>Eurozone</b>	<b>US</b>
<b>Bank Rate</b>	3.5%	2.0%	4.25%-4.50%
<b>GDP</b>	-0.2%q/q Q3 (2.4%/y/y)	+0.2%q/q Q3 (2.1%/y/y)	2.6% Q3 Annualised
<b>Inflation</b>	10.7%/y/y (Nov)	10.1%/y/y (Nov)	7.1%/y/y (Nov)
<b>Unemployment Rate</b>	3.7% (Oct)	6.5% (Oct)	3.7% (Nov)

Q2 of 2022 saw UK GDP revised upwards to +0.2% q/q, but this was quickly reversed in the third quarter, albeit some of the fall in GDP can be placed at the foot of the extra Bank Holiday in the wake of the Queen's passing. Nevertheless, CPI inflation has picked up to what should be a peak reading of 11.1% in October, although with further increases in the gas and electricity price caps pencilled in for April 2023, and the cap potentially rising from an average of £2,500 to £3,000 per household, there is still a possibility that inflation will spike higher again before dropping back slowly through 2023.

The UK unemployment rate fell to a 48-year low of 3.6%, and this despite a net migration increase of c500k. The fact is that with many economic participants registered as long-term sick, the UK labour force actually shrunk by c500k in the year to June. Without an increase in the labour force participation rate, it is hard to see how the UK economy will be able to grow its way to prosperity, and with average wage increases running at over 6% the MPC will be concerned that wage inflation will prove just as sticky as major supply-side shocks to food and energy that have endured since Russia's invasion of Ukraine on 22nd February 2022.

Throughout Q3 Bank Rate increased, finishing the quarter at 2.25% (an increase of 1%). Q4 has seen rates rise to 3.5% in December and the market expects Bank Rate to hit 4.5% by May 2023.

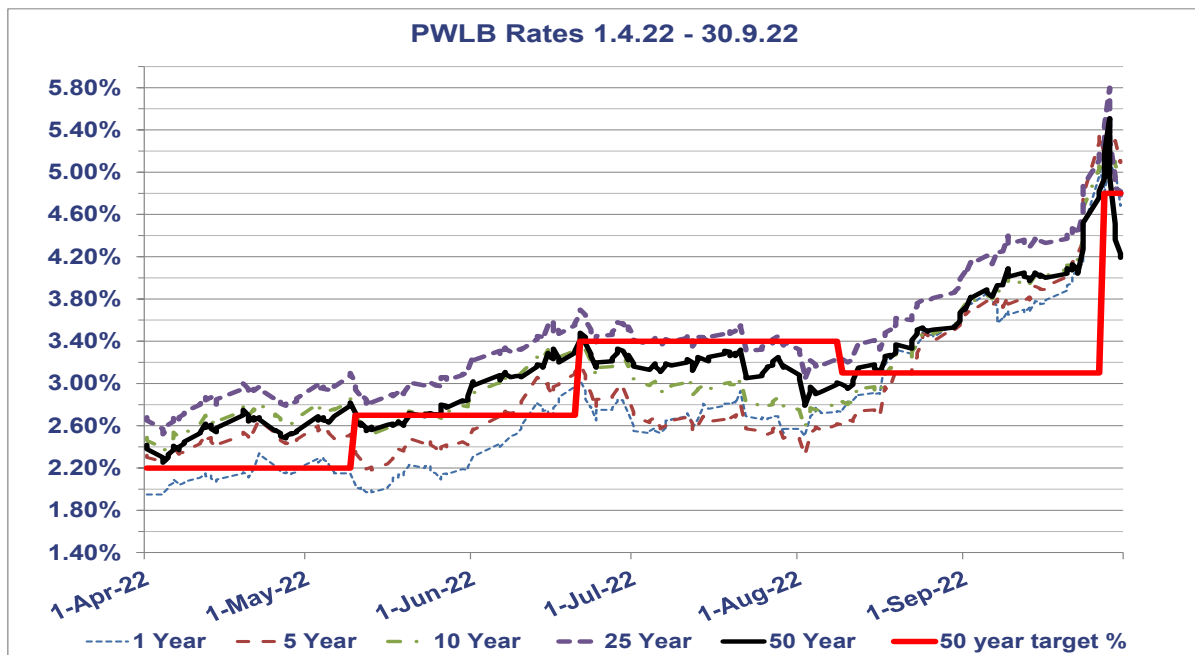
Following a Conservative Party leadership contest, Liz Truss became Prime Minister for a tumultuous seven weeks that ran through September and October. Put simply,

the markets did not like the unfunded tax-cutting and heavy spending policies put forward by her Chancellor, Kwasi Kwarteng, and their reign lasted barely seven weeks before being replaced by Prime Minister Rishi Sunak and Chancellor Jeremy Hunt. Their Autumn Statement of 17<sup>th</sup> November gave rise to a net £55bn fiscal tightening, although much of the “heavy lifting” has been left for the next Parliament to deliver. However, the markets liked what they heard, and UK gilt yields have almost completely reversed the increases seen under the previous tenants of No10/11 Downing Street.

Globally, though, all the major economies are expected to struggle in the near term. The fall below 50 in the composite Purchasing Manager Indices for the UK, US, EZ and China all point to at least one, if not more, quarters of GDP contraction. In November, the MPC projected eight quarters of negative growth for the UK lasting throughout 2023 and 2024, but with Bank Rate set to peak at lower levels than previously priced in by the markets and the fiscal tightening deferred to some extent, it is not clear that things will be as bad as first anticipated by the Bank.

The £ has strengthened of late, recovering from a record low of \$1.035, on the Monday following the Truss government’s “fiscal event”, to \$1.22. Notwithstanding the £’s better run of late, 2023 is likely to see a housing correction of some magnitude as fixed-rate mortgages have moved above 5% and affordability has been squeezed despite proposed Stamp Duty cuts remaining in place.

In the table below, the rise in gilt yields, and therein PWLB rates, through the first half of 2022/23 is clear to see.



However, the peak in rates on 28<sup>th</sup> September as illustrated in the table covering April to September 2022 below, has been followed by the whole curve shifting lower. PWLB rates at the front end of the curve are generally over 1% lower now whilst the 50 years is over 1.75% lower.

	1 Year	5 Year	10 Year	25 Year	50 Year
<b>Low</b>	1.95%	2.18%	2.36%	2.52%	2.25%
<b>Date</b>	01/04/2022	13/05/2022	04/04/2022	04/04/2022	04/04/2022
<b>High</b>	5.11%	5.44%	5.35%	5.80%	5.51%
<b>Date</b>	28/09/2022	28/09/2022	28/09/2022	28/09/2022	28/09/2022
<b>Average</b>	2.81%	2.92%	3.13%	3.44%	3.17%
<b>Spread</b>	3.16%	3.26%	2.99%	3.28%	3.26%

After a shaky start to the year, the S&P 500 and FTSE 100 have climbed in recent weeks, albeit the former is still 17% down and the FTSE 2% up. The German DAX is 9% down for the year.

### CENTRAL BANK CONCERNS – DECEMBER 2022

In December, the Fed decided to push up US rates by 0.5% to a range of 4.25% to 4.5%, whilst the MPC followed by raising Bank Rate from 3% to 3.5%, in line with market expectations. EZ rates have also increased to 2% with further tightening in the pipeline.

Having said that, the sentiment expressed in the press conferences in the US and the UK were very different. In the US, Fed Chair, Jerome Powell, stated that rates will be elevated and stay higher for longer than markets had expected. Governor Bailey, here in the UK, said the opposite and explained that the two economies are positioned very differently so you should not, therefore, expect the same policy or messaging.

Regarding UK market expectations, although they now expect Bank Rate to peak within a lower range of 4.5% - 4.75%, caution is advised as the Bank of England Quarterly Monetary Policy Reports have carried a dovish message over the course of the last year, only for the Bank to have to play catch-up as the inflationary data has proven stronger than expected.

In addition, the Bank's central message that GDP will fall for eight quarters starting with Q3 2022 may prove to be a little pessimistic. Will the £160bn excess savings accumulated by households through the Covid lockdowns provide a spending buffer for the economy – at least to a degree? Ultimately, however, it will not only be inflation data but also employment data that will mostly impact the decision-making process, although any softening in the interest rate outlook in the US may also have an effect (just as, conversely, greater tightening may also).

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## TREASURY MANAGEMENT SCHEME OF DELEGATION

The following is a list of the main tasks involved in treasury management and the allocation of responsibilities

### **(i) Full Council**

- receiving and reviewing reports on treasury management policies, practices and activities;
- approval of the Annual Treasury Management Strategy/Annual Investment Strategy and Policy on the Minimum Revenue Provision.

### **(ii) Executive Committee**

- approval of/amendments to the organisation's adopted clauses, treasury management policy statement and treasury management practices;
- budget consideration and approval;
- approval of the division of responsibilities;
- receiving and reviewing regular monitoring reports and acting on recommendations;
- approving the selection of external service providers and agreeing terms of appointment.

### **(iii) Scrutiny Committee**

- scrutiny of the treasury management policy and procedures and making recommendations to the responsible body.

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## **THE TREASURY MANAGEMENT ROLE OF THE SECTION 151 OFFICER**

### **The S151 (responsible) officer has responsibility for the following;**

- recommending clauses, treasury management policy/practices for approval, reviewing the same regularly, and monitoring compliance;
- submitting regular treasury management policy reports;
- submitting budgets and budget variations;
- receiving and reviewing management information reports;
- reviewing the performance of the treasury management function;
- ensuring the adequacy of treasury management resources and skills, and the effective division of responsibilities within the treasury management function;
- ensuring the adequacy of internal audit, and liaising with external audit;
- recommending the appointment of external service providers.

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# EXECUTIVE

## BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

<b>88. 2023/2024 Treasury Management Strategy and 2023/2024 Prudential and Treasury Indicators</b>
--

### PURPOSE

- a) To comply with the amended Chartered Institute of Public Finance and Accountancy's (CIPFA) Code of Practice on Treasury Management 2021.
- b) To outline a Treasury Management Strategy Statement for the financial year 2023/24.
- c) To set out prudential indicators for the financial years 2023/26 in line with the CIPFA's Prudential Code 2021.
- d) To seek approval for the Council's Minimum Revenue Provision (MRP) Policy Statement for the financial year 2023/24 in accordance with Government regulations.

### REASON FOR DECISION

- a) To provide the proper basis required by current Government regulations and guidance to make charges for debt repayment (MRP) to the Council's revenue account.
- b) To fulfil statutory and regulatory requirements and to provide a clear framework for local authority capital finance and treasury management.

### DECISION

That the Executive RESOLVED to recommend to Full Council approval of:

- a) The Treasury Management Strategy Statement for 2023/24 as set out in Appendix 1;
- b) The prudential and treasury indicators for 2023/24 to 2025/2026 per Appendix 2 including the authorised limit for external debt of £96.918m in 2023/24;
- c) The list of Counterparties for Deposits outlined within Appendix 3.
- d) The Council's MRP Statement for 2023/24 as set out in Appendix 4 of the report.

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## Council Tax Support Scheme 2023/24

### REPORT TO EXECUTIVE



<b>DATE</b>	<b>13 February 2023</b>
<b>PORTFOLIO</b>	<b>Resources and Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Howard Hamilton-Smith</b>
<b>TEL NO</b>	<b>01282 477173</b>
<b>EMAIL</b>	<b>Hhamilton-smith@burnley.gov.uk</b>

#### PURPOSE

1. To present the findings of the Council Tax Support Scheme consultation with regards to temporarily increasing the maximum level of subsidy for working age claimants, from 85% to 100%, for the 2023/24 scheme only.

#### RECOMMENDATION

2. That the Executive recommends that Full Council approves and adopts changes to the Council Tax Support Scheme for 2023/24 to increase the maximum level of subsidy for working age claimants from 85% to 100% for a one-year period.

#### REASONS FOR RECOMMENDATION

3. To provide temporary support, by increasing the level of subsidy to a maximum of 100%, for eligible working age claimants within the Council's Council Tax Support Scheme for 2023/24 to help alleviate some of the financial hardship caused by the cost-of-living crisis.

#### SUMMARY OF KEY POINTS

##### 4. Council Tax Support Scheme

The Council Tax Support Scheme replaced Council Tax Benefit in April 2013. The Local Government Finance Act 2012 created the provision for local authorities to create their own local scheme to replace the national Council Tax Benefit scheme. Pensioners were protected from any reduction in Council Tax Support.

5. The government's policy objective in localising support for Council Tax were to:
  - Give local authorities a greater stake in the economic future of their local area,
  - Give local authorities the opportunity to reform the system of support for working age claimants,
  - Reinforce local control over Council Tax, and
  - Give local authorities a financial stake in the provision of support for Council Tax.

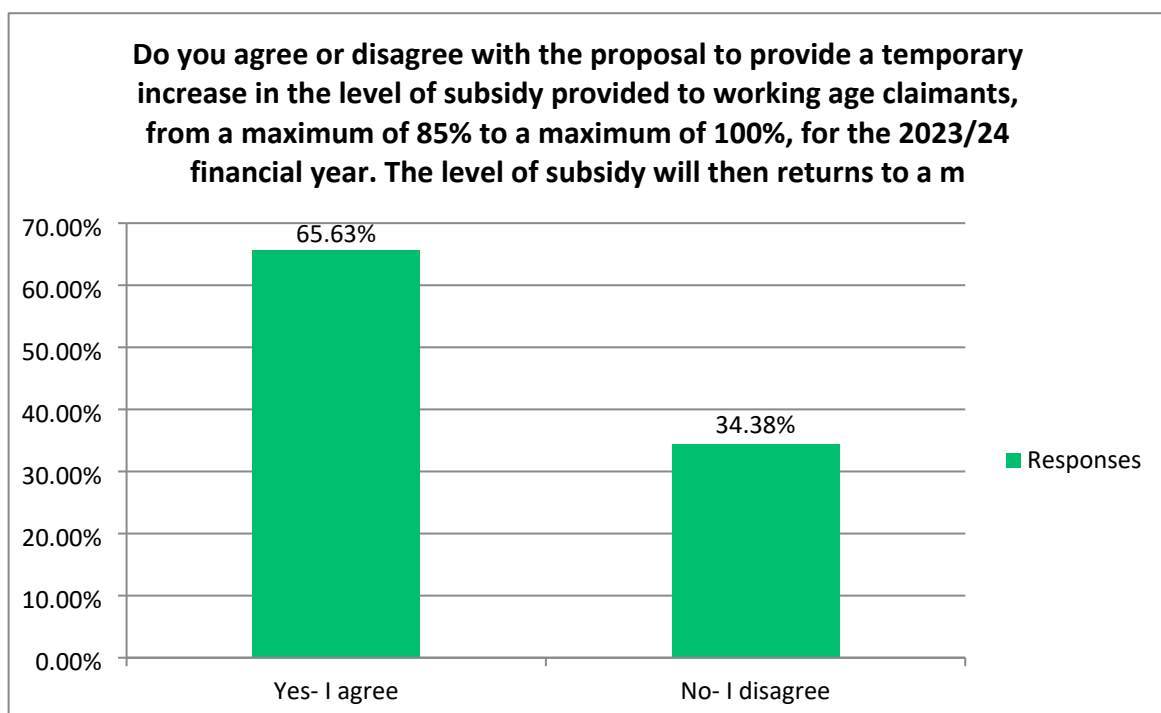
6. There are currently 9,869 households claiming Council Tax Support in Burnley; 2,936 (30%) are pensioners and 6,933 (70%) are working age. Pensioners are protected under government legislation and continue to receive Council Tax Support at the same level as they did under the Council Tax Benefit rules, up to a maximum of 100%.
7. Working age claimants previously on full Council Tax Benefit currently receive up to a maximum of 85% subsidy on their bill and are being asked to pay a minimum of between £161 for a single person and £215 per year for a standard bill for a Band A property (15%). Information held confirms that 71% of taxpayers in this category are paying their Council Tax on time with the remainder collected through our normal recovery processes over a longer period.
8. An 8-week public consultation process was carried out in November/December 2022 on the temporary changes to the scheme. This included consulting with the Council's major preceptors.

**Consultation**

9. A public consultation began on Thursday 10<sup>th</sup> November 2022 and lasted for an 8-week period up until Wednesday 4<sup>th</sup> January 2023. This included consulting with the Council's major preceptors.
10. The wording of the consultation questions and results are detailed in appendices 1 and 2 respectively. The main question was:

**“Do you agree or disagree with the proposal to provide a temporary increase in the level of subsidy provided to working age claimants, from a maximum of 85% to a maximum of 100%, for the 2023/24 financial year. The level of subsidy will then return to a maximum of 85% from 2024/25“**

11. There were in total 32 respondents to the survey. The results of the survey to the main question were as follows:



12. A summary analysis of the respondents is below:
- 32 responses were received. Of this, 18 declared they were current claimants, while 12 said they were not (3 chose not to declare their status).
  - Overall, 66% of the respondents agreed to the proposal. 34% were against.
13. The full results of the survey are included in appendix 2.
14. Based on the feasibility of the proposals and the results of the consultation, it is recommended that temporary changes to the Council Tax Support Scheme as outlined in the report are approved.

#### **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. The cost of increasing the Council Tax Support subsidy for working age claimants from a maximum of 85% to a maximum 100% is estimated to cost £134k in 2023/24. It is proposed that the one-off cost is funded from the Revenue Support Reserve.

#### **POLICY IMPLICATIONS**

13. These changes would result in temporary policy amendments for the Council Tax Support scheme.

#### **DETAILS OF CONSULTATION**

14. Formal consultation as detailed in the report.

#### **BACKGROUND PAPERS**

15. None

#### **FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton-Smith  
Head of Finance and Property**

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## Council Tax Support Consultation 2022- have your say

The government has given local councils like Burnley Council the power to set their own council tax support policy. The Government did this to:

- Give local councils a greater stake in the economic future of their local area,
- Give local councils the opportunity to reform the system of support for working age claimants,
- Reinforce local control over Council Tax, and
- Give local councils a financial stake in the provision of support for Council Tax.

There are currently 9,869 households claiming Council Tax Support in Burnley; 2,936 (30%) are pensioners and 6,933 (70%) are working age. Pensioners are protected under government legislation and continue to receive Council Tax Support at the same level as they did under the Council Tax Benefit rules, up to a maximum of 100%.

Working age claimants previously on full Council Tax Benefit currently receive up to a maximum of 85% subsidy on their bill and are being asked to pay a minimum of between £161 for a single person and £215 per year for a standard bill for a Band A property (15%). Information held confirms that 71% of taxpayers in this category are paying their Council Tax on time with the remainder collected through our normal recovery processes over a longer period.

The Council is seeking public opinion on providing a temporary increase in the level of subsidy provided to working age claimants, from a maximum of 85% to a maximum of 100%, for the 2023/24 financial year. It is proposed that the level of subsidy returns to a maximum of 85% from 2024/25.

[The report to the council's Executive provides further information and can be downloaded here. \(will open in new window\).](#)

Your feedback is anonymous.

1. Do you agree or disagree with the proposal to provide a temporary increase in the level of subsidy provided to working age claimants, from a maximum of 85% to a maximum of 100%, for the 2023/24 financial year. The level of subsidy will then returns to a maximum of 85% from 2024/25.

Yes- I agree

No- I disagree

Please use this box to provide optional comments:

2. Do you currently claim council tax support in the borough of Burnley?

Yes

No

Don't know

Prefer not to say

To help us analyse the results of this survey by the different groups within the borough, we would very much appreciate you providing the following details. Please note these details will ONLY be used for analysis purposes. Individuals are NEVER identifiable in completing this survey.

3. Are you...?

Male

Female

Other (please specify)



4. What best describes your ethnic origin?

- White or White British
- Asian or Asian British
- Black or Black British
- Other (please specify)
- Mixed or multiple heritage
- Chinese

5. In what year were you born? (enter 4-digit birth year; for example, 1976)

The Equality Act 2010 defines disability as: A person has a disability if s/he has a physical or mental impairment which has a substantial and long-term adverse effect on that person's ability to carry out normal day-to-day activities.

6. Do you consider yourself to have a disability?

- Yes
- No

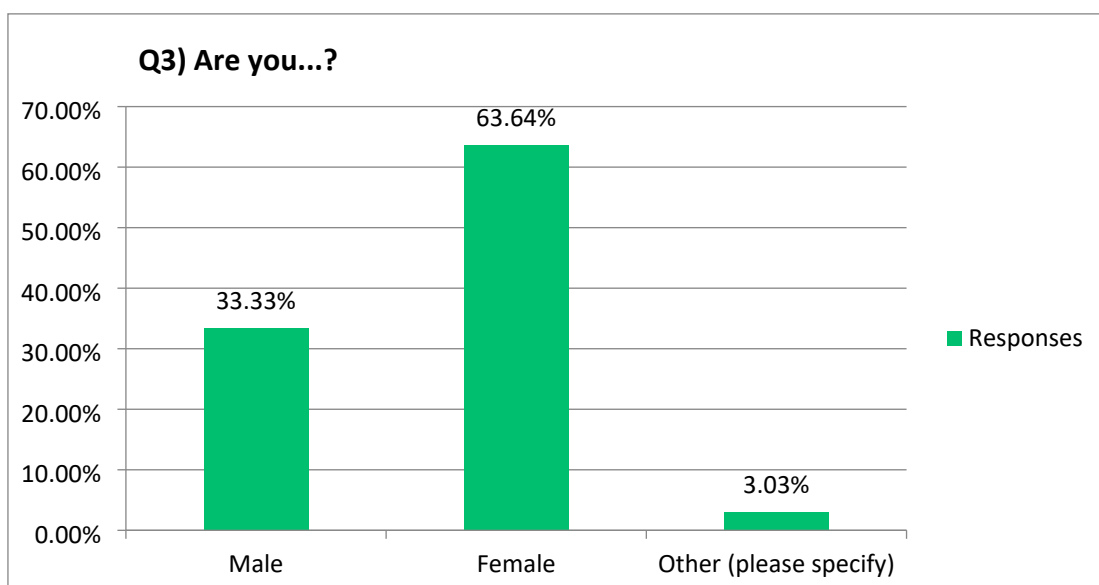
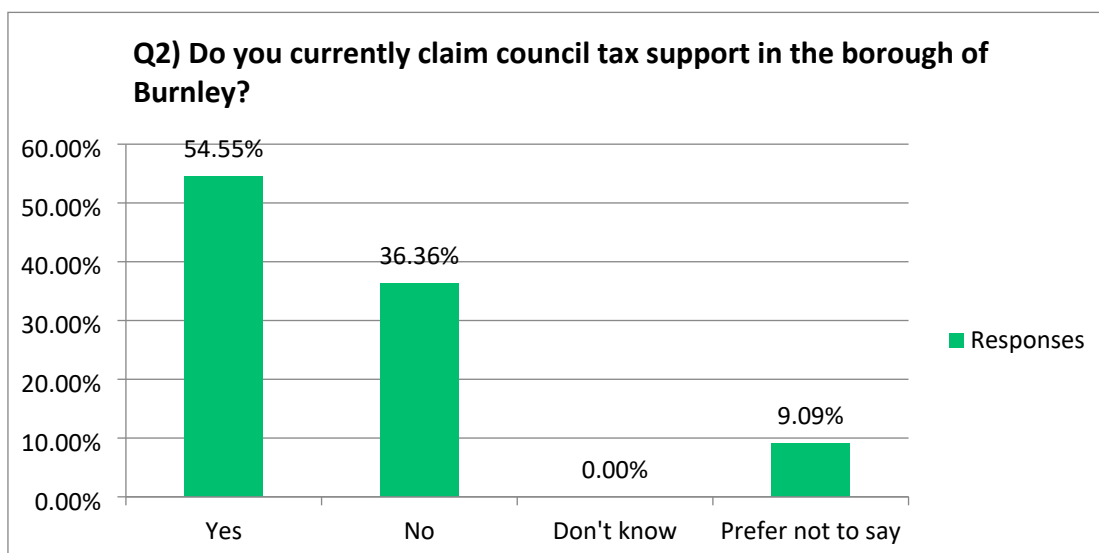
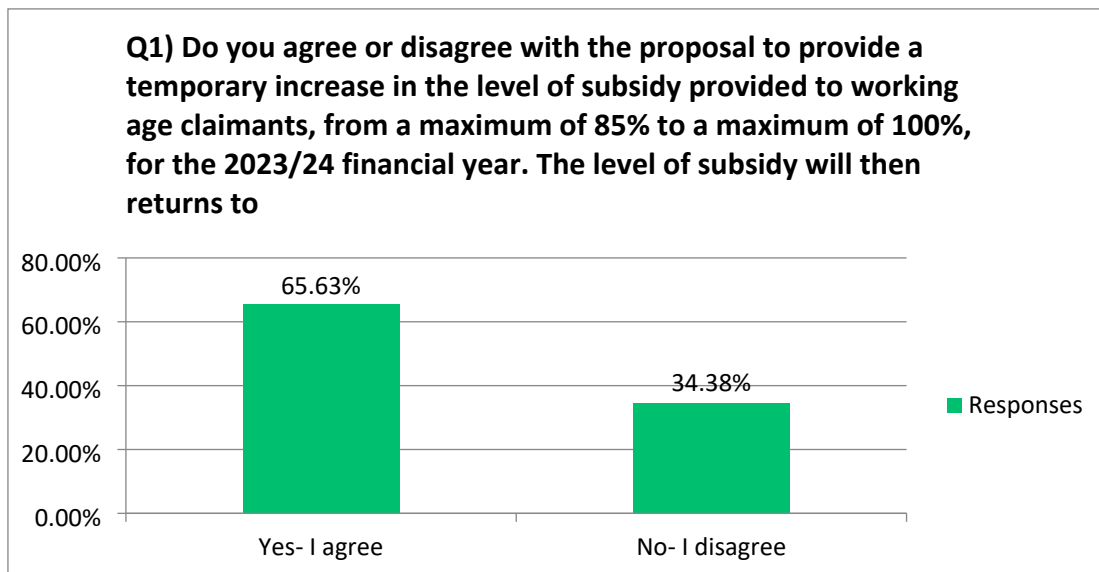
7. Are you a primary carer to someone with a long-term physical or mental health issue?

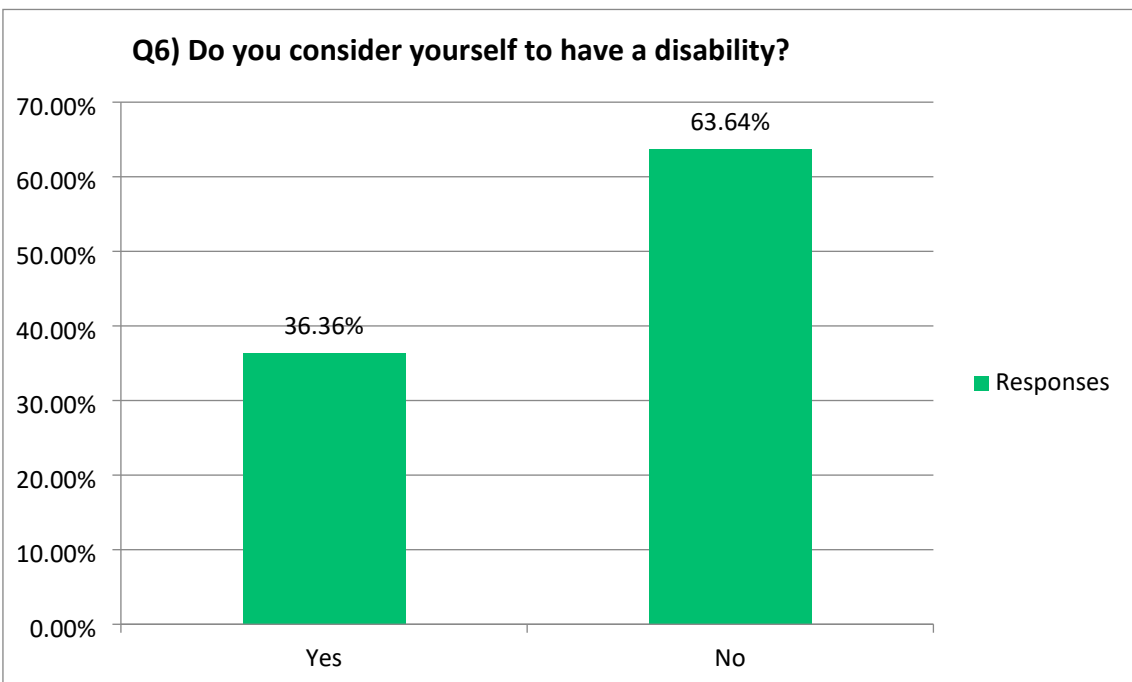
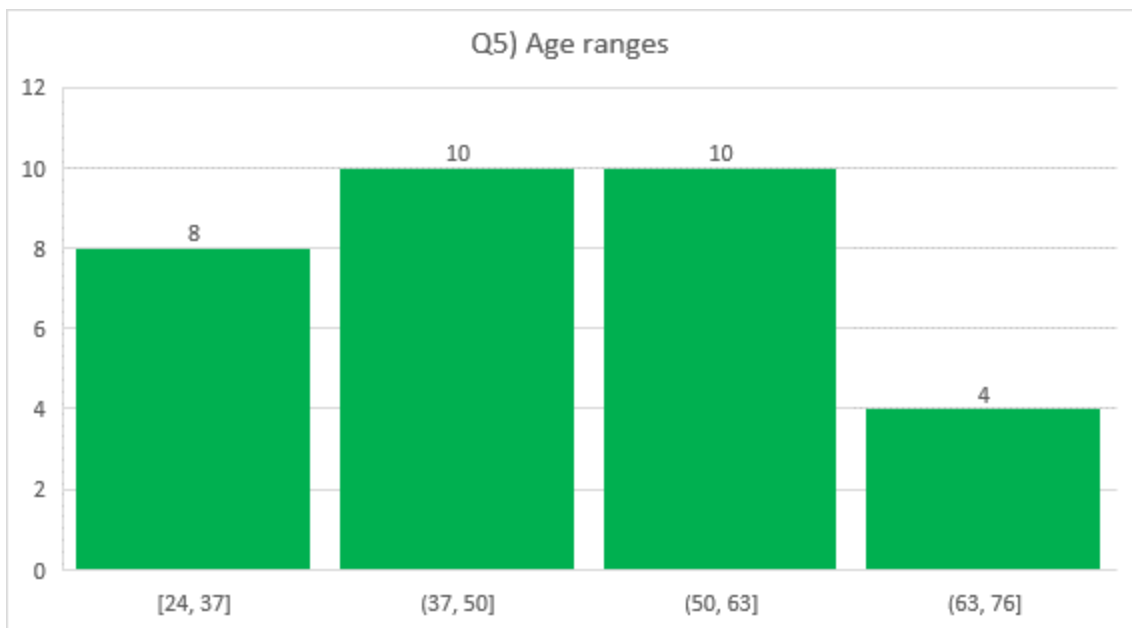
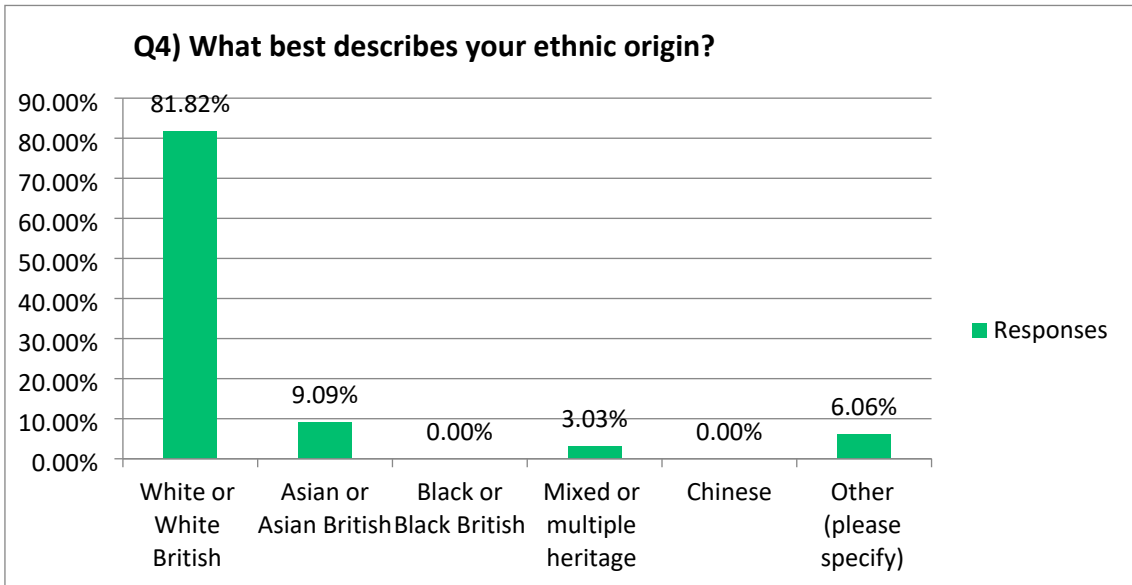
- Yes
- No

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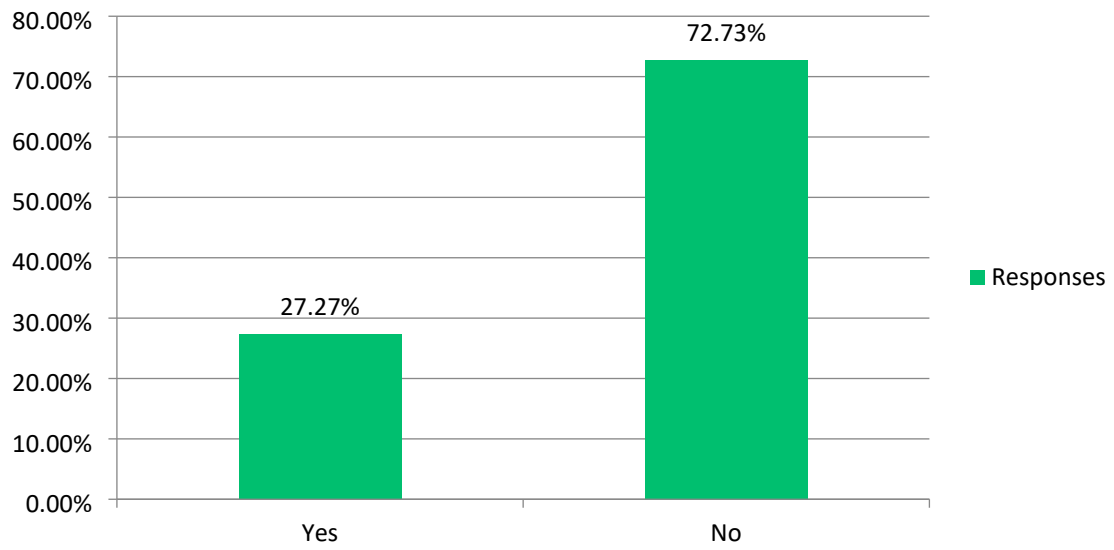
Results of public consultation – Council Tax Support Scheme 2023/24

Results analysed overall





**Q7) Are you a primary carer to someone with a long-term physical or mental health issue?**



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# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 89. Council Tax Support Scheme 2023/24

### PURPOSE

To present the findings of the Council Tax Support Scheme consultation with regards to temporarily increasing the maximum level of subsidy for working age claimants, from 85% to 100%, for the 2023/24 scheme only.

### REASON FOR DECISION

To provide temporary support, by increasing the level of subsidy to a maximum of 100%, for eligible working age claimants within the Council's Council Tax Support Scheme for 2023/24 to help alleviate some of the financial hardship caused by the cost-of-living crisis.

### DECISION

That the Executive **RESOLVED to recommend that Full Council approve and adopt changes to the Council Tax Support Scheme for 2023/24 to increase the maximum level of subsidy for working age claimants from 85% to 100% for a one-year period.**

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## REPORT TO THE EXECUTIVE



<b>DATE</b>	<b>13th February 2023</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Amy Johnson</b>
<b>TEL NO</b>	<b>(01282) 475869</b>
<b>EMAIL</b>	<b>ajohnson@burnley.gov.uk</b>

## Revenue Budget 2023/24

### PURPOSE

1. To consider the estimates of revenue income and expenditure for 2023/24 and to make recommendations to Full Council about next year's Revenue Budget.

### RECOMMENDATION

2. The Executive is recommended to adopt the following resolution:

That Full Council be recommended to:

- i) Endorse the approach that has been adopted in developing budget proposals that reflect the Council's Strategic Objectives for 2023/24;
- ii) Approve the proposals contained in this report;
- iii) Set a Council Tax Requirement of £7,722,735 for the financial year 2023/24;
- iv) Set a Net Budget Requirement of £16,266,712 for 2023/24;
- v) Receive and consider the statutory report issued by the Head of Finance and Property under the Local Government Act, 2003;
- vi) Authorise the Chief Operating Officer/Heads of Service to progress action plans to deliver the 2023/24 budget;
- vii) Approve a Council Tax (Band D) figure of £328.01 for this Council for the year commencing 1<sup>st</sup> April 2023 and adopt the statutory resolution to set the full Council Tax for the year. This is equivalent to a 2.99% Council tax increase.

## REASONS FOR RECOMMENDATION

3. To fulfil the Council's statutory obligation to calculate its Council Tax requirement as set out in Section 31A of the Local Government Act 1992 (as amended by section 74 of the Localism Act 2011).
4. To set a balanced budget for the financial year 2023/24 that ensures the viability of the Council and aligns resources to the Council's strategic priorities.

## SUMMARY OF KEY POINTS

### **BACKGROUND**

5. This report summarises the key issues that elected Members will need to consider when finalising the Revenue Budget 2023/24. Under the constitution it is the Executive's duty to present detailed recommendations for Full Council to consider. The following appendices are related to the report.

Appendix 1	General Fund Revenue Summary 2023/24
Appendix 2	Growth
Appendix 3	Savings
Appendix 4	Equality Impact Assessment

6. The schedule of proposed fees & charges, which forms an integral part of the budget process, was approved at the meeting of Full Council on 7<sup>th</sup> December 2022.
7. The proposals contained within this report have been developed as a result of discussions and presentations at various Member and officer forums.
8. The Local Government Act 2003 sets out the requirements for sound financial management. Section 25 is particularly relevant when the budget and Council Tax for the coming year are being set. It requires the Chief Financial Officer to report on the robustness of the estimates included in the budget and the adequacy of the reserves for which the budget provides. This report is contained elsewhere on your agenda.
9. This budget has been developed following the principles set out in the Council's Medium-Term Financial Strategy. The strategy emphasises the need to focus on the use of the Council's resources towards achieving the Council's stated objectives.
10. The Council has adopted an approach to producing the budget based upon the relative priority of all the services. However, at the heart of the Council's financial planning is a savings plan aligned to strategic intent.
11. In view of the tight financial constraints within which the Council has operated in recent years, there is little scope for growth in service provision. Appendix 2 shows further limited growth proposals.

## **SUMMARY OF THE REVENUE BUDGET POSITION 2023/24**

12. The proposed net revenue budget for 2023/24 is as set out in the table below:

<b>SUMMARY OF THE REVENUE BUDGET POSITION 2023/24</b>		
Net Revenue Budget - original 2022/23 (excluding parish precepts)		15,156
22/23 salary and contractual costs adjustments		532
Savings approved at previous Council Meetings		(198)
Proposed Growth - Appendix 2		379
Additional Savings Identified - Appendix 3		(363)
Pension Fund Revaluation		(698)
Increased utilities expenditure		700
Contractual inflation		796
Salary inflation		577
Additional Fees & Charges income generation		(254)
Movements in Earmarked Reserves		(403)
Reduction in borrowing costs and additional interest income		(187)
Various minor service adjustments		57
Parish Precepts*		173
<b>Net Budget Requirement</b>		<b>16,267</b>
<u>Government Settlement Funding Assessment</u>		
Revenue Support Grant		1,872
Business Rates Baseline		4,424
New Homes Bonus		320
Council Tax Yield		7,723
Collection Fund Deficit - Council Tax		(185)
Collection Fund Deficit - NNDR		(1,023)
Council Tax - Parish Precepts*		173
<u>Business Rates in addition to Baseline Funding</u>		
S31 grants for business rate reliefs	1,219	
Renewable Energy	307	1,526
Services Grant		166
Funding Guarantee		349
Local Council Tax Support		168
Business Rates Multiplier Inflation Cap		754
		<b>16,267</b>

- \* Please note that the Parish Precept figure is provisional. Any changes to this figure will not affect the Net Budget Requirement of the Council as the council acts as an agent in collecting the precept income and distributing it to Parish Councils.

### 13. **LOCAL GOVERNMENT PROVISIONAL SETTLEMENT**

The local government provisional settlement was announced in December 2022 and is likely to be confirmed February 2023. Any settlement figures included within this report are based upon the provisional settlement figures.

#### 15. **Spending Power**

The calculation of Spending Power only includes Revenue Support Grant, Business Rates, New Homes Bonus, Services Grant, Minimum Funding Guarantee and Council Tax. The Council's Spending Power will increase by 4.5% in 2023/24 (5.9% increase in 2022/23). This compares to an England average increase of 9.2%.

#### 16. **Settlement Funding Assessment (SFA)**

SFA is set by the Government and comprises Revenue Support Grant (RSG - the general grant funding to local authorities) and the Baseline Funding Level for business rates income. The Council was a member of the 50% Lancashire Business Rate Pool in 2022/23 and will continue to be a member in 2023/24.

#### 14. **New Homes Bonus**

In the 2017/18 finance settlement the Government reduced the funding period for NHB from six years to five years and then to four years in 2018/19 onwards for existing and new awards commencing in 2017/18 which accelerated the rate at which this grant reduces.

15. In addition, from 2017/18 the Government set a baseline for housing growth of 0.4% of a Council's existing tax base below which no NHB grant is payable. The baseline has remained at 0.4% for 2023/24.

16. As announced in the 2020/21 finance settlement, the New Homes Bonus allocation for 2020/21 was for one year only, rather than for a period of four years. This change in policy has remained unchanged for each financial year since from 2021/22 onwards, with the 2021/22, 2022/23 and 2023/24 allocations being for one year only also. The Council has been allocated £320k for 2023/24.

### **BUDGET SAVINGS IDENTIFIED**

17. Following the announcement of the provisional local government finance settlement for 2023/24 further budget savings have, as is usual, been identified. The additional savings required is £363k which has been met by removing the annual contribution to the Pensions Reserve following the 2022/23 triennial valuation. The Council previously contributed £353k each year to the Pension reserve to provide sufficient levels of reserve in the event of an adverse triennial valuation of the pension fund. The balance of savings required has been met through a reduction in grant expenditure (£10k). Further details can be seen in Appendix 3.

It is expected the final finance settlement for 2023/24 will be announced by Government in February 2023.

## GROWTH

18. Given the continuing and sustained budget pressures being faced, there is very little scope for continuing growth unless the Council's priorities demand new spending in key areas. A balanced approach needs to be taken to ensure priority issues are achieved.
19. Consequently, ten items of revenue budget growth are included within the proposals for 2023/24. The growth items are shown in Appendix 2 for information and have been included within the revenue budget for 2023/24. Details of each growth item can be seen below:
  - Maintaining a clean, safe, attractive, and environmentally friendly borough - to create a permanent Education Enforcement Officer post at a cost of £34k to continue the range of initiatives implemented in 2022/23 to maintain a clean, safe, attractive, and environmentally friendly borough. This will include community engagement, enforcement and cleansing in 'hotspot' areas. This initiative was piloted in 2022/23 and has been very successful.
  - Beat the Street – Members will be aware of the successful outcomes of the previous Beat the Street initiative that improved physical activity across the Borough that was led by the Leisure Trust in partnership with Intelligent Health. It is proposed to support the Leisure Trust to deliver this programme again by making a one-off contribution of £20k towards the programme costs. Beat the Street is a free-to-play, interactive game that encourages people of all ages to become more active and was introduced in the borough in 2021/22 in conjunction with various partners. A recent survey indicated that six months after Beat the Street had ended 85% of players reported that they had remained active. The programme will be refreshed and shall also include a tree planting initiative that aims to plant 7,500 trees across the Borough. The total cost of the programme is £130k. The remaining match will be secured from other partner organisations. £67k has already been secured from Sports England and Burnley Leisure are in discussions with other public sector partners (including the Council) for the remainder.
  - Temporary Accommodation – to increase the temporary accommodation budget by £40k to meet the additional pressures and demand arising out of our statutory duty. This has arisen due to rising demand for temporary accommodation coupled with the rising cost of housing.
  - Housing Enforcement Officer – Members will be aware that following the recent material breach of housing standards in Rochdale, the Government has heightened its focus on housing standards, in particular around the issue of damp and mould. This growth item is requested to provide additional capacity in the housing team to investigate accommodation within the borough to ensure it complies with statutory standards. The proposal is to employ an additional Housing Enforcement Officer at a cost of £51k (salary plus on-costs) will also give the team additional capacity to undertake proactive inspections in the private and social rented sectors.
  - External Audit Fees – following a recent Public Sector Audit Appointments procurement exercise for the appointment of our external auditors, the annual fee is expected to increase by approximately 150%. Budget growth of £63k is required to meet this pressure. This follows the recommendations of the Redmond Review.
  - Development Control & Planning Policy Degree Apprentice – to create a new post at a cost of £36k to support succession planning and provide resilience to this team due to ongoing difficulties associated with recruitment.
  - Data Protection & Procurement Officer - to create a new post at a cost of £36k to support succession planning and resilience in these vital corporate areas. Currently

the Council's Internal Audit Manager provides significant support to these areas. An external peer review and members of the Audit & Standards Committee on the internal audit function have highlighted that they would like to see the Internal Audit Manager spend more time on internal audits than corporate priorities. This will also provide the additional procurement and governance support required following the Charter Walk acquisition as well as the additional reporting requirements under the subsidy control regime.

- Development Control Enforcement Officer – Enforcement of unauthorised development remains a key priority. It is proposed to increase capacity in this team by introducing an additional planning enforcement officer to support enforcement activities. The total cost (including on costs) for this post is £44k.
- Additional Environmental Health Officer – additional statutory requirements on inspections require an additional officer, at a cost of £45k, to allow us to meet our statutory targets. These include changes to the animal welfare regulations, private water supplies and Natasha's Law.
- King's Coronation – as we did with the Queen's Jubilee, a one-off growth item of £10k is proposed to celebrate the forthcoming King's Coronation. Further details of the proposal will be shared throughout the year.

### **COUNCIL TAX**

20. The proposals in this paper assume that the Council's Band D council tax will increase by 2.99% from the 2022/23 level of £318.49 to £328.01. This level of charge will yield an estimated total income of £7,722,735.
21. Guidance has been received from central government on the criteria for council tax increases that would trigger a local referendum. This guidance indicates that "if an authority's relevant basic amount of council tax is excessive a referendum must be held in relation to that amount". For 2023/24, the relevant basic amount of council tax of a shire district Council is excessive if the authority's relevant basic amount of council tax for 2023/24 is 3%, or more than 3%, greater than its relevant basic amount of council tax for 2022/23. When setting the budget for 2022/23 the referendum limit was 2%. As part of the provisional financial settlement in December 2022, central government assumed that all local authorities would increase their council tax by the maximum allowable when calculating their Core Spending Power.
22. The financial impact each year of not increasing Council Tax at all is an additional pressure of around £242k, assuming a 2.99% rise is foregone. Over the five-year Medium Term Financial Strategy period this would result in a loss of income of £1,210k. The increase is required to protect the services provided by the Council, to fund economic and community recovery initiatives required as a result of Covid-19 & the cost of living crisis and the impact of ongoing financial pressures faced by the Council.

### **BUSINESS RATES**

23. The expected amount of business rates to assist in funding the Council's spending next year is included as part of the Government's 2023/24 funding provisional settlement. A reassessment of rateable values based on property values as at 1<sup>st</sup> April 2021 has been carried out, taking effect from 1<sup>st</sup> April 2023. Inflationary increases has resulted in an increase to the baseline funding level of £160k to £4.424m. It is also expected that the Council will receive grants in relation to business rates relief – an extra £1.219m, as can be seen in the table at paragraph 12.

24. The indicative figure from the Government for business rates relates to the system of business rates retention involving a distribution of rates collected to the Council, the County Council, the Combined Fire Authority and Central Government. Some elements of business rates are however fully credited to this Council. One element of business rates which falls within this category is sustainable energy. A sum of £307k is estimated to be receivable next year in respect of sustainable energy business rates which are a significant factor in balancing the revenue budget in 2023/24 and future years.
25. For 2023/24 Burnley remains a member of the Lancashire Business Rates Pool which was formed in 2020/21 and allows constituent members to come together and be treated as a single member of a business rate pool to combine their funding calculations under the business rate scheme, effectively adding their numbers together for all elements of the funding calculation, such as the tariff and top-ups. The benefit to be gained is that collectively, it produces a lower percentage levy calculation. Each authority continues to retain the growth in its business rates income that it would have retained as an individual authority outside of the pool. However, as part of a pool the Council would no longer be required to pay any levy to Central Government. The Lancashire application sets out what the tier splits would be for each member.

### **COLLECTION FUND DEFICIT**

#### 26. Council Tax Element

A surplus or deficit can arise for two reasons, namely:

- i) The Council's share of a variation in the amount of Council tax that is actually due and charged for the year in question compared with the figure assessed when the Council tax base for the year is calculated.
- ii) The Council's share of a variation in the amount that needs to be provided for taxes that the Council is unable to recover in each financial year.

This year's calculation has produced a deficit figure of £957k of which this Council's share is £140k. This is 14.8% as a proportion of the overall total. However due to a prior year deficit, the total charge for 2023/24 is £185k deficit. This takes into account the third year of the three-year spreading of the Covid-19 deficit from 2020/21, which will be met from monies set aside in the Collection Fund Deficit Reserve (approved at Full Council July 2021).

#### 27. **NNDR Element**

A surplus or deficit can arise for three reasons, namely:

- i) NNDR base is larger or smaller than originally anticipated (reasons include properties coming on and off the valuation list (e.g. as a result of redevelopments), appeals by businesses to rating valuations.
- ii) In year collection rates are higher or lower than expected,
- iii) Arrears collection rates are higher or lower than expected

This year's calculation has produced an overall deficit figure of £1.089m of which this Council's share is £0.436m. However due to a prior year deficit the total deficit charge for

2022/23 is £1.023m. This takes into account the third year of the three-year spreading of the Covid-19 deficit from 2020/21, which will be met from monies set aside in the Collection Fund Deficit Reserve (approved at Full Council July 2021).

### **BUSINESS RATES UNDER-INDEXING MULTIPLIER GRANT**

28. To compensate, the under-indexing multiplier grant has been increased, in order that local authorities do not lose what would have been the increase to the business rate multiplier. The grant awarded to Burnley is £754k.

### **SERVICES GRANT**

29. The government introduced a Services Grant Fund of £822m in 2022/23 to support all services delivered by Council's. For 2023/24 this grant fund has been reduced to £464m in 2023/24 due to the cancellation of the increase in National Insurance Contributions and to move funding to the Supporting Families programme. The grant continues to be allocated using shares of lower tier funding within the 2013/14 Settlement Funding Assessment levels. Burnley is to receive £166k for 2023/24.

### **FUNDING GUARANTEE GRANT**

30. The Funding Guarantee Grant has been introduced for 2023/24 in replacement of the Lower Tier Services Grant. The grant fund of £136m is intended to provide a funding floor for all local authorities, so that no local authority would see an increase in Core Spending Power that is lower than 3% (before any assumptions on council tax rate increases, however, includes assumptions on increases to Council Tax base). Burnley's allocation is £349k.

### **LOCAL COUNCIL TAX SUPPORT**

31. The local council tax support grant has previously been awarded to the council as a revenue grant to be included within the cost of services. For 2023/24 this grant will now form part of the Council's provisional settlement, rather than be awarded as a revenue grant to be included within the cost of services. For 2023/24 Burnley is to receive £168k.

### **COUNCIL TAX SUPPORT SCHEME**

32. The Council approved the commencement of a public consultation exercise on plans to provide temporary support through the Council Tax Support Scheme, by increasing the level of subsidy to a maximum of 100%, for eligible working age claimants for 2023/24 to help alleviate some of the financial hardship caused by the cost-of-living crisis. A report on the findings of the Council Tax Support Scheme consultation is contained elsewhere on this agenda.

### **COMMERCIAL STRATEGY & FEES AND CHARGES**



33. The Council has developed and approved a commercial strategy. This is intended to promote a more commercial approach to the Council's business and finances and reflects the changed environment in which the Council now operates with the establishment of major contracts for service delivery including the strategic partnership with Liberata. Part of this commercial approach is linked to maximising, where possible, the income which the Council receives from fees and charges. Further work will be undertaken in 2023/24 in this area.
34. During the budget process, it has been assumed that income budgets would increase in 2023/24 reflecting a corresponding increase, where practicable, in fees and charges levied. Heads of Service were therefore asked to review their fees and charges in the context of an assumed minimum overall increase of 5% in income generated, except in areas where it was considered that no increase should take place. The increase will take effect from 1<sup>st</sup> April 2023. The tariff of fees and charges mainly effective from 1<sup>st</sup> April 2023 was approved by Full Council on 7<sup>th</sup> December 2022. The estimated additional increase in income in 2023/24 as a consequence of the approved increases is £254k.

### **COST OF LIVING CRISIS**

35. The impact of the cost-of-living crisis on the 2023/24 budget and future years is unknown. The ongoing financial support given to local businesses is helping to support the local economy, however it is unclear what the impact will be once these support packages end. A Covid-19 & Cost of Living reserve was set up in 2020/21 using financial support received from Central Government in 2020/21. Members approved in the Revenue Outturn Report at Full Council in July 2021 to transfer £1.6m into this reserve. The reserve has been called upon in 2021/22 and 2022/23 to fund related additional expenditure or loss of income and to provide funding for recovery initiatives. It is forecast that there will be a balance of £721k available at the end of 2022/23 for use in 2023/24 and future years.

### **CAR PARK INCOME**

36. There will partial temporary closure of some town centre car parks during the year as approved capital schemes progress. These include Pioneer Place and the Centenary Way car parks. It is expected that the majority of pay and display users will be displaced to other Council owned car parks. If there is a shortfall in income due to the temporary closures will be met from the Revenue Support Reserve and reported via the quarterly revenue monitoring reports throughout the year.

### **BURNLEY LEISURE TRUST**

37. The Leisure Trust has indicated that it envisages a pressure on their gym membership income following the proposed opening of a JD gym in Burnley. Other Leisure Trusts have suffered material pressures on gym membership income arising from similar competitors opening nearby. The differentiation in the offer the Leisure Trust provides shall hopefully place it in a good position to meet this challenge. Depending on the income shortfall, the Leisure Trust may be requesting support from the Council. The level of support has not been built into the revenue budget as it is unquantifiable at this stage. In any event any support provided will be subject to a report to the Executive and possibly Full Council.
38. Agreement in principle has been reached with the Leisure Trust for an additional reduction in its grant over the next three years. These include additional recurring savings to the Council of £75k in 2024/25 and £75k in £2025/26 (total £150k recurring reduction in

addition to the contractual requirement to deliver efficiency savings of 3% per year. Officers shall endeavour to formalise these commitments over the coming months. It should be noted that the opening of the rival gym and challenges in the hospitality sector could make it difficult to for the Leisure Trust to commit to this additional recurrent saving.

### **STRATEGIC EARMARKED RESERVES AND GENERAL FUND RESERVE**

39. It is important that, when considering the Revenue Budget, due consideration is given to the levels of strategic earmarked reserves that are available and held for future liabilities. The General Fund Reserve is held to provide a working balance to help cushion the impact of unexpected emergencies and uneven cash flow.
40. The table below shows the anticipated use of strategic reserves for 2023/24 and later years. The overall forecast position on reserves is shown in the table below. This includes all strategic earmarked and general reserves. The forecast below includes current approved and future commitments, future anticipated spend and future anticipated income into the reserves. This table excludes any reserves held for specific operational reasons:

	Strategic Earmarked Reserves £'000		General Fund Reserve £'000		Revenue Support Reserve £'000		Total £'000
<b>Balance as at 01/04/22</b>	4,341		1,379		1,251		6,971
<b>In year adjustments</b>	1,873				1,000		2,873
<b>Approved use to Q3 2022/23</b>	(1,709)		0		(74)		(1,783)
<b>Balance available after approvals as at Q3</b>	4,505	0	1,379	0	2,177	0	8,061
<b>Future commitments and risk</b>	(2,999)		0		1,587		(1,412)
<b>Balance remaining as at 31/03/28</b>	<b>1,506</b>		<b>1,379</b>		<b>3,764</b>		<b>6,649</b>

41. The Revenue Support Reserve is essential to provide resilience for the Council in light of reduced funding. As the authority adjusts to meet the pressures of reductions in Government funding, it has become increasingly challenging to produce savings annually as the authority contracts in resource and size. Savings proposals will carry more risk of successful implementation, whether they are income or expenditure related. The Revenue Support Reserve will be required to provide temporary mitigation for some of these risks. However, the purpose of the reserve is also to temporarily provide for unanticipated reductions in income, provide for unexpected revenue spend and to support shortfalls in major capital projects beyond their business cases and after their allocated reserves are exhausted. There is a 10 year programme to build up this reserve from the General Fund. However, for clarity only five years of this programme is shown in the above table to align with the time frame of this MTFS.

### **RISK ASSESSMENT**

42. A risk assessment has been carried out on key areas of income and expenditure and ways of monitoring and mitigating the risk have been identified where possible.
43. During 2021/22 the Council commissioned two significant capital projects, namely Pioneer Place and the acquisition of Charter Walk. Pioneer Place was initially reported to Full Council in December 2018, with revised schemes approved by Full Council in November 2020 and October 2021. The Development Agreement went unconditional in December 2021 and work commenced on site 24 January 2022. The acquisition of Charter Walk was approved by Full Council in July 2021 and the sale was completed in October 2021. The revenue costs for both of these schemes have been incorporated into the MTFs. Both of these developments will require taking on significant commercial risk over the lifetime of these projects (50 years and 30 years, respectively). The schemes will require significant amounts of borrowing – circa £36m for both schemes. This presents a threat to the financial viability of the Council. However, in partial mitigation, various strategies have been put in place. These include a strategy to build up reserves over the next 10 years to provide a buffer for budget pressures, specific reserves for the schemes to renew the assets and capture any over-performing income and recognition of limited capacity to take on other significant capital schemes. Any surplus generated by Charter Walk will be transferred into the Charter Walk Reserve to be used to meet future regeneration of the town centre. It is estimated that the surplus to be transferred into the reserve in 2022/23 will be around £0.8m.
44. Any additional capital projects under consideration require funding. If there is a shortfall in capital finance for these projects, then pursuing them and using borrowing will significantly increase the revenue budget. The revenue implications will be considered as part of the setting and monitoring of the capital programme.
45. An important issue to consider is the extent to which the Council will be utilising earmarked reserves and non-recurring income when setting the budget. Initiatives that are to be funded from earmarked reserves do not have assumed ongoing funding and the Council must therefore plan in future years to discontinue these activities or approve growth if they are to continue. The latter course of action would add to the savings requirement. It is not considered that the extent of funding from earmarked reserves factored into the 2023/24 revenue budget is unduly onerous and the levels of reserves forecast will be sufficient in accordance with the medium-term financial strategy (MTFS).
46. The Government has again postponed revising the methodology for allocating funding to Councils until at least 2025/26. This includes changes to the current business rates system together with a Fair Funding Review.
47. It is uncertain at this stage how changes to Local Government funding will impact on the Council's funding in future years.
48. Declining levels of income also continue to be a significant risk area and although substantial reductions in income receivable have been made to reflect current economic conditions there may be a further decrease in income levels supporting the revenue budget. This will be closely monitored as part of budget monitoring for 2023/24.
49. Pay inflation has been increased by 5% in 2023/24 reducing to 3% for 2024/25 onwards. However, if pay negotiations take place the actual increase may differ to that estimated +/- 1% fluctuation in the pay award will equate to +/- £90k. A provision for price inflation on contracts has been factored into the estimates for non-salary budgets. However, general

levels of inflation as measured in the retail prices index and the consumer prices index will increase in the future and this may lead to demands for higher pay and an increase in the prices of goods and services which the Council has to meet. The risk of any increase in inflation is considered likely in the existing climate and will be closely monitored.

50. The current Bank of England base rate is 3.5% with the next review due February 2023. The Council's Treasury Management Advisors (Link Asset Services) forecast a 0.5% increase to the base rate during the 2023/24 financial year. This will impact on the Council's revenue budget in these years as investment interest income to be received should increase.
51. Significant savings have been achieved by operating the Council's leisure services as a charitable company since its incorporation. Work has been undertaken in partnership with the Trust during this period to enable the Leisure Trust to become more self-sufficient. The cost-of-living crisis has had a significant financial impact on the Leisure Trust during the 2022/23 financial year. The Trust has worked hard to find the savings and funding required to balance the budget in 2022/23. However, the future financial impact remains uncertain and the Council will continue to work with the Leisure Trust to help to minimise this risk. Increased competition is expected during the coming months which may impact on the number of leisure memberships. To help ensure that risk is minimised there will continue to be regular monitoring of activity and financial performance in 2023/24 and beyond.
52. The Council entered into a contract with Liberata as our external service provider for around a third of Council services from 1<sup>st</sup> January 2016. The financial planning assumptions provided for a significant saving on previous in-house provision. It will be necessary to ensure that these savings are being delivered whilst maintaining service quality and standards. Procedures have been drawn up to enable the partnership to operate effectively. Nevertheless, this is a significant savings area which is currently and will continue to be, actively managed.
53. The impact of the Covid-19 pandemic and the cost-of-living crisis on the UK economy, especially around interest rates, the local economy, income generation and further spending pressures which may have an impact on future years budgets. The Council has created the Covid 19 & Cost of Living Reserve which can be utilised to assist in any further reductions in income or increases in expenditure.
54. Members will note the report that was considered by Full Council on 25<sup>th</sup> January 2023 regarding the quality of planning decisions. The Council remains at risk of being placed in Special Measures if 10% or more of the total number of major planning applications dealt with by a local authority are overturned at appeal during a two-year assessment period. This in effect removes the ability from the local planning authority to determine planning decisions within their borough for those applications against which they are judged to be underperforming. If placed in Special Measures not only can the local planning authority lose the ability to make the final decision on a planning application, but the situation also has the potential to weaken the authorities influence and negotiation position with applicants. It will also result in the loss of planning fees and would put pressure on the Council's revenue budget.
55. In summary, after taking consideration of the issues in this report and the risks referred to above, the 2023/24 revenue budget may be approved. Also, the assumed level of Council Tax that should be set in order to achieve a balanced budget as set out above should be confirmed.

56. The final decision that Members of the Council take will need to reflect the statutory (Section 25) report of the Chief Finance Officer as to the robustness of the assumptions that have been made in compiling the budget.

**FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

57. As shown in the body of the report and appendices.

**POLICY IMPLICATIONS**

58. The revenue budget determines the extent to which the Council's strategic objectives can be pursued and achieved.
59. Community Impact Assessment and Equality Impact Assessments have been completed and are included as Appendix 4.

**DETAILS OF CONSULTATION**

None.

**BACKGROUND PAPERS**

60. None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton-Smith – Head of Finance  
and Property**

**ALSO:**

**Amy Johnson – Finance Manager**

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**Summary Revenue Budget 2023/24**

<u>Estimated Net Spending</u>	Pay	Non-Pay	Reserves	Net
<u>Service</u>	£'000	£'000	£'000	Spending £'000
Management Team	357	38	-	395
Policy & Engagement	372	128	-	500
People & Development	174	70	-	244
Green Spaces and Amenities	2,182	(806)	-	1,376
Legal & Democratic Services	890	385	-	1,275
Finance & Property	866	(691)	-	175
Revenues and Benefits	-	(1,158)	-	(1,158)
Leisure Trust Client	-	1,271	-	1,271
Streetscene	1,165	2,178	-	3,343
Housing and Development Control	1,818	(782)	-	1,036
Economy & Growth	1,301	(591)	-	710
Strategic Partnership	-	4,206	-	4,206
Central Budgets	161	3,105	-	3,266
Earmarked Reserves	-	-	(372)	(372)
	<u>9,286</u>	<u>7,353</u>	<u>(372)</u>	<u>16,267</u>

**Net Budget Requirement**

	£'000	£'000
Revenue Support Grant		1,872
Business Rates Retention Scheme		
Business Rate Baseline Funding	4,424	
Additional Business Rates above baseline	1,219	
Additional Retained Income - Renewable Energy Schemes	<u>307</u>	5,950
Council Tax Yield		7,723
Collection Fund Deficit - Council Tax		(185)
Collection Fund Deficit - NNDR		(1,023)
Parish Precepts *		173
New Homes Bonus		320
Business Rates Multiplier Inflation Cap		754
Services Grant		166
Funding Guarantee		349
Local Council Tax Support		168
		<u>16,267</u>

\* Please note that the Parish Precept figure is provisional. Any changes to this figure will not affect the Net Budget Requirement of the Council as the council acts as an agent in collecting the precept income and distributing it to Parish Councils.

**2023/24 Revenue Budget****Growth Proposals**

	Ongoing £'000	One-off £'000	Total £'000	
Employment of an Education Enforcement Officer to maintain a Clean, Safe, Attractive and Environmentally Friendly Borough	34	-	34	See paragraph 19 of report
Contribution to the Beat the Street Project	0	20	20	
Increase to Temporary Accommodation Budget	40	-	40	
Increase in External Audit Fees following PSAA procurement	63	-	63	
Employment of an additional Housing Enforcement Officer	51	-	51	
Employment of a Development Control & Planning Policy Degree Apprentice	36	-	36	
Employment of a Data Protection & Procurement Officer	36	-	36	
Employment of a Development Control Enforcement Officer	44	-	44	
Employment of an Environmental Health Officer	45	-	45	
Kings Coronation	-	10	10	
<b>Total Growth</b>	<b>349</b>	<b>30</b>	<b>379</b>	



**2023/24 Revenue Budget****Additional Savings**

	£'000
Reduction in grant award to Burnley & Pendle Citizens Advice	(10)
Removal of annual contribution to the Pension Reserve	(353)
	<u>(363)</u>

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## APPENDIX 4 - EQUALITY IMPACT ASSESSMENT

### REVENUE BUDGET SAVINGS PROPOSALS 2023/24

1.	Title of EIA	Equality Impact Assessment – Revenue Budget Savings Proposals 2023/24	
2.	Person responsible for the assessment	Rob Dobson	
3.	Contact details	01282 475 842	rdobson@burnley.gov.uk
4.	Date of assessment	23/01/2023	

### SUMMARY

The outcome of this equality impact assessment is that all proposals being currently considered for savings in 2023/24 are neutral in terms of their impact on people with protected characteristics under equalities legislation.

### OBJECTIVE

1.	What is the main purpose of the project?	To set a budget for the council in 2023/24 that: <ul style="list-style-type: none"><li>• is in line with the agreed Medium Term Financial Strategy;</li><li>• responds to the financial challenges facing the council;</li><li>• enables the council to continue its focus on agreed priorities.</li></ul>
2.	Who are the main stakeholders?	Stakeholder analysis showed that the main stakeholders are Burnley Council's: <ul style="list-style-type: none"><li>• service users</li><li>• residents/Council tax payers</li><li>• Councillors; and</li><li>• Council employees.</li></ul>
3.	How are they expected to benefit?	Through the council ensuring a sustainable future for its services through good financial management and transparent decision making to determine priorities.

4.	How will the change be implemented?	The budget will be agreed through decision making structures and processes in line with the council constitution.
6.	Is the responsibility for the proposed function shared with another department or authority or organisation?	The decisions on council budget rest with the council.

**A. DATA COLLECTION**

1.	Approach and background to EIA analysis, including data collection	Budget proposals drawn up by service managers.
2.	What monitoring data do you have on the number of people (from different equality groups) who are using and could be impacted upon by the change in function?	Various data sources are held, including: <ul style="list-style-type: none"> <li>• Analysis of workforce profile</li> <li>• Analysis of services</li> <li>• Census data.</li> </ul>

**B. COMMUNICATION AND INVOLVEMENT**

1.	What information has assisted in completing this EIA?	Guidance including information contained on the Equalities and Human Rights Commission website and examples from other local authorities are considered in completing EQIAs.
2.	What communications activities have assisted in completing this EIA?	None- given the low to medium equality impact following the initial review of the savings proposals.

Group	Area/s of impact	Positive impact	Negative impact – specified as high, medium or low	Neutral impact	Reason
Age	All areas of impact <sup>1</sup>			✓	All impacts in respect of people in this group were identified as neutral, but please see below regards CAB proposal.
Disability	All areas of impact		✓ Medium-low		The welfare system and employment rights legislation is designed to protect people with protected characteristics. CAB exists to help people exercise their rights within the welfare system and wider legal system, so by extension a proposal to reduce CABs capacity has a negative equality impact. Demand for CAB services is high given the cost of living crisis which affects those with limited discretionary spending power (such as those with fewer options to increase their income due to disability) to a greater extent. In addition, the combined impact of cuts to local statutory and discretionary services in local government may have a disproportionate impact on people with disabilities (LCC's welfare rights service is much reduced and the ICANN service which helps residents with PIP applications is only funded for the first 6 months of 2023). This is being offset by the council's investment in Burnley Together. The negative impact is considered a low to medium, as the proposal is a reduction, not a full cut, to the grant.
Gender reassignment	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.
Marriage and civil partnership	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.
Pregnancy / and maternity	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.
Ethnicity	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.

<sup>1</sup> 'All areas of impact' refers to the list of proposed revenue budget savings proposals 2023/24

Group	Area/s of impact	Positive impact	Negative impact – specified as high, medium or low	Neutral impact	Reason
Religion and belief	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.
Sex (gender)	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.
Sexual orientation	All areas of impact			✓	All impacts in respect of people in this group were identified as neutral, but please see above regards CAB proposal.

**Equality impact assessment action plan**

Actions to help reduce the impact of a reduction in capacity in CAB include continued investment in Burnley Together throughout 2024 and offering support to the CAB to help them increase their volunteer base.



# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 90. Revenue Budget 2023/24

### PURPOSE

To consider the estimates of revenue income and expenditure for 2023/24 and to make recommendations to Full Council about next year's Revenue Budget.

### REASONS FOR DECISION

1. To fulfil the Council's statutory obligation to calculate its Council Tax requirement as set out in Section 31A of the Local Government Act 1992 (as amended by section 74 of the Localism Act 2011).
2. To set a balanced budget for the financial year 2023/24 that ensures the viability of the Council and aligns resources to the Council's strategic priorities.

### DECISION

That the Executive RESOLVED to recommend that Full Council:

- i) **Endorse the approach that has been adopted in developing budget proposals that reflect the Council's Strategic Objectives for 2023/24;**
- ii) **Approve the proposals contained in this report;**
- iii) **Set a Council Tax Requirement of £7,722,735 for the financial year 2023/24;**
- iv) **Set a Net Budget Requirement of £16,266,712 for 2023/24;**
- v) **Receive and consider the statutory report issued by the Head of Finance and Property under the Local Government Act, 2003;**
- vi) **Authorise the Chief Operating Officer/Heads of Service to progress action plans to deliver the 2023/24 budget;**
- vii) **Approve a Council Tax (Band D) figure of £328.01 for this Council for the year commencing 1st April 2023 and adopt the statutory resolution to set the full Council Tax for the year. This is equivalent to a 2.99% Council tax increase.**





## Capital Budget for 2023/24 and Capital Investment Programme 2023-28

### REPORT TO EXECUTIVE



DATE	13 February 2023
PORTFOLIO	Resources & Performance Management
REPORT AUTHOR	Howard Hamilton Smith
TEL NO	(01282) 477173
EMAIL	hhamiltonsmith@burnley.gov.uk

### PURPOSE

1. To recommend approval of the capital budget for 2023/24

### RECOMMENDATION

2. a) That Full Council be recommended to;
  - (i) Approve the 2023/24 Capital Budget, totalling £41,357,215, as set out in Appendix 1.
  - (ii) Note the 2023-28 Capital Investment Programme as set out in Appendix 1.
  - (iii) Note the estimated position on capital resources as set out in Appendix 2.

b) That subject to 2a) i) above the Executive approve the release of capital scheme budgets including slippage from 2022/23, subject to compliance with the Financial Procedure Rules and that there will be full compliance with Standing Orders for Contracts.

c) Approve the Capital Strategy 2023-28, as set out in Appendix 4

### REASONS FOR RECOMMENDATION

3. To establish a capital budget that reflects the Council's overall priorities and provides a framework for capital spending to be undertaken during 2023/24.

### SUMMARY OF KEY POINTS

#### 4. **Background:**

In formulating the 2023/24 Capital Programme, Management Team declared that new bids would be limited, given the forecast position of available Capital Resources. The existing schemes and new bids were prioritised in accordance with the Council's Strategic Objectives as identified within the Council's Strategic Plan.

5. **Capital Budget / Programme Review Process:**

Officers have been asked to submit information for inclusion in the proposed 2023/24 capital budget and the 2023-28 CIP.

The review process has included:

- A review and revision of the existing schemes approved in the 2022-27 CIP, in February 2022.
- Provision of a breakdown of the type of capital expenditure to be incurred for each scheme to assist in estimating the level of capitalised staff recharges involved in delivering capital works.
- A review of the level of Resources within the Council.

Any use of Prudential Borrowing must be based upon the creation of an asset, repayment over the useful life of the asset, and the production of a business case outlining any income generation and future revenue costs.

6. **2023/24 Capital Budget:**

Appendix 1 provides Members with a summary of the capital investment programme for 2023/24 to 2027/28 and a list of those schemes being proposed for the 2023/24 capital budget totalling £41.357m, showing the financing elements for each individual scheme. It also shows draft capital budgets for 2024/25 to 2027/28 along with the financing elements for those years.

Members are asked to note that the level of estimated capital receipts is sufficient to finance the £1,247,110 required for all the schemes put forward for 2023/24.

It should be noted, that of the £74,577,567 within the proposed CIP 2023-28, external funding totalling £41,059,364 (55%) is to be used as financing of the schemes.

7. **Capital Resources:**

Appendix 2 provides Members with an analysis of the capital receipts and S106 / 3<sup>rd</sup> Party Contributions balances as follows;

- balances in hand as at 1<sup>st</sup> April 2022
- 2022/23 commitments approved to date
- level of resources assumed to be available as at 31<sup>st</sup> March 2023
- estimated “new” receipts to be received during 2022/23 to 2027/28
- resources required to finance part of the 2023/24 proposed capital budget
- resources required to finance the schemes proposed for future years
- anticipated balance as at 31<sup>st</sup> March 2028.

The resources are reducing each financial year, to an estimated balance of £535,817 by March 2028. This is due to reduced opportunities to realise capital receipts, as the estate reduces, which will leave a lesser capital programme going forward.

8. **Revenue Budget Implications:**

Capitalised Salaries

Members will be already aware that capitalised salaries are a major element in balancing the Council's revenue budget. The expected revenue income for staff time recharged against identified capital projects is £452k in 2023/24

Costs of Prudential Borrowing

Of the proposed £15,223,050 prudential borrowing requirement for 2023/24, there are no new schemes.

9. **2023-28 Capital Investment Programme:**

As previously stated, Appendix 1 outlines a summary of the proposed 2023-28 capital investment programme, by Service Unit.

Appendix 4 provides Members with a brief scheme narrative, for all Capital Schemes within the 2023/24 proposed budget.

**2023-28 Capital Strategy:**

Appendix 4 provide Members with the 2023-28 proposed Capital Strategy.

The Council is committed to ensuring that the investment of capital resources reflects the Council's corporate priorities and is affordable, financially prudent and sustainable. This Capital Strategy is designed to assist in the delivery of that commitment.

The Capital Strategy is a key document and forms part of the Council's corporate strategic and planning framework with links to the overarching Strategic Plan, the Asset Management Strategy, the Treasury Management Strategy and individual Service Plans which, in turn, link the Strategic Plan to service delivery on the ground.

Providing a high level overview of how capital expenditure and capital financing contribute to the provision of Council services, the strategy also addresses the management of related risks and the implications for future financial sustainability. It outlines the governance processes for prioritisation and approval of capital scheme bids and the monitoring of the approved capital programme.

The preparation and publication of a capital strategy is a requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code of Capital Finance in Local Authorities (the Prudential Code).

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>
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11. As referred to in the body of the report.

**POLICY IMPLICATIONS**

12. The Capital programme gives authority for a number of policy decisions to be actioned in meeting the Council's corporate objectives.

**DETAILS OF CONSULTATION**

13. None.

**BACKGROUND PAPERS**

14. None.

**FURTHER INFORMATION**

**PLEASE CONTACT:**

**Howard Hamilton Smith - Head of Finance & Property**

**ALSO**

**Amy Johnson – Finance Manager**

## Capital Investment Programme 2023/24 to 2027/28

<u>Scheme Name</u>	<u>2023/24</u>	<u>2024/25</u>	<u>2025/26</u>	<u>2026/27</u>	<u>2027/28</u>	<u>TOTAL</u>
	£	£	£	£	£	£
Burnley Mechanics MI Space HLF Scheme		994,800	1,255,360	-	-	2,250,160
Play Area Improvement Programme	90,000	80,000	65,000	-	-	235,000
Vehicle & Machinery Replacement	165,000	173,000	182,000	191,000	201,000	912,000
Crematorium Improvements	132,000	142,000	-	-	-	274,000
Memorial Park improvements	96,042					96,042
Extension of Burnley Cemetery		220,000	220,000	-	-	440,000
Scott Park Restoration	-	500,000	-	-	-	500,000
Playing Pitch Improvements	298,300	128,907	-	-	-	427,207
Wheeled Sports Area	250,000	-	-	-	-	250,000
Towneley Hall Works	2,130,491	1,385,011	-	-	-	3,515,502
Play Zones	165,000	165,000	165,000	-	-	495,000
Thompson Park Restoration	82,000	-	-	-	-	82,000
<b>Green Spaces &amp; Amenities Total</b>	<b>3,408,833</b>	<b>3,788,718</b>	<b>1,887,360</b>	<b>191,000</b>	<b>201,000</b>	<b>9,476,911</b>
River Training Walls	60,000	-	-	-	-	60,000
Alleygate Programme	25,000	25,000	25,000	25,000	25,000	125,000
<b>Streetscene Total</b>	<b>85,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>25,000</b>	<b>185,000</b>
Lower St James Street Historic Action Zone	1,177,737		-	-	-	1,177,737
Leveling Up Fund	19,511,226	6,689,474	-	-	-	26,200,700
Town Centre & Weavers Triangle Project Work	169,492	-	-	-	-	169,492
Padiham Townscape Heritage	110,000	-	-	-	-	110,000
Pioneer Place	10,412,902	2,412,774	44,553	-	-	12,870,229
Former Open Market & Former Cinema Block	57,738					57,738
<b>Economy &amp; Growth Total</b>	<b>31,439,095</b>	<b>9,102,248</b>	<b>44,553</b>	<b>-</b>	<b>-</b>	<b>40,585,896</b>
Burnley Leisure Improvements	307,450					307,450
Building Infrastructure Works	1,018,989	1,519,232	1,563,870	179,581	196,350	4,478,022
Carbon Reduction Measures	286,220	93,610	82,610	71,610	71,610	605,660
IT Upgrades	12,000	7,000	-	-	-	19,000
Audio & Visual Upgrade to Facilitate On-line Meetings	100,000					100,000
Charter Walk Refurbishment	1,169,628					1,169,628
<b>Finance &amp; Property Total</b>	<b>2,894,287</b>	<b>1,619,842</b>	<b>1,646,480</b>	<b>251,191</b>	<b>267,960</b>	<b>6,679,760</b>
Emergency Repairs	180,000	180,000	180,000	180,000	180,000	900,000
Better Care Grant	2,000,000	2,000,000	2,000,000	2,000,000	2,000,000	10,000,000
Energy Efficiency	50,000	50,000	50,000	50,000	50,000	250,000
Empty Homes Programme	1,300,000	1,300,000	1,300,000	1,300,000	1,300,000	6,500,000
<b>Total of Housing Investment Programme</b>	<b>3,530,000</b>	<b>3,530,000</b>	<b>3,530,000</b>	<b>3,530,000</b>	<b>3,530,000</b>	<b>17,650,000</b>
<b>Total of All Schemes</b>	<b>41,357,215</b>	<b>18,065,808</b>	<b>7,133,393</b>	<b>3,997,191</b>	<b>4,023,960</b>	<b>74,577,567</b>

<b>FINANCING</b>				
<u>External Funding</u>	<u>Borrowing</u>	<u>Revenue / Reserves</u>	<u>Capital Receipts</u>	<u>TOTAL</u>
£	£	£	£	£
1,946,720	303,440			2,250,160
100,000			135,000	235,000
143,000		769,000		912,000
	274,000			274,000
57,042			39,000	96,042
	440,000			440,000
500,000				500,000
427,207				427,207
150,000			100,000	250,000
590,446	2,925,056			3,515,502
405,000			90,000	495,000
82,000				82,000
<b>4,401,415</b>	<b>3,942,496</b>	<b>769,000</b>	<b>364,000</b>	<b>9,476,911</b>
-	-	-	60,000	60,000
-	-	-	125,000	125,000
-	-	-	<b>185,000</b>	<b>185,000</b>
317,249	675,488	185,000	-	1,177,737
25,080,700	1,120,000	-	-	26,200,700
-	169,492	-	-	169,492
110,000	-	-	-	110,000
-	12,052,286	817,943	-	12,870,229
	57,738			57,738
<b>25,507,949</b>	<b>14,075,004</b>	<b>1,002,943</b>	<b>-</b>	<b>40,585,896</b>
	242,000		65,450	307,450
	2,969,829		1,508,193	4,478,022
	605,660			605,660
			19,000	19,000
		100,000		100,000
	1,169,628			1,169,628
<b>-</b>	<b>4,987,117</b>	<b>100,000</b>	<b>1,592,643</b>	<b>6,679,760</b>
900,000	-	-	-	900,000
10,000,000	-	-	-	10,000,000
250,000	-	-	-	250,000
-	-	-	6,500,000	6,500,000
<b>11,150,000</b>	<b>-</b>	<b>-</b>	<b>6,500,000</b>	<b>17,650,000</b>
<b>41,059,364</b>	<b>23,004,617</b>	<b>1,871,943</b>	<b>8,641,643</b>	<b>74,577,567</b>

2023/24 CAPITAL BUDGET AND FINANCING ELEMENTS

APPENDIX 1

Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS										Total Proposed Budget £	
			Prudential Borrowing £	Revenue Cont'n / Reserves £	Better Care Grant £	Historic England Fund £	LCC £	Heritage Lottery Fund £	Arts Council £	Capital Receipts £	Vacant Property Initiative Receipts £	Levelling Up Fund £		3rd Party / Section 106 Unsecured £
Green Spaces & Amenities	Play Area Improvement Scheme - NEW	90,000								45,000			45,000	90,000
Green Spaces & Amenities	Vehicle and Machinery Replacement	165,000		140,000									25,000	165,000
Green Spaces & Amenities	Playing Pitch Improvements	298,300											298,300	298,300
Green Spaces & Amenities	Wheeled Sports Area	250,000								100,000			150,000	250,000
Green Spaces & Amenities	Towneley Hall Works	2,130,491	1,806,623						323,868					2,130,491
Green Spaces & Amenities	Play Zones - NEW	165,000								30,000			135,000	165,000
Green Spaces & Amenities	Thompson Park Restoration - NEW	82,000											82,000	82,000
Green Spaces & Amenities	Crematorium Improvements	132,000	132,000											132,000
Green Spaces & Amenities	Memorial Park Improvements	96,042								39,000			57,042	96,042
Streetscene	River Training Walls	60,000								60,000				60,000
Streetscene	Alleygate Programme	25,000								25,000				25,000
Economy & Growth	Lower St James Street Historic Action Zone	1,177,737	675,488	185,000		170,517							146,732	1,177,737
Economy & Growth	Leveling Up Fund	19,511,226	760,000				400,000					14,316,226	4,035,000	19,511,226
Economy & Growth	Town Centre & Weavers Triangle Project Work	169,492	169,492											169,492
Economy & Growth	Padiham Townscape Heritage	110,000							77,000				33,000	110,000
Economy & Growth	Pioneer Place	10,412,902	9,775,532	637,370										10,412,902
Economy & Growth	Former Open Market & Former Cinema Block	57,738	57,738											57,738
Finance & Property	IT Upgrades	12,000								12,000				12,000
Finance & Property	Burnley Leisure Improvements	307,450	242,000							65,450				307,450
Finance & Property	Building Infrastructure Works	1,018,989	148,329							870,660				1,018,989
Finance & Property	Carbon Reduction Measures	286,220	286,220											286,220
Finance & Property	Audio & Visual Upgrade to Facilitate On-line Meetings	100,000		100,000										100,000
Finance & Property	Charter Walk Refurbishment	1,169,628	1,169,628											1,169,628
Housing & Development	Emergency Repairs	180,000			180,000									180,000
Housing & Development	Better Care Grant	2,000,000			2,000,000									2,000,000
Housing & Development	Energy Efficiency	50,000			50,000									50,000
Housing & Development	Empty Homes Programme	1,300,000									1,300,000			1,300,000
<b>TOTAL OF ALL SCHEMES</b>		<b>41,357,215</b>	<b>15,223,050</b>	<b>1,062,370</b>	<b>2,230,000</b>	<b>170,517</b>	<b>400,000</b>	<b>77,000</b>	<b>323,868</b>	<b>1,247,110</b>	<b>1,300,000</b>	<b>14,316,226</b>	<b>5,007,074</b>	<b>41,357,215</b>

2024/25 CAPITAL BUDGET AND FINANCING ELEMENTS

APPENDIX 1

Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS											Total Proposed Budget £	
			Prudential Borrowing £	Revenue Cont'n / Reserves £	Better Care Grant £	Heritage Lottery Fund £	LCC £	Arts Council £	Levelling Up £	Capital Receipts £	Vacant Property Initiative Receipts £	Levelling Up Fund £	3rd Party / Section 106 Unsecured £		
Green Spaces & Amenities	Burnley Mechanics MI Space HLF Scheme	994,800	303,440			573,000								118,360	994,800
Green Spaces & Amenities	Crematorium Improvements	142,000	142,000												142,000
Green Spaces & Amenities	Vehicle and Machinery Replacement	173,000		146,000										27,000	173,000
Green Spaces & Amenities	Extension of Burnley Cemetery	220,000	220,000												220,000
Green Spaces & Amenities	Play Area Improvement Scheme - NEW	80,000									45,000			35,000	80,000
Green Spaces & Amenities	Play Zones - NEW	165,000									30,000			135,000	165,000
Green Spaces & Amenities	Playing Pitch Improvements - NEW	128,907												128,907	128,907
Green Spaces & Amenities	Scott Park HLF - NEW	500,000				400,000								100,000	500,000
Green Spaces & Amenities	Towneley Hall Works	1,385,011	1,118,433					266,578							1,385,011
Streetscene	Alleygate Programme	25,000									25,000				25,000
Finance & Property	Building Infrastructure Works	1,519,232	1,320,000								199,232				1,519,232
Finance & Property	Carbon Reduction Measures	93,610	93,610												93,610
Finance & Property	IT Upgrades	7,000									7,000				7,000
Economy & Growth	Pioneer Place	2,412,774	2,276,754	136,020											2,412,774
Economy & Growth	Levelling Up	6,689,474	360,000				700,000	40,000	5,589,474						6,689,474
Housing & Development	Emergency Repairs	180,000				180,000									180,000
Housing & Development	Better Care Grant	2,000,000				2,000,000									2,000,000
Housing & Development	Energy Efficiency	50,000				50,000									50,000
Housing & Development	Empty Homes Programme	1,300,000										1,300,000			1,300,000
<b>TOTAL OF ALL SCHEMES</b>		<b>18,065,808</b>	<b>5,834,237</b>	<b>282,020</b>	<b>2,230,000</b>	<b>973,000</b>	<b>700,000</b>	<b>306,578</b>	<b>5,589,474</b>	<b>306,232</b>	<b>1,300,000</b>	<b>-</b>	<b>544,267</b>	<b>18,065,808</b>	

Page 203

2025/26 CAPITAL BUDGET AND FINANCING ELEMENTS

APPENDIX 1

Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS									Total Proposed Budget £	
			Prudential Borrowing £	Revenue Cont'n / Reserves £	Better Care Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Football Foundation £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party / Section 106 Unsecured £		
Green Spaces & Amenities	Vehicle and Machinery Replacement	182,000		153,000								29,000	182,000
Green Spaces & Amenities	Burnley Mechanics MI Space HLF Scheme	1,255,360				724,000						531,360	1,255,360
Green Spaces & Amenities	Extension of Burnley Cemetery	220,000	220,000										220,000
Green Spaces & Amenities	Play Area Improvement Scheme - NEW	65,000							45,000			20,000	65,000
Green Spaces & Amenities	Play Zones - NEW	165,000							30,000			135,000	165,000
Streetscene	Alleygate Programme	25,000							25,000				25,000
Economic & Growth	Pioneer Place	44,553		44,553									44,553
Finance & Property	Building Infrastructure Works	1,563,870	1,501,500						62,370				1,563,870
Finance & Property	Carbon Reduction Measures	82,610	82,610										82,610
Housing & Development	Emergency Repairs	180,000			180,000								180,000
Housing & Development	Better Care Grant	2,000,000			2,000,000								2,000,000
Housing & Development	Energy Efficiency	50,000			50,000								50,000
Housing & Development	Empty Homes Programme	1,300,000									1,300,000		1,300,000
<b>TOTAL OF ALL SCHEMES</b>		<b>7,133,393</b>	<b>1,804,110</b>	<b>197,553</b>	<b>2,230,000</b>	<b>724,000</b>	<b>-</b>	<b>-</b>	<b>162,370</b>	<b>1,300,000</b>	<b>715,360</b>	<b>7,133,393</b>	



**2026/27 CAPITAL BUDGET AND FINANCING ELEMENTS**

**APPENDIX 1**

Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS									Total Proposed Budget £	
			Prudential Borrowing £	Revenue Cont'n / Reserves £	Better Care Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Football Foundation £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party / Section 106 Unsecured £		
Green Spaces & Amenities	Vehicle and Machinery Replacement	191,000		161,000								30,000	191,000
Streetscene	Alleygate Programme	25,000							25,000				25,000
Finance & Property	Building Infrastructure Works	179,581	-						179,581				179,581
Finance & Property	Carbon Reduction Measures	71,610	71,610										71,610
Housing & Development	Emergency Repairs	180,000			180,000								180,000
Housing & Development	Better Care Grant	2,000,000			2,000,000								2,000,000
Housing & Development	Energy Efficiency	50,000			50,000								50,000
Housing & Development	Empty Homes Programme	1,300,000									1,300,000		1,300,000
<b>TOTAL OF ALL SCHEMES</b>		<b>3,997,191</b>	<b>71,610</b>	<b>161,000</b>	<b>2,230,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>204,581</b>	<b>1,300,000</b>	<b>30,000</b>	<b>3,997,191</b>	

**2027/28 CAPITAL BUDGET AND FINANCING ELEMENTS**

**APPENDIX 1**

Service Unit	Scheme Name	Proposed Budget £	FINANCING ELEMENTS									Total Proposed Budget £	
			Prudential Borrowing £	Revenue Cont'n / Reserves £	Better Care Grant £	Heritage Lottery Fund £	Lancashire Enterprise Partnership £	Football Foundation £	Capital Receipts £	Vacant Property Initiative Receipts £	3rd Party / Section 106 Unsecured £		
Green Spaces & Amenities	Vehicle and Machinery Replacement	201,000		169,000								32,000	201,000
Streetscene	Alleygate Programme	25,000							25,000				25,000
Finance & Property	Building Infrastructure Works	196,350							196,350				196,350
Finance & Property	Carbon Reduction Measures	71,610	71,610										71,610
Housing & Development	Emergency Repairs	180,000			180,000								180,000
Housing & Development	Better Care Grant	2,000,000			2,000,000								2,000,000
Housing & Development	Energy Efficiency	50,000			50,000								50,000
Housing & Development	Empty Homes Programme	1,300,000									1,300,000		1,300,000
<b>TOTAL OF ALL SCHEMES</b>		<b>4,023,960</b>	<b>71,610</b>	<b>169,000</b>	<b>2,230,000</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>221,350</b>	<b>1,300,000</b>	<b>32,000</b>	<b>4,023,960</b>	

**CAPITAL RECEIPTS AND CONTRIBUTIONS ANALYSIS FOR 2022/23 + CIP 2023-28**

**APPENDIX 2**

	<u>General Capital Receipts</u> £	<u>Vacant Property Initiatives Receipts</u> £	<u>Section 106 Money</u> £	<u>3rd Party Cont'ns</u> £	<u>Total</u> £
<b>Capital Resources Brought Forward on 1 April 2022</b>	<b>2,484,594</b>	<b>1,530,973</b>	<b>408,380</b>	<b>392,329</b>	<b>4,816,276</b>
<b>Add</b>					
Resources Received As At 31 December 2022	364,082	620,801	496,498	628,534	2,109,915
Further Resources Estimated to be Received during 2022/23:	25,000	1,544,330	-	-	1,569,330
<b>Potential Resources Available during 2022/23</b>	<b>2,873,676</b>	<b>3,696,104</b>	<b>904,878</b>	<b>1,020,863</b>	<b>8,495,521</b>
<b>Less</b>					
Required to finance Capital Programme	(1,096,216)	(1,300,000)	(25,084)	(456,513)	(2,877,813)
Earmarked for Revenue Expenditure	-	-	-	-	-
Earmarked for Delivery By Outside Bodies	-	-	-	-	-
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2023</b>	<b>1,777,460</b>	<b>2,396,104</b>	<b>879,794</b>	<b>564,350</b>	<b>5,617,708</b>
<b>Add</b> - Resources Estimated to be Received during 2023/24	300,000	1,303,000	478,300	4,349,214	6,430,514
<b>Less</b> - 2023/24 Capital Budget	(1,247,110)	(1,300,000)	(478,300)	(4,528,774)	(7,554,184)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2024</b>	<b>830,350</b>	<b>2,399,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,494,038</b>
<b>Add</b> - Resources Estimated to be Received during 2024/25	150,000	1,300,000	398,907	145,360	1,994,267
<b>Less</b> - 2024/25 Capital Budget	(306,232)	(1,300,000)	(398,907)	(145,360)	(2,150,499)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2025</b>	<b>674,118</b>	<b>2,399,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,337,806</b>
<b>Add</b> - Resources Estimated to be Received during 2025/26	150,000	1,336,000	155,000	560,360	2,201,360
<b>Less</b> - 2025/26 Capital Budget	(162,370)	(1,300,000)	(155,000)	(560,360)	(2,177,730)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2026</b>	<b>661,748</b>	<b>2,435,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,361,436</b>
<b>Add</b> - Resources Estimated to be Received during 2026/27	150,000	1,360,000	-	30,000	1,540,000
<b>Less</b> - 2026/27 Capital Budget	(204,581)	(1,300,000)	-	(30,000)	(1,534,581)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2027</b>	<b>607,167</b>	<b>2,495,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,366,855</b>
<b>Add</b> - Resources Estimated to be Received during 2027/28	150,000	1,292,000	-	32,000	1,474,000
<b>Less</b> - 2027/28 Capital Budget	(221,350)	(1,300,000)	-	(32,000)	(1,553,350)
<b>Estimated Surplus / (Shortfall) of Resources as at 31st March 2028</b>	<b>535,817</b>	<b>2,487,104</b>	<b>879,794</b>	<b>384,790</b>	<b>4,287,505</b>

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**2023/24 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME**

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
Play Area Improvement Programme	90,000	To refurbish children's play areas in-line with the recommendations of the adopted Play Provision Strategy 2017 - 2026.
Vehicle & Machinery Replacement	165,000	Replacement of Vehicle & Machinery, as per Green Spaces & Amenities programme
Playing Pitch Improvements	298,300	To undertake levelling & drainage improvements to the existing pitches at Queens Park to meet Sport England's requirement to replace the existing grass pitch at Stoneyholme Recreation Ground (as compensation) and to undertake improvements at Lockyer Ave Playing Fields to discharge the S106 agreement with McDermott Homes Ltd in respect of the housing development on Kiddrow Lane. Fennyfold Playing Fields will be the subject of improvements to ancillary facility (changing rooms and car parking) and pitch improvements.
Crematorium Improvements	132,000	To increase car parking capacity at the crematorium, widen and resurface the drive and existing car park and provide a covered waiting area for mourners.
Memorial Park Improvements	96,042	To undertake replacement of the existing skate ramp with a new wheeled sports area, improvements to the MUGA and youth shelter and undertake some refurbishment of the tennis courts in Memorial Park (Park Rd) Padiham
Wheeled Sports Area	250,000	To develop a new wheeled sports area as a replacement for the ageing and outdated skate park in Queens Park.
Play Zones	165,000	To help to ensure that there is good quality provision of well maintained MUGA's across the borough, by ensuring that those that are most in need of refurbishment are improved. The project will fund improvements in deprived wards/areas of the borough (as per the Football Foundation's eligibility criteria). The scheme will also ensure that the Council meets its obligation to maintain MUGA's in a safe condition.
Thompson Park Restoration	82,000	Provision of a modular changing places toilet in Thompson Park car park to complete the Thompson Park restoration project.
Alleygate Programme	25,000	Burnley Council have been operating an alleygating program since 2004, providing increased home security to properties. Alleygating is an effective method of reducing crime and antisocial behaviour by erecting gates on back streets. The gates are effective not just in the reduction of crime itself, but in reducing the fear of crime for residents. They provide a safe and clean environment that residents can enjoy and this leads to an increase in sense of community. They are a tangible product of the Council and the Community Safety Partnership's efforts to work towards and safer and cleaner Burnley.
River Training Walls	60,000	Eliminate the risk of further deterioration and collapse of Council owned training walls along River Brun, River Calder, Sweetclough and Greenbrook. Including rebuilding of collapsed sections of wall, removal of self seeded trees and removal of walls and battering back of embankments where practical.
Padiham Townscape Heritage Initiative	110,000	Comprehensive scheme with HLF funding of £1.4m between 2017/18 and 2021/22, involving repairs and restoration to key building in the Conservation area, together with highways and public realm improvements, and an engagement programme. The scheme has been re-profiled from 2022/23.
Pioneer Place	10,412,902	The redevelopment of the Curzon Street site in the town centre will supplement the existing thriving retail and service centre with a wider leisure, cultural and social experience during the day and into the evening that will underpin Burnley as an attractive place to live work and visit. The site provides an opportunity for a major leisure-led development, bringing a cinema and new restaurants and shops into the town centre.
Lower St James Street	1,177,737	Historic building restoration scheme with funding from Historic England (Subject to approvals), involving conservation works to key buildings within the conservation area, public realm improvements and a wider community/cultural engagement programme.
Levelling Up Fund	19,511,226	The Council received confirmation of the successful Levelling Up Fund bid in October 2021. The bid consisted of three schemes: UCLan Burnley Campus Expansion, Town 2 Turf Public Realm Transformation and Railway Station Accessibility Improvement. Work on the schemes will span four financial years (21/22 - 24/25)
Town Centre & Weavers Triangle Project Work	169,492	Council funding to assist in bringing forward key projects identified in the emerging Town Centre and Weavers triangle masterplan.
Former Open Market & Former Cinema Block	57,738	For remediation works to the parapet
Towneley Hall Works	2,130,491	Ongoing restoration work to be undertaken arising from building condition surveys. Works are to be tendered and expected to start from June 2022
Building Infrastructure Works	1,018,989	Contribution towards larger scale works arising out of the building condition surveys currently being undertaken, with particular focus on Burnley Town Hall and Towneley Hall.
Carbon Reduction Measures	286,220	This budget will provide funding to progress initiatives included within the Council's Climate Change Strategy
Leisure Centre Improvements	307,450	Delivery of condition survey related capital based works to ensure continuity of business, compliance with undertakings and improvement in appearance in order to continue to attract patronage.
IT Upgrades	12,000	To replace tablets (iPads) used by members and officers to electronically access meeting agenda papers and reports.

**2023/24 PROPOSED CAPITAL BUDGET - BRIEF DESCRIPTIONS OF INDIVIDUAL SCHEME**

<u>Scheme Name</u>	<u>Budget (£)</u>	<u>Scheme Narrative</u>
Charter Walk Refurbishment	1,169,628	The Council purchased Charter Walk Shopping Centre in October 2021. This £1m is set aside for any future capital works
Audio & Visual Upgrade to Facilitate On-line Meetings	100,000	Replacement of the delegate public address and induction loop systems in the Council chamber and public gallery; plus, the installation of an electronic delegate voting system and display and fixed cameras to facilitate the live streaming of Council meetings.
Emergency Repairs	180,000	Emergency Repairs is a discretionary grant that is made available to owner-occupiers to remedy repairs where there is a serious and imminent risk to the health and safety of the occupants. The grant is eligible to owner-occupiers in receipt of income-related benefits and aged 60 or over, or a disabled person who is in receipt of income related benefits.
Better Care Grant	2,000,000	The funding is allocated by the Government through the Better Care fund. It enables grants to be provided to disabled people, to adapt their house so that they can remain living as independently as possible in the home of their choice.
Energy Efficiency	50,000	The Council's Energy Efficiency Programme allows the Council to achieve its strategic objective of reducing carbon emissions and reducing fuel poverty in the most vulnerable households.  The scheme seeks to do this through increasing the energy efficiency of domestic properties in the borough. Funding is used on a variety of projects that provide loft and cavity wall insulation, replacing inefficient boilers with "A" rated boilers, installing central heating in properties that do not have central heating, helping residents with their contribution to the government's ECO funding scheme and promoting energy efficiency in the town.
Empty Homes Programme	1,300,000	The Empty Homes Programme brings long term empty properties back in to use in the borough of Burnley, funded through recycled Housing Capital Receipts
<b>TOTAL OF ALL SCHEMES</b>	<b><u>41,357,215</u></b>	

Burnley Borough Council  
CAPITAL STRATEGY 2023 to 2028

**Contents**

	Page
1. Background	2
2. Links to Other Council Strategies and Plans	2
3. Capital Expenditure and Investments	3
4. The Capital Programme	4
5. Funding the Capital Programme	7
6. Management of the Capital Programme	9
7. Risk Management	9
8. Performance Management	10
9. Knowledge and Skills	10

# Burnley Borough Council

## CAPITAL STRATEGY 2023 to 2028

### 1. BACKGROUND

The Council is committed to ensuring that the investment of capital resources reflects the Council's corporate priorities and is affordable, financially prudent and sustainable. This Capital Strategy is designed to assist in the delivery of that commitment.

The Capital Strategy is a key document and forms part of the Council's corporate strategic and planning framework with links to the overarching Strategic Plan, the Asset Management Strategy, the Treasury Management Strategy and individual Service Plans which, in turn, link the Strategic Plan to service delivery on the ground.

Providing a high level overview of how capital expenditure and capital financing contribute to the provision of Council services, the strategy also addresses the management of related risks and the implications for future financial sustainability. It outlines the governance processes for prioritisation and approval of capital scheme bids and the monitoring of the approved capital programme.

The preparation and publication of a capital strategy is a requirement of the Chartered Institute of Public Finance and Accountancy's (CIPFA's) Prudential Code of Capital Finance in Local Authorities (the Prudential Code).

### 2. LINKS TO OTHER COUNCIL STRATEGIES AND PLANS

#### The Strategic Plan

The current Strategic Plan sets out the Council's overarching priorities and is developed around four main themes:

People – creating flourishing, healthy and confident communities.

Places – making the Borough a place of choice

Prosperity – promoting transformational economic change for Burnley, and

Performance – ensuring a continuous focus on improvement in all aspects of the Council's performance.

The Plan highlights a number of key commitments set against each of these themes which will guide the Council's activity.

This Capital Strategy is designed to ensure that the schemes in the capital programme are linked to and aligned with the above.



### **Asset Management Strategy (AMS)**

The AMS sets out a framework to secure the effective use of all property assets and investment in the Borough within the context of the Council's Corporate Strategy. Informed by individual Council Service Plans and working with other private and public bodies the AMS identifies ongoing requirements and opportunities to maintain, develop and optimise the Council's asset base. The results are fed into the capital programme bidding process providing an essential input to the Capital Strategy. The AMS will also identify existing property assets which are no longer required for service delivery. Where appropriate the Council's Property Disposals Framework deals with disposal of these assets generating capital receipts which may be used to fund the capital programme.

### **Treasury Management Strategy (TMS)**

The Council's capital expenditure plans and the borrowing to finance those plans are key drivers of treasury management activity. This Capital Strategy is designed to ensure, amongst other things, that the capital expenditure and associated financing as set out in the approved capital programme is affordable, financially prudent and sustainable. To assist with this, and to meet the requirements of the Prudential Code, the Council has developed a range of prudential indicators relating to levels of capital expenditure, financing costs and borrowing. In addition, the Council makes a specified minimum charge to revenue each year for the repayment of accumulated borrowing for capital purposes (the minimum revenue provision or MRP). The minimum amount is determined in accordance with Government Regulations. The Council's policies in relation to both the prudential indicators and the MRP, which are reviewed annually, are set out in the TMS.

Treasury management is also involved with ensuring the Council's day to day cash flows are adequately planned, with surplus monies being invested to minimise risk and to guarantee sufficient funds are available when needed (liquidity). These two priorities are satisfied before considering the maximisation of investment return. The TMS outlines in detail the proposed approach to deliver these objectives.

Full Council delegates responsibility for the implementation and monitoring of its treasury management policies and practices to the Executive, and for the execution and administration of treasury management decisions to the Head of Finance and Property.

## **3. CAPITAL EXPENDITURE AND INVESTMENTS**

### **Capital Expenditure**

Capital expenditure is incurred on the acquisition or creation of fixed assets and investments, or expenditure that enhances or adds to the life or value of an existing asset that is needed to provide Council services. Fixed assets are tangible or intangible assets that yield benefits to the Council for a period of more than one year, for example, land, buildings, vehicles, IT software. This is in contrast to revenue expenditure which is spending on the day to day running costs of services such as employee costs and supplies and services. Major schemes will be subject to a greater degree of rigour regarding bidding (detailed business case required), monitoring and review (both during the

project and post-completion). A current example of such schemes is Pioneer Place – development of land at Curzon Street and Manchester Road.

Schemes which meet the definition of capital expenditure but with a cost lower than £10,000 are treated as revenue.

### **Capital Investments**

These are investments made for policy reasons and do not include treasury management investments which arise from the Council's cash flows and debt management activity and represent balances which need to be invested until the funds are required.

Capital investments potentially fall into two categories i.e. service investments, which are held for the purposes of operational services including regeneration, and commercial investments.

Commercial investments may include, for example, fixed assets which are held primarily for financial benefit. The Council's current commercial investment portfolio is dominated by a relatively small number of high value town centre freehold assets, the largest of which is the freehold of Charter Walk Shopping Centre.

Proposals for commercial investments will be rigorously assessed in line with other major projects. The Head of Finance and Property will ensure that the Council does not undertake a level of investment which exposes it to excessive risk compared to its financial resources.

### **Other Long-Term Liabilities**

There is a potential for the Council to make certain payments under existing contractual obligations. These are fully provided for and explained in the Statutory Statement of Accounts. Any further long-term liabilities which arise in the future will be identified and recorded by the Head of Finance and Property.

## **4. THE CAPITAL PROGRAMME**

The capital programme represents the Council's approved plan of capital expenditure and investments for the current and future years. It includes details of the funding of each individual capital scheme and will, in future, include the associated revenue implications.

### **Development of the Capital Programme**

The capital expenditure and investment included in the Council's approved capital programme should align with the main themes and key commitments set out in the Council's Strategic Plan. The governance processes outlined below are designed to ensure this happens.

### **Capital Bids**

Proposals for new capital schemes, which should align with the priorities set out in the Strategic Plan, will emerge from Individual Service Plans and the Asset Management Strategy as part of the annual planning process.

Full details of proposed schemes will be presented in a pro forma Capital Bid Form issued to Heads of Service at the start of the capital programme preparation process in October each year. The bid form must include the estimated capital costs, the proposed financing of those costs and any estimated future ongoing revenue costs of the scheme, together with details of the benefits the project brings to service delivery, the risks, threats and opportunities involved and links to the four themes identified in the Strategic Plan.

### **Assessment of the Bids**

The individual bids will be assessed by Management Team, who then make recommendations through the decision-making process.

Major capital schemes' bid forms are accompanied with a Business Case. These business cases must demonstrate a link between the outcomes of the project and the benefits to the Council. They must provide evidence of strategic fit, demonstrate that the scheme is affordable, achievable and financially sustainable over the long term and, where appropriate, provide sensitivity analysis of the key financial variables to illustrate the impact of changes in the original assumptions. There must also be a full analysis of the risks, threats and opportunities involved with the project.

### **Approval of Capital Programme**

A draft capital programme including previously committed schemes (both costs and financing over a five year period) is prepared and submitted for approval by the Executive/Full Council in February prior to the start of the first financial year of the new programme.

In the event that a new and essential/urgent capital scheme emerges during the financial year and must be progressed in advance of the annual process, the same disciplines of bidding, assessment and approval must be applied as appropriate.

### **Current Major Scheme Developments**

Two capital schemes are currently being developed. Both schemes address key Council priorities.

#### *Pioneer Place – Development of Land at Curzon Street and Manchester Road*

The redevelopment of the Curzon Street site in the town centre will supplement the existing thriving retail and service centre with a wider leisure, cultural and social experience during the day and into the evening that will underpin Burnley as an attractive place to live work and visit. The site provides an opportunity for a major leisure-led development, bringing a cinema and new restaurants and shops into the town centre.

This scheme is also seen by UCLAN as important to its own growth in Burnley, a key component of the town centre student offer which will attract students to Burnley.

The capital cost of the project is currently forecast to be in the region of £21.3m and will be a major financial commitment for the Council. Currently the net cost to the Council after taking account of partners contributions is planned to be funded by borrowing. For such a major project it is essential to consider the long-term financial implications to ensure they are sustainable. Whole life costing including servicing the debt (both interest and repayment) and other associated revenue costs and

income over a 50 year period has been modelled. The model also includes a sensitivity analysis of the key financial variables to provide an indication of the financial impact should any of the original assumptions change.

### *Levelling Up Scheme*

This £20m project consists of the following 3 schemes:

#### UCLAN Campus Expansion

Following a master planning exercise to look at how projected growth (4000 students by 2024/5 and 6000 by 2031) could be accommodated over several stages to create a thriving canalside campus, this project will include:

- The purchase and reconfiguration of Newtown Mill.
- Creation of circa 35,000 square foot of space incorporating a Knowledge Exchange Zone, teaching and social space
- New public realm including on the George Street Mill Site to create a spine for future development, and public realm enhancements to Sandygate and Queens Lancashire Way
- Servicing and remediation of the George Street Mill site for future phases
- Towpath improvements between Westgate and Manchester Road to create improved access to the rail station and integrate the campus with the canal.

#### Manchester Road Rail Station Access for All

In recent years Burnley Manchester Road station has been upgraded and a new direct rail service to Manchester opened via the Todmorden Curve.

This project will complete the station masterplan and will increase the overall accessibility of the station to all passengers.

The development will deliver a new footbridge and passenger lifts, creating better connections between both platforms and the main station building, increasing accessibility to a wider range of destinations for a wider range of passengers.

#### Eastern Gateway, Town to Turf

This project aims to create a gateway between the town centre and Turf Moor, incorporating high quality public realm, a new four-way junction replacing the Yorkshire Street roundabout, cleaning and restoration work to the Culvert, and pavement widening in front of the football club.

The works will complement planned investment in the stadium, including a major facelift to the stadium stretching from the corner of Belverdere Road, including LED lighting and a major investment in the James Hargreaves stand to create a hospitality and conferencing venue.

The Town Centre Masterplan Public Realm Strategy identifies an east-west axis through the town from Turf Moor to the canalside UCLan campus. The extension of public realm works along Yorkshire Street will create a mile-long promenade connecting the UCLan campus, shopping centre and Turf Moor.

## 5. FUNDING THE CAPITAL PROGRAMME

The availability, affordability and financial sustainability of capital funding will limit the number and value of capital schemes which can be progressed.

The main sources of capital funding are summarised below:

### Borrowing

Under the Local Government Act 2003 local authorities are free to decide their own borrowing limits but, under CIPFA's Prudential Code must ensure that, having regard to the Council's financial situation set out in the Medium Term Financial Strategy, any new capital expenditure and the associated financing is prudent, affordable and sustainable.

The annual costs of borrowing (both interest payable and provision for repayment) will be met by the Council and therefore impact directly on affordability and financial sustainability considerations. For this reason borrowing should be kept to a minimum with other sources of funding secured/used where possible.

The Prudential Code specifies certain indicators that the Council must consider and approve annually as part of its budget setting process. These include limits on external borrowing and are designed to assist in assessing the affordability and sustainability of the capital programme. While these indicators provide a useful aid to ensuring a prudent approach to capital financing they do not replace the need for a comprehensive review of the affordability of capital programme proposals.

### Capital Receipts

A capital receipt is any income (exceeding £10,000 in each individual case) from the sale of an asset. Any individual capital receipt with a value of £10,000 or less will be treated as revenue income. Capital receipts are an important source of funding for the capital programme.

Through the Asset Management Strategy, the Council will identify existing assets which become surplus to requirements through, for example, changes in service delivery or transformation of ways of working. The Council's Property Disposals Framework addresses the process of surplus asset disposal. The sale of these assets generates a capital receipt which can either be used to fund the capital programme or repay outstanding debt on assets financed from loans, subject to regulations, to reduce debt servicing costs.

It is recognised that the ability to generate capital receipts may diminish over time and this will be reflected in forward looking assumptions about the level of receipts available to finance the capital programme, showing pressures on capital budgets from 2023/24 onwards due to a projected shortfall of receipts against capital projects. This will have to be managed through a combination of sourcing additional funding, prioritisation of capital projects and reduction in the scope of works where possible.

The Government has issued statutory guidance on the flexible use of capital receipts in the period to March 2022. Subject to certain limits, receipts can be used to offset the revenue cost of transformational projects which are expected to deliver future ongoing revenue savings. The guidance requires local authorities to prepare, approve, publish and maintain a Flexible Use of

Capital Receipts Strategy if they wish to take advantage of this flexibility. Capital receipts are already earmarked for funding capital projects in the period covered by the statutory guidance and the Council has no current plans to use the flexibility. The position will however be kept under review.

### Revenue Funding

Funding of capital schemes using contributions from revenue is allowed.

However, given the ongoing pressures on the Council's revenue spending, opportunities to do this are currently limited. The issues of prudence, affordability and sustainability apply equally in the case of capital expenditure funded by revenue contributions.

### External Funding (Grants and Contributions)

The Council will seek to secure external funding to support the capital programme wherever possible.

Grants are often available in relation to specific programmes or projects and the Council will seek to maximise grant income.

However, capital schemes will not be prioritised simply because they attract either full or partial external funding. They must fit with the Council's key priorities set out in the Strategic Plan and be assessed in the same way as other capital bids.

Contributions will be sought from private sector developers where appropriate under Section 106 of the Town and Country Planning Act 1990. These contributions may be used to mitigate the impact of a development on communities by, for example, improving the infrastructure to support the development.

Contributions may also be available from local partners towards the costs of schemes.

### Leasing

With the introduction of Prudential Borrowing this source of financing capital expenditure has become less attractive and the Council decided not to pursue the leasing option for future financing of capital assets. However, it is recognized that conditions can change and there may be instances where leasing could offer value for money. This policy will be kept under review.

### **Revenue Implications of the Capital Programme**

Capital expenditure must be sustainable in the long term through revenue support by the Council. The revenue implications of capital schemes will include the costs of associated borrowing (interest and debt repayment) and all ongoing running costs/income of the assets created.

In order to ensure that capital proposals are affordable and sustainable, the whole life revenue implications of each major capital scheme will be considered at the bidding stage and reviewed periodically during the life of the project.

The revenue impact of all capital schemes will be incorporated into the Council's Medium Term Financial Strategy (MTFS) and a longer term view taken where the financial implications of major schemes extend beyond the medium term horizon.

## **6. MANAGEMENT OF THE CAPITAL PROGRAMME**

### **In Year Capital Monitoring**

For each individual approved capital scheme the Head of Service will nominate a senior officer responsible for managing, monitoring and reporting on scheme progress. This includes providing updated scheme capital costs and producing a narrative explanation of progress including how any deviation from the approved costs, both in terms of amount and phasing between years will be managed.

Changes in forecast revenue costs identified as the project progresses must be reported through the regular revenue and capital monitoring processes.

The individual scheme reports are consolidated by Finance into an overall capital programme monitoring report which is submitted quarterly to the Executive and Full Council for approval. The monitoring report focuses on the overall costs of the programme and the financing of those costs. It also highlights any material changes to the programme together with an explanation of how these changes will be managed and any additional impact on the Council's revenue budget which should also be reflected in the revenue budget monitoring process.

This process is supplemented by further detailed governance requirements and controls set out in the Council's Financial Procedure Rules and Contracts Procedure Rules.

## **7. RISK MANAGEMENT**

Risk management forms an essential part of the Capital Strategy. Major capital schemes require careful management to mitigate, transfer or eliminate the potential risks which can arise. Where key risks or opportunities are identified, they should be subject to the provisions and processes set out in the Council's Corporate Risk Management Strategy.

To manage risk effectively, the risks and opportunities associated with each individual capital scheme need to be identified, analysed, monitored and appropriate action taken to mitigate the threats and maximise the opportunities on an ongoing basis. Many risks will be beyond the control of the Council but must nevertheless be monitored closely throughout the project and appropriate action taken where necessary.

In the case of capital schemes risks may include the accuracy of capital cost estimates, the effect of interest rate changes on assumed borrowing costs, inflation and other market changes on estimated construction costs and future running costs/income. There is also a risk that future changes in laws or regulations may affect the costs and timing of projects, potentially affecting the viability of the scheme. Specifically in relation to externally funded schemes there is a potentially significant risk that the conditions set by the funding body in terms of both the type and timing of expenditure are not met, leading to a loss of anticipated grant.

Where capital investments are planned, risks will include security of capital, liquidity and yield assumptions. In such cases, the Head of Finance and Property will ensure that Members are adequately informed and understand the risk exposure.

The referendum on 23 June 2016 resulted in a decision for the United Kingdom to leave the European Union. From 1<sup>st</sup> January 2021 new trading arrangements are in place and there is currently a degree of uncertainty around the economic situation which the Council will face. This may impact on a number of the risk elements set out above. The position and its effect on the Council's capital strategy will continue to be closely monitored.

The identification of the risks of each proposed scheme is a part of the capital bidding process and officers must set out the risks when submitting a bid. For major schemes the risks will be identified in the detailed business case together with mitigation actions and an assessment of the residual risk following mitigation. The Council has developed a Corporate Risk/Opportunity Impact Grid to assist in the assessment of key risks and this will be used where risks are identified in relation to major capital schemes as appropriate.

## **8. PERFORMANCE MANAGEMENT**

Progress of all schemes in the capital programme is monitored quarterly through the established capital monitoring process.

A further process will be developed for a formal annual review of performance (both financial and otherwise) of all major capital schemes.

There will also be a final post-completion review of each major scheme.

These reviews will be undertaken by the Capital Programme Officer Group.

The results of these reviews and lessons learned will be used to inform and improve the management of current/future projects.

## **9. KNOWLEDGE AND SKILLS**

At the strategic level governance involves both Council Members and senior officers and it is important to ensure that they possess the appropriate skills and knowledge to ensure that decisions can be properly debated and understood and that scrutiny functions can be effective. Comprehensive training is provided annually to Members and key officers on a wide range of relevant issues to ensure an understanding of their roles and effective engagement in capital and treasury management matters.

At the operational level Finance plays a key role in initiating and supporting the capital programme bidding and monitoring processes. Finance Business Partners play an important role in advising service managers in the preparation of capital bids which have emerged from the service planning process and in the development of business cases for major schemes. Finance also manages the day to day treasury management processes. Training on operational treasury management issues is undertaken periodically, primarily through externally delivered courses, and regular communication from the Council's external advisers keeps staff informed and up to date on latest developments.



The Council employs external treasury management advisers. It is acknowledged that responsibility for treasury management decisions remains with the Council at all times and undue reliance will not be placed upon external advisers. However, they do provide access to valuable specialist skills and resources when required, particularly for a district council with limited in house resources.

In the recent past staffing levels and personnel have changed significantly. It is the Council's intention to carry out a review of the knowledge and skills of all involved in capital activities to ensure they are commensurate with the task. Ongoing assessments will be undertaken during each individual officer's annual Performance and Development Review. Any gaps identified will be addressed through appropriate training.

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# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 91. Capital Budget 2023/24 and Capital Investment Programme 2023/28

### PURPOSE

To recommend approval of the capital budget for 2023/24.

### REASONS FOR DECISION

To establish a capital budget that reflects the Council's overall priorities and provides a framework for capital spending to be undertaken during 2023/24.

### DECISION

The Executive RESOLVED;

- a) That Full Council be recommended to:
  - (i) Approve the 2023/24 Capital Budget, totalling £41,357,215, as set out in Appendix 1.
  - (ii) Note the 2023-28 Capital Investment Programme as set out in Appendix 1.
  - (iii) Note the estimated position on capital resources as set out in Appendix 2.
- b) That subject to the approval of a) (i) above the Executive approve the release of capital scheme budgets including slippage from 2022/23, subject to compliance with the Financial Procedure Rules and that there will be full compliance with Standing Orders for Contracts.
- c) To Approve of the Capital Strategy 2023-28, as set out in Appendix 4.

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## REPORT TO FULL COUNCIL



<b>DATE</b>	<b>22<sup>nd</sup> February 2023</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Howard Hamilton- Smith</b>
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## Revenue Budget 2023/24 Statutory Report of the Chief Finance Officer

### PURPOSE

1. To enable elected Members to consider the statutory report of the Chief Finance Officer.

### RECOMMENDATION

2. That elected Members note this report and have regard to its contents when setting the Revenue Budget for 2023/24.

### REASONS FOR RECOMMENDATION

3. To satisfy the statutory requirements of the Local Government Act 2003.

### SUMMARY OF KEY POINTS

4. Section 25 of the Local Government Act 2003 requires the Chief Finance Officer to report on the robustness of the budget estimates and the adequacy of the financial reserves. The Act also requires the Authority, to which the report is made, to have regard to the report when making decisions about the budget.
5. In this context, the reference to the Chief Finance Officer is as defined in Section 151 of the Local Government Act 1972. This statutory role is fulfilled in this authority by the Head of Finance and Property.

6. This report covers:
- An assessment of the robustness of the 2023/24 budget setting process for both revenue and capital;
  - A high-level assessment of key risks that may impact the budget for 2023/24;
  - An assessment of the overall adequacy of reserves to contain financial risk and ensure the sustainability of the Council over the financial year 2023/24; and
  - An indication of future direction of travel for the Council over the medium term.

7. **SUMMARY**

- 7.1 In summary, I am satisfied that the proposals to establish a Net Budget Requirement of £16,266,712 for the financial year 2023/24 and Council Tax Requirement of £7,722,735 as set out in the report to Council on 22<sup>nd</sup> February 2023, are robust to ensure that the Council remains a going concern throughout 2023/24.
- 7.2 However, the financial outlook for the Council given the medium-term financial strategy continues to be challenging. To ensure a balanced position for 2024/25 and beyond the Council will have to take tough decisions balancing declining access to resources against emerging risks.
- 7.3 This may require a strategic reprioritisation of commitments especially as reserves are forecast to be significantly diminished over the medium term. The Council will be required to remain proactive in identifying savings and increase income throughout the medium-term period to ensure its viability can be maintained.
- 7.4 This is also within the context of a government review of relative needs of local authorities, which will inform a change in mechanism of funding for local authorities from 2025/26, of which currently there is much uncertainty.

8. **ROBUSTNESS OF THE BUDGET 2023/24**

- 8.1 In assessing the robustness of the overall budget for next year, I have taken the following into consideration:
- 8.2 The robustness of the underpinning financial planning assumptions on which the budget has been determined:
- a. Financial resources are aligned appropriately to the strategic priorities of the Council. Investments in service delivery have been made to support the Council's prosperity and place objectives directing resources to community services.
  - b. Savings to deliver a balanced budget have been identified focussing on efficiency and value for money and relative priority needs of services. Identified savings are realistic and action plans for delivery are in place.
  - c. The Council, as part of finalisation of the revenue budget 2023/24, has factored minimal growth in business rates due to the continuing impact of

challenges to valuations and difficult trading environment for businesses. A minimal increase to the council tax base has also been included due to the number of properties added during the year. There has been a reduction in the number of CTS claims which will be kept under review during the year.

- d. The determination of funding from Central Government for New Homes Bonus and the Revenue Support Grant for 2023/24 have been incorporated, based on final settlement figures announced in February 2023.
- e. Employee budgets have been cross-referenced to the agreed establishment. The 2023/24 budget has assumed a forecast headline 5% pay award in the absence of an agreed pay settlement. The pay award for 2022/23 has been finalised and factored into the 2023/24 budget. Pay awards of 3% have been projected for future years.
- f. Assumptions made about future inflation and interest rates are realistic.
- g. Income estimates are based on current patterns of usage and anticipated variations during the coming year. Decisions about levels of charges have already been taken by the Council in December 2022 and will be implemented from 1<sup>st</sup> April 2023.
- h. Capital and revenue budgeting are integrated, in that the revenue consequences of the capital programme are considered as part of the overall budget process for 2023/24.

8.3 Appropriate and effective governance arrangements are in place to manage the financial resource and maintain a balanced budget throughout 2023/24:

- a. Financial management is delegated appropriately, and commitments are entered into in full compliance with Financial Procedure Rules.
- b. Effective governance arrangements are in place for budget monitoring and reporting during the financial year.
- c. A risk assessment has been carried out on the revenue budget and those risks have been appropriately mitigated.

8.4 An assessment of funding framework for local government and its impact on the Council's finances:

- a. The settlement figures provided in the budget are based on the final settlement.
- b. The Executive's proposals do not breach the 'excessiveness' principle for 2023/24, where a local referendum is required for any Council tax increase of 3% or more than 3%.
- c. Appropriate assessment has been made of likely levels of debt impairment provision when determining the local Council tax base.

## 9. **RISK ASSESSMENT**

The major risks to which the Council are exposed are set out below:

### 9.1 **Business rates volatility**

Changes to local government funding brought in from 2013/14 allow local authorities to retain an element of business rate growth. There remains an ongoing risk of volatility of business rates arising from unknown appeals and unanticipated fluctuations in collectible income from the business community. However, risk arises as the Council is required to firstly meet any reduction in business rates and secondly, to comply with national business rate policy and government guidance, the accounting arrangements are complex. In 2013/14, the general reserve was increased to £1.379m in recognition of potential risk from a significant loss of business rates. Furthermore, the reserves strategy 2015/16 saw the creation of a business rates volatility reserve to ensure the “smoothing out” of accounting fluctuations. It is now also key to mitigate against funding volatility as part of the future business rates and fair funding review. The budget position for 2023/24 reflects a realistic assessment as at February 2023.

### 9.2 **Utilisation of reserves**

Taking into account known commitments, anticipated risks and lack of affordability to set aside or replenish strategic reserves the forward forecast suggests it is less likely that reserves will be available for future use in this way. However, the position will be kept under review in the light of emerging and changing conditions.

### 9.3 **Partnerships**

As a result of changes to the Councils’ business model, key services are no longer directly delivered by the Council but through partnership including the Leisure Trust, Urbaser Waste Management and the Liberata Partnership, forecast to account for £7.87m or 12.8% of Council gross spending in 2023/24. These partnerships are intended to deliver transformational change in the way that services are provided to our customers within a reduced cost base. The Council continues to work closely with our partners in ensuring effective delivery and will continue to monitor performance to mitigate any potential risks and issues that emerge.

### 9.4 **Workforce**

The approved budget for 2023/24 includes a vacancy factor of £169k recognising a normal lag period of appointment to vacant posts of three months. For 2023/24 this represents 1.6% of the staffing budget for 226 fte’s. Clearly to ensure a balanced budget for 2023/24 the expectation would be a continuation of this policy unless exceptional and business critical circumstances prevail. The vacancy factor as is current practice will be monitored throughout 2023/24.

### 9.5 **Capital Receipts**

The delivery of the capital programme relies on capital receipts being generated to fund new developments. The forecast of capital receipts is based on anticipated sales at the time the programme is prepared. Whilst the Council has sufficient capital receipts to deliver the capital programme for 2023/24, from 2024/25 onwards capital receipts are



forecast to be insufficient to deliver the forward capital programme. This will require significant re-prioritisation of future schemes. The Council needs to ensure that it maximises the opportunity to generate capital receipts and has the ability to respond effectively and promptly to unforeseen or major capital works specially to respond to health and safety or public protection matters and commercial opportunities. Progress on the generation of capital receipts will be monitored during 2023/24.

#### **9.6 Possible litigation and uninsured risks**

During the normal course of business, the Council operates in an environment where there is an underlying risk arising from contractual obligations and uninsured risks. In the event that liabilities emerge during the course of the year the Council will assess impact including disclosure as contingent liabilities or provisions. We will further assess, following robust challenge, whether these liabilities will be an obligation on the Council for which resource is required. Where possible the Council will seek to set aside resources subject to affordability within a reduced funding context.

#### **9.7 Public sector risks**

Increasingly, the Council is finding itself in the position of reduced contributions as austerity measures continue to impact on other public sector partners. In the event that issues emerge they will be factored within the overall budget monitoring position.

#### **9.8 Changes to local government funding**

As part of the announcement of the provisional local government settlement for 2018/19 in December 2017, government announced a consultation; *“Fair funding review: a review of relative needs and resources.”* The review was put on hold during the pandemic. Government announced, as part of the 2023/24 budget settlement, that the fair funding and business rates reviews will be delayed until at least 2025. This will define new relative needs of authorities for 2025/26 onwards and the change to the business rates retention scheme and other changes. This will have an effect on the overall funding that this authority receives. This uncertainty on funding going forward represents a key risk for this Council.

A revaluing of rateable values has taken place and is based on property values as at 1<sup>st</sup> April 2021. The new system is to be implemented from 1<sup>st</sup> April 2023. The impact on the baseline funding level has been incorporated into the 2023/24 budget.

#### **9.9 Pensions**

Payment rates and performance of investments in the Lancashire County Pension Fund are assessed for this authority every three years, with the latest valuation occurring in 2022 which determines payment rates and values of assets and liabilities from 2023/24 onwards. Following the valuation there was a significant reduction in payments required by the Council for its assessed deficit in the fund. In fact, the valuation has resulted in the fund going into a surplus position. Following the 2019 valuation, a Pensions Reserve was created and it was agreed to transfer £350k per annum over the financial years 2020/21 to 2022/23 to provide a funding for any increase in contributions as a result of the 2022 valuation. The reserve would provide funding over a transitional period to reduce the impact any increase would have on the Council's revenue budget. As the 2022 valuation has resulted in a further reduction it is proposed to retain the balance in the Pension

Reserve for the 2025 valuation. This is a key risk area and is covered extensively in accompanying budget reports. It is essential for this authority to ensure the pension fund is sustainable for its members, as is the Council's responsibility, and the significant volatility of payments and performance of the pension fund are assessed with action taken on an on-going basis.

#### 9.10 **Covid-19 and Cost of Living Crisis**

The impact of the Covid-19 pandemic and the Cost-of-Living Crisis on the 2023/24 budget and future years is unknown. However, during 2022/23 we have seen income from fees and charges return towards pre-pandemic levels. The Council will continue to monitor the position throughout 2023/24. A Covid Reserve was created in 2020/21, later renamed the Covid and Cost of Living Reserve, to deal with any fluctuations in income and expenditure in future and to provide some additional resource that have arise.

#### 10. **ADEQUACY OF RESERVES 2023/24**

- 10.1 In assessing the adequacy of reserves, I have taken into consideration the forward forecast of reserves contained within the Medium-Term Financial Strategy which indicates that reserve levels for both strategic and general reserves are sufficient to mitigate any downside risks facing the Council during 2023/24.
- 10.2 The longer-term assessment of reserves required to meet known commitments and future risks facing the Council indicate strategic reserves to be significantly reduced, which include the effect of three major schemes (see paras 11.5 to 11.7).
- 10.3 This will impact on the Council's ability to deliver its strategic objectives over the medium term and careful consideration of their use should be made to ensure the Council obtains the most added value in their utilisation.
- 10.4 However, as part of budget decisions for 2023/24 and beyond there is a ten-year plan to contribute into the Council's Revenue Support Reserve to provide resilience for the Council. This began with a £100k contribution in 2019/20 and grows to a recurrent £200k from 2024/25 onwards.
- 10.5 A reserves strategy stating the purpose for which each reserve is held, managed and controlled is contained within the Medium-Term Financial Strategy recommended for approval by Council. However, I am satisfied that the level of reserves is sufficient for 2023/24.

#### 11. **FINANCIAL OUTLOOK**

- 11.1 The Council continues to be financially challenged over the medium term facing a budget gap of up to £2.1m or 12.1% by the end of 2027/28. The Council must continue to be focussed in maintaining its financial health by downsizing in a planned and sustainable way so that it is able to continue to operate as a going concern and maintain operational services. The Council entered into a strategic partnership that is delivering transformational change to customer services over the next few years including greater use of digitisation and providing inward investment. Savings arising from this partnership will contribute towards closing the budget gap, however further Council wide savings will be required through prioritisation, transformation and continuous improvement.

- 11.2 The financial forecast is based on indicative funding figures and will be subject to change. However, several scenarios have been presented in the Medium-Term Financial Strategy 2024/28. This Council will also influence the Fair Funding Review as far as possible, to attempt to ensure funding is representative of the Council's need. Possible changes in 2025/26, around the business rates retention scheme, fair funding reforms and other changes leave uncertainty on funding levels from that year onwards and represent a key funding risk.
- 11.3 The impact of the performance of the UK economy, and in particular regarding the uncertainties surrounding Brexit and the impact of the trade deal, could potentially affect future funding for the Council. This could take the form of lower funding levels available to local government, pressure on income and expenditure budgets and impacts arising from pressures on Business Rates and Council Tax funding in relation to the local economy. This will be monitored and factored into the Medium-Term Financial Strategy.
- 11.4 The Covid-19 pandemic and cost of living crisis has had a significant impact on both the Council and also businesses and residents within the borough. Significant Government intervention was received in 2020/21, continuing into 2021/22, in the form of business grants, furlough scheme and funding provided to local authorities to compensate for additional expenditure and lost income. The longer-term financial impact is not yet known, for example, the impact on council tax and business rates collection rates. The Government introduced a series of financial measures to assist local authorities and their residents and businesses during 2022/23.
- 11.5 As reported to Full Council in December 2018 this Authority commissioned two significant capital projects, namely the Pioneer Place development and the Sandygate Square Student Accommodation scheme. The Sandygate Square development is now complete and was open in time for the 2020/21 academic year. This scheme has been incorporated into the MTFS. A revised Pioneer Place scheme was later approved at Full Council in October 2021 and work started on site in January 2022. The Charter Walk shopping centre was advertised for sale by its owners in 2021 resulting in Full Council approving its acquisition in July 2021.
- 11.6 These developments require significant financial support from the Council, as well as taking on significant commercial risk over the lifetime of these projects (between 30 and 50 years). These schemes will also require significant use of reserves and will also see unprecedented amounts of borrowing – circa £48m. These present threats to the financial viability of the Council. However, in partial mitigation, various strategies have been put in place
- 11.7 These include contractual conditions for the Pioneer Place scheme, the retention of asset and property managers for Charter Walk, a strategy to build up reserves over the next 10 years to provide a buffer for budget pressures, specific reserves for all of these schemes to renew the assets and capture any over-performing income and recognition of limited capacity to take on other significant capital schemes.
- 11.8 The Council must remain proactive in its activity to deliver sustainable savings over the medium term if it wishes to remain a viable entity.

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

12. As set out in the report on the Revenue Budget for 2023/24, Capital Investment Programme 2023/24 to 2027/28 and Medium-Term Financial Strategy 2024/28 elsewhere on your agenda.

## **POLICY IMPLICATIONS**

13. None

## **DETAILS OF CONSULTATION**

14. None

## **BACKGROUND PAPERS**

15.
  - Revenue Budget – 2023/24
  - Capital Investment Programme 2023/24 to 2027/28
  - Medium-Term Financial Strategy – 2024/25 to 2027/28

## REPORT TO FULL COUNCIL



<b>DATE</b>	<b>22<sup>rd</sup> February 2023</b>
<b>PORTFOLIO</b>	<b>Resources &amp; Performance Management</b>
<b>REPORT AUTHOR</b>	<b>Vicky White, Strategic HR Manager</b>
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## Pay Policy Statement 2023

### PURPOSE

1. To seek approval for the Council's Pay Policy Statement which is required to be published prior to the end of March each year.

### RECOMMENDATION

2. That Full Council
  - approves this report and the attached Pay Policy Statement for 2023/24;
  - notes the Council's Gender Pay Gap report which is at Appendix H of the Pay Policy Statement

### REASONS FOR RECOMMENDATION

3. The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Pay Policy Statement must be approved by the Council in open forum, by the end of March each year and then be published on its website.

### SUMMARY OF KEY POINTS

4. The Pay Policy Statement sets out the existing approach to the remuneration of all posts within the Council. In particular it specifies certain mandatory requirements that must be detailed within the Statement. This refers to:
  - the pay structure of the Council and how it is set;
  - Senior Management Remuneration, providing details of the pay grade for posts defined as Chief Officer and the accompanying allowances;
  - the recruitment arrangements for a Chief Officer;
  - the relationship between the salaries of Chief Officers and other employees;
  - details of the lowest paid posts within the Council;

- employer's Pension Contribution details;
  - termination of employment payments.
5. The Localism Act includes five key measures that underpin the Government's approach to decentralisation, these being; Community rights, Neighbourhood Planning, Housing, General Power of competence and empowering cities and other local areas.
  6. The purpose of the Pay Policy Statement (PPS) is to ensure there is transparency on how pay and remuneration is set by the Council, for all of its employees and particularly for its most senior level posts.
  7. The Statement is reviewed annually and approved by Full Council prior to the end of March each year. National pay negotiations on pay rates for 2023/24 are yet to be agreed and are not incorporated into the Statement.
  8. The pay ratio of the lowest paid to the Chief Executive is 5.6 (6.0 in 2022/23) and the ratio of the lowest paid to the Chief Officer is 3.6 (3.6 in 2022/23).
  9. The Council considers it is important that a balance is struck to ensure it rewards managers appropriately for their responsibilities and to ensure it retains and attracts talented senior officers. The Council's head of service structure is 7 FTE posts. All head of service posts were reviewed and job evaluated in 2017 and salaries benchmarked by external independent advisers. Job evaluations are updated as roles change.
  10. The Restriction of Public Sector Exit Payments Regulations 2020 which introduced a cap on the total value of exit payments in the public sector of £95,000 were revoked in February 2021. However, HM Treasury have indicated that they will bring forward further reform in due course. Council policies and procedures will be updated accordingly once any further regulations are introduced.
  11. The updated Statement complies with the guidance issued by the Department of Communities and Local Government in Spring 2013.
  12. In addition to the Pay Policy Statement the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector organisations with 250 or more employees to publish information to demonstrate how large the pay gap is between their male and female employees. The data is calculated according to the requirements of the Equality Act 2010 and is based on the Council's workforce on 31<sup>st</sup> March each year.

At 31<sup>st</sup> March 2022 our workforce comprised of 56% male and 44% female employees. For the purposes of reporting the gender pay gap, all permanent and temporary employees are included in the total workforce figure of 217. The Council has decided to continue to report on the Gender Pay Gap although its workforce is less than 250.

The gender pay gap is different to equal pay. Equal pay relates to men and women receiving equal pay for equal work. Not meeting this requirement is unlawful. The Council operates job evaluation schemes to ensure that work of equal value is paid at the same rate.

The gender pay gap is a measure of any disparity in pay between the average earnings of males and females. The Council's mean pay gap is -1.72% and the median pay gap is -6.64%. The negative values means that, based on the calculations required for the

median Gender Pay Gap, our female employees are paid more than male employees. At 31<sup>st</sup> March 2021 the figures were mean 0.73% and median -6.62%. Both figures are below the national average, which are currently 13.9% and 14.9%.

Latest figures suggest that the median gender pay gap across the public sector is 15.9% and the figure across all industries in Lancashire is 13.3% with Burnley at -2.8%. The Council compares favourably with these statistics.

The Council will continue to apply its flexible working policies, anonymised recruitment processes, talent management and promote other learning and development programmes to ensure all employees have equal access for career development.

13. Unlike the gender pay gap, there is currently no legal requirement for organisations to report their ethnicity pay gaps. The Government did consult on mandatory reporting in 2018 and it was reported that they received an overwhelmingly positive response but they are yet to publish any regulations. However, in the absence of legislation, the Council believes that we should voluntarily compile ethnicity pay information as part of our approach to improve inclusion and tackle inequality in the workplace.

The Council's mean ethnicity pay gap at 31<sup>st</sup> March 2021 was -8.22% and the median was -5.93%. This means that our employees that identify as BAME receive, on average, a higher hourly rate than those identifying as white. It should be noted, however, that it is a relatively small number of employees in the comparison group as 7.37% of our employees are from the BAME community (the Borough population is was 12.6% but early indications from the 2021 census suggest that this has increased).

There are very few organisations currently publishing ethnicity pay data so it is difficult to carry out any analysis or comparison but we plan to develop our reporting in future. However, the latest ONS report published in 2020 suggests that the national median ethnicity pay gap is 2.3%

## **FINANCIAL IMPLICATIONS AND BUDGET PROVISION**

15. The pay and remuneration detailed within the Pay Policy Statement are all within the approved budget of the Council.

## **POLICY IMPLICATIONS**

16. The policies and appendices referred to in the Pay Policy Statement have previously been approved through Council procedures and in consultation with trade unions and are available on the Council's website. The job evaluation schemes used to establish the grades of posts have been agreed nationally with the trade unions and meet equality and human rights standards.

## **DETAILS OF CONSULTATION**

17. Trade Unions

**BACKGROUND PAPERS**

18. None

**FURTHER INFORMATION:**

**PLEASE CONTACT:**

**Vicky White, Strategic HR Manager  
Tel 01282 477124**

**ALSO:**





**CORPORATE POLICY AND GUIDANCE  
PEOPLE AND DEVELOPMENT**

# **Pay Policy Statement April 2023 - March 2024**

## **CONTENTS**

<b><u>SECTION</u></b>	<b><u>Page</u></b>
<b>Purpose of the Policy</b>	<b>3</b>
<b>Background</b>	<b>3</b>
<b>Legislation relevant to Pay and Remuneration</b>	<b>3</b>
<b>Pay Structure</b>	<b>4</b>
<b>Definitions</b>	<b>4</b>
<b>Chief Executive Remuneration</b>	<b>5</b>
<b>Chief Operating Officer Remuneration</b>	<b>5</b>
<b>Head of Service Remuneration</b>	<b>6</b>
<b>Recruitment of Chief Executive and Chief Officers</b>	<b>6</b>
<b>Salary upon Appointment</b>	<b>6</b>
<b>Performance-related Pay</b>	<b>7</b>
<b>Relationship between Chief Executive/Chief Officer Pay and other Employees</b>	<b>7</b>
<b>Lowest Paid Employees</b>	<b>7</b>
<b>Termination Payments</b>	<b>7</b>
<b>Employer Pension Contribution</b>	<b>8</b>
<b>Employee Pension Contribution</b>	<b>8</b>
<b>Re-employment / Re-engagement of former Chief Officers</b>	<b>8</b>
<b>Gender Pay Gap</b>	<b>8</b>
<b>Ethnicity Pay Gap</b>	<b>8</b>
<b>Publication of the Policy</b>	<b>9</b>
<b>Review of Pay Policy</b>	<b>9</b>
<b>Appendices</b>	<b>10</b>

## **BURNLEY BOROUGH COUNCIL**

### **PAY POLICY STATEMENT**

#### **Purpose of the Policy**

1. Under section 112 of the Local Government Act 1972, the Council has the “*power to appoint officers on such reasonable terms and conditions as the authority thinks fit*”. The purpose of the Pay Policy Statement is to:
  - maintain a transparent approach to the setting of the pay of the Council’s employees;
  - comply with the requirements of the Localism Act 2011, Section 38- 43 Pay Accountability

The policy details:

- the methods by which salaries of all employees are determined;
- the details of the remuneration of its senior employees, i.e. Chief Officers;
- the relationship between the salary of its Chief Officers and other employees.

#### **Background**

2. The Localism Act 2011 – (Chapter 8 - Pay Accountability) requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees.
3. This Statement will reflect where appropriate, relevant aspects of other already existing personnel policies, such as pay policies, which detail the Council’s agreements on pay for those employees both on the National Joint Council (NJC) and the Joint National Council (JNC) terms and conditions and whose jobs have been evaluated using national agreed job evaluation schemes. (Appendix B and C)
4. The Statement must be approved by Full Council, by the end of March each year and then be published on the Council’s website – [www.burnley.gov.uk](http://www.burnley.gov.uk)

#### **Legislation relevant to Pay and Remuneration**

5. In determining the pay and remuneration of its employees the Council will comply with all relevant employment legislation. This includes the Equality Act 2010 and the Part-time Regulations 2008. The Council will ensure there is no pay discrimination within its pay structures and that pay differentials can be quantified through the application of its job evaluation schemes. Under the Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 the Council will also publish information to demonstrate how large the pay gap is between male and female employees.
6. The Council operates the NJC Scheme for all posts not defined as a Chief Officer. In June 2017 the salary of the post of Chief Executive was re-assessed by utilising the external expertise of the North West Employers’ Organisation, which includes comparative benchmarking data from other local authorities and was unchanged. The posts of Chief Operating Officer and Head of Service have been evaluated using the Local Government Association’s Senior Manager Job Evaluation Scheme.

## **Pay Structure**

7. The Council adopts the national pay bargaining arrangements in respect of employees' remuneration and complies with the nationally negotiated spinal column points for all posts, with the exception being those senior level posts referred to within the Statement. This includes any revisions to the national pay spine, for example through agreed annual pay increases negotiated through collective bargaining between the national Employers and Trade Unions.
8. The current salary grades that the Council applies for all other posts are at Appendix A. The Council agreed in April 2013 that its lowest pay point would be either the Foundation Living Wage (FLW) or the lowest pay point on the Council's pay scale (scp3), whichever is the higher and this will continue to be the case.
9. The pay and grading structure for the majority of posts, including other pay related allowances, was established as part of the NJC Pay Policy approved by Council in 2006, further revised in 2010, in 2013, 2016 and from April 2019. This Policy was developed as part of the Council's approach to the job evaluation of posts and the harmonisation of key terms and conditions of employment. Since 2006 all newly created posts and post variations are subject to evaluation against the nationally agreed Job Evaluation Scheme. The current policy is at Appendix B.
10. The pay and grading structure for Chief Officers, other than the Chief Executive, is made up of four bands with a single pay point in each band. In establishing the salary structure for Chief Officers, the Council applied the nationally agreed Senior Manager Job Evaluation Scheme and referred to the most relevant median salary, in terms of local authority population and type, as required under the Chief Officer terms and conditions of employment. It sought and received independent external advice on the relevant pay data to be used from the Local Government Association.
11. On occasion, it may be necessary to take account of external pay levels in the labour market in order to attract and retain employees with particular skills, knowledge and experience. On such occasions the Council will ensure the requirement for such is objectively justified by reference to clear and transparent evidence of relevant market comparators, using data sources available from within the local government sector and outside, as appropriate. Any supplement that would take a salary above £100,000 would require the approval of Full Council.

## **Definitions**

12. The Localism Act 2011 refers to the position of Chief Officer defined as: the Head of Paid Service; Statutory Chief Officers; non-statutory Chief Officer posts and their direct reports (Deputy Chief Officers). It should be noted that this definition is very broad, and takes account of Metropolitan and County Councils as well as District Councils.
13. It is considered that the posts the term 'Chief Officer' applies to at Burnley Council, in relation to the Localism Act 2011 are; Chief Executive, Chief Operating Officer (1 post) and Head of Service (7 posts).
14. Remuneration is defined as the pay and rewards an individual receives.

## Chief Executive Remuneration

15. The appointment and employment terms relating to the Chief Executive were agreed at a meeting of Full Council on 6<sup>th</sup> September 2017. An independent review of the role and the remuneration package was undertaken prior to the advertisement for this post. This review involved obtaining external guidance and advice from North West Employers' Organisation. As a result of this review the salary for the post was unchanged. The Chief Executive is also entitled to reimbursement of one professional subscription fee per annum
16. The post of Chief Executive is paid on a single pay point of £118,151 (from April 2022). Additional allowances can be paid in relation to the role of Returning Officer and Electoral Registration fees (see para 17).

17. Returning Officer and Electoral Registration Officer fees for various elections and referendums

In accordance with the national agreement the Chief Executive is entitled to receive and retain the personal fees arising from performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Return Officer and similar positions which he or she performs subject to the payment of pension contributions thereon, where appropriate.

For local elections the fees and charges have been set in consultation with other authorities in Lancashire.

Fees for Returning Officer and other electoral duties are identified and paid separately for local government elections, elections to the UK Parliament and EU Parliament and other electoral processes such as referenda. As these relate to performance and delivery of specific elections duties as and when they arise, they are distinct from the process for the determination of pay for Chief Officers.

The other terms and conditions of service relating to this post are in accordance with the Joint Negotiating Committee for Chief Executives of Local Authorities.

Any other allowances relating to the post are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

## Chief Operating Officer Remuneration

18. There is one post of Chief Operating Officer:
19. The post of Chief Operating Officer is paid on a single pay point of £94,028 (from April 2022) at Band 1 of the Chief Officer grading structure, as determined by the Senior Manager Job Evaluation Scheme.
20. The Chief Operating Officer also receives reimbursement of one professional subscription fee per annum.
21. Additional allowances may arise from personal fees for performing the duties of Returning Officer, Acting Returning Officer, Deputy Returning Officer or Deputy Acting Return Officer and similar positions as detailed in paragraph 17 above. The roles are currently appointed to by the Returning Officer prior to each election, or in the case of the Returning Officer, by full Council.

22. The other terms and conditions of service relating to these posts are in accordance with the Joint National Council for Chief Officers of Local Authorities. Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

### Head of Service Remuneration

23. The Council has 7.0 FTE head of service posts. Heads of Service report to either the Chief Executive or the Chief Operating Officer. These are shown on the chart at Appendix D.
24. The post of Head of Service is paid on a single pay point at either Band 2a or Band 3 of the agreed pay structure as shown below. The banding was determined by the Senior Manager Job Evaluation Scheme. April 2023 salaries are subject to a national pay award if one is agreed.

	April 2020	April 2021	April 2022	April 2023
Band 1	£90,741	£92,103	£94,028	£94,028
Band 2a	£74,535	£75,654	£77,579	£77,579
Band 2b	£63,207	£64,155	£66,080	£66,080
Band 3	£57,909	£58,779	£60,704	£60,704

25. Additional Allowances for Head of Service posts are:

Reimbursement of one professional subscription fee per annum – Heads of Service are eligible to apply for reimbursement of professional fees where these are essential to their role.

Deputy Returning Officer - If these duties are undertaken by any Head of Service additional allowances are payable as described in paragraph 17 above. The role is currently appointed to by the Returning Officer prior to each election.

Emergency Planning Allowance – the lead officer for Emergency Planning matters (currently the Head of Streetscene) shall be awarded an allowance of £2,700 per annum to recognise their role in leading and co-ordinating the emergency planning response within the Council. The allowance shall be applicable from April 2022 and shall be reviewed every two years.

26. The other terms and conditions of service relating to these posts are in accordance with the Joint National Council for Chief Officers of Local Authorities.

Any other allowances relating to the posts are the same as for all other posts within the Council, for example, reimbursement of fuel expenditure from business travel.

### Recruitment of Chief Executive and Chief Officers

27. Under Section 112 of the Local Government Act 1972, the Council has the “*power to appoint officers on such reasonable terms and conditions as the authority thinks fit*”. Where there is a requirement to recruit to the post of Chief Executive or a Chief Officer, the Council’s Constitution, Section 4.8 will apply. Details are at Appendix E.

## Salary upon Appointment

28. Under normal circumstances, all new appointments to the post of Chief Executive will be made at a salary level reviewed and agreed by Full Council after external advice has been received. Chief Officer appointments will be made at the agreed single pay point. Any variance to these provisions will be subject to an analysis of the objective reasons for doing so and the approval of Council.

## Performance-Related Pay

29. The Localism Act 2011 requires Councils to provide details of any performance related pay for its Chief Officers however Burnley Borough Council does not have any such arrangements.

## Relationship between Chief Executive/Chief Officer Pay and other Employees

30. The relationship between the salaries of the Chief Executive and Chief Officers and the NJC median salary and the lowest paid salary are:-

Post	Benchmark Salary	Ratio
Chief Executive salary	median salary	3.7
Chief Officer salary	median salary	2.3
Chief Executive salary	lowest salary	5.6
Chief Officer salary	lowest salary	3.6

### From April 2022

Chief Executive salary, £118,151

Chief Officer salary £74,598

Median salary = £32,020 – scp25

Lowest salary on pay spine = £20,812 scp3

Lowest employee salary – Grade 3 £21,189

## Lowest Paid Employees

31. The Council complies with the National Joint Council – Pay and Conditions of Service. The NJC Pay Policy details the Council's lowest grade is Grade 2 at national pay point 3 (£20,812), the Foundation Living Wage for the financial year 2022/23 being £18,713. This does not include apprentice grades.

Progression through grades other than Grades 2 & 3 occurs through the payment of an additional annual increment on 1st April, each year. Part-time posts are paid the same salary, but on a pro-rata basis. Currently Grade 3 is the lowest grade paid to contracted employees. There are four career graded posts in the organisation that commence at Grade 3.

## Termination Payments

32. The Council's Redundancy Policy applies equally to all permanent employees regardless of their grade. A redundancy payment will be paid to an employee when their post is made redundant and there are no suitable redeployment opportunities. The Redundancy Policy is at Appendix F.

33. For all permanent employees where there is the option for early retirement, the Council's Statement of Pensions Policy will apply (Appendix G). This Policy is only used on those occasions when there can be demonstrated savings to the Council in releasing an employee early.
34. The Restriction of Public Sector Exit Payments Regulations 2020 which introduced a cap on the total value of exit payments in the public sector of £95,000 were revoked in February 2021. However, HM Treasury have indicated that they will bring forward further reform in due course. Council policies and procedures will be updated accordingly once any further regulations are introduced.

### **Employer Pension Contribution**

35. The Council contributes to the Local Government Pension Scheme for its employees who are members of the Scheme which is 17.6% of an employee's salary (from April 2020). This rate of contribution is set by actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.
36. Employees in the Local Government Pension Scheme currently pay the following contributions based upon their salary:

Band	Actual Salary	Employee Contribution %
1	up to £15,000	5.50
2	£15,001 - £23,600	5.80
3	£23,601 - £38,300	6.50
4	£38,301 - £48,500	6.80
5	£48,501 - £67,900	8.50
6	£67,901 - £96,200	9.90
7	£96,201 - £113,400	10.50
8	£113,401 - £170,100	11.40
9	more than £170,101	12.50

### **Re-employment / Re-engagement of former Chief Officers**

37. The Council currently has no policy that would prevent the re-employment or re-engagement of a former Chief Officer who has received a redundancy payment and is subsequently engaged in a contract for service. Any decision to re-engage a former Chief Officer must be approved by the Chief Executive.

### **Gender Pay Gap**

38. Burnley Council's mean pay gap -1.72%, the median is -6.62% based on analysis at 31<sup>st</sup> March 2022. Latest figures suggest that the median gender pay gap across the public sector is 15.9% and the figure across all industries in Lancashire is 13.3% with Burnley at -2.8%. Details are provided in Appendix H.

### **Ethnicity Pay Gap**

39. Unlike the gender pay gap, there is currently no legal requirement for organisations to report their ethnicity pay gaps. In the absence of legislation, the Council believes that we should voluntarily compile ethnicity pay information as part of our approach to improve inclusion and tackle inequality in the workplace  
The Council's mean ethnicity pay gap at 31<sup>st</sup> March 2022 was -8.22% and the median was -5.93%.



### **Publication of the Policy**

40. This Policy will be published on the Council's website in March 2023, following its approval by the Council in February 2023.

### **Review of Pay Policy**

41. The Policy will be subject to annual review and must be approved by the Council prior to 31st March each year. If there is a need to amend the Policy between reviews, then any such amendments will be considered by the Executive, prior to approval by the Council.

**Appendix A - NJC Pay Spine from April 2022**

	SCP	£ per annum	£ per hour
Grade 2	3	£20,812	£11.01
Grade 3	4	£21,189	£11.21
Grade 4	5	£21,575	£11.41
	6	£21,968	£11.62
Grade 5	7	£22,369	£11.83
	8	£22,777	£12.05
	9	£23,194	£12.27
	N/A	£23,620	£12.50
	11	£24,054	£12.73
Grade 6	12	£24,496	£12.96
	N/A	£24,948	£13.20
	14	£25,409	£13.44
	15	£25,878	£13.69
	N/A	£26,357	£13.94
	17	£26,845	£14.20
Grade 7	N/A	£27,344	£14.47
	19	£27,852	£14.74
	20	£28,371	£15.01
	N/A	£28,900	£15.29
Grade 8	22	£29,439	£15.57
	23	£30,151	£15.95
	24	£31,099	£16.45
Grade 9	25	£32,020	£16.94
	26	£32,909	£17.41
Grade 10	27	£33,820	£17.89
	28	£34,723	£18.37
Grade 11	29	£35,411	£18.73
	30	£36,298	£19.20
	31	£37,261	£19.71
Grade 12	32	£38,296	£20.26
	33	£39,493	£20.89
Grade 13	34	£40,478	£21.41
	35	£41,496	£21.95
	36	£42,503	£22.49
Grade 14	37	£43,516	£23.02
	38	£44,539	£23.56
Grade 15	39	£45,495	£24.07
	40	£46,549	£24.63
	41	£47,573	£25.17
	42	£48,587	£25.70
	43	£49,590	£26.24



**CORPORATE PERSONNEL POLICY AND GUIDANCE  
PEOPLE AND DEVELOPMENT**

# **NJC Pay Policy**

For employees on National Joint Council (NJC) terms and conditions and/or whose jobs have been evaluated using the NJC Job Evaluation Scheme.



## **NJC PAY POLICY**

### **Introduction**

This policy should be read alongside the Council's Pay Policy Statement, which is reviewed annually and the purpose of which is to:

- maintain a transparent approach to the setting of the pay of the Council's employees;
- comply with the requirements of the Localism Act, Section 38 – Pay Accountability

The statement details the methods by which salaries of all employees are determined; the details of the remuneration of its senior employees, i.e. Chief Officers and the relationship between the salary of its Chief Officers and other employees.

### **Background**

The Council complies with the National Joint Council – Pay and Conditions of Service subject to changes agreed locally in consultation with recognised trade unions.

The Pay Policy 2006, developed following a job evaluation exercise, created a 14 grade structure, each grade based on a job evaluation point range.

The grade structure was amended in April 2013, April 2016 and, following the agreement of the National Employers and trade unions in April 2019.

The changes in 2019 included a new, renumbered national pay spine with absorbs the impact of the National Living Wage. The new pay spine is numbered 1-43 but the Council's lowest pay point will be SCP3.

As part of the implementation of the new pay spine the Council agreed that the 5 new pay points will be "fallowed" in order to reduce the impact on the agreed 13 grade structure. The Council will continue to apply the Foundation Living Wage as its lowest pay point for employees or SCP3, whichever is the higher.

Pay points 1 and 2 on the new pay spine and the "fallowed" pay points 10,13,16,18 and 21 may be brought into use in future to support further agreed changes to the grading structure as required or to support apprenticeships and or traineeships.

For employees of the Council progression through grades with more than one pay point occurs through the payment of an additional annual increment normally on 1st April, each year until the top of the grade is reached. Part-time posts are paid the same salary, but on a pro-rata basis.

## 1. Working Week

The local agreement for normal working hours is as follows:

- The normal working week will be Monday to Friday.
- The normal working day will be within the hours of 7.30 am and 6.30 pm.

## 2. Definitions:

**Weekends:** Working Saturday and/or Sunday is part of the normal working week.

- Shifts:**
- The total period covered by the shifts is 11 hours or more
  - There are at least 4 hours between the starting time of the earliest and latest shifts
  - The number of “normal office hour” shifts does not exceed one half of the total number of shifts in the rota.

**Irregular Hours** As part of the normal working week an employee’s hours of work during Monday to Friday fall outside the period 1 ½ hours before and/or 1 ½ hours after the Council’s normal office hours

**Evenings** Working beyond 8pm is part of the normal working week

## 3. Enhancements

- (a) Employees who work shift, weekend, irregular hours or evenings will be paid a flat fee on top of their basic salary based on the following formula:

<b>Percentage of enhanced working hours</b>	<b>Percentage of Total Annual Payment</b>	<b>Annual Payment (£) Paid pro-rata to working hours</b>
Less than 1%	0%	0.00
2 – 5%	33.33%	200.00
6 – 10%	66.66 %	400.00
Over 10%	100.00%	600.00

- (b) Employees who work between 1am and 6am as a regular part of their job will be paid an additional 100% for the hours worked between 8pm and 6am. Employees in this group do not qualify for payments in (a).
- (c) Employees who work 3 weekends out of 4 and work beyond 7pm at weekends and work between 8pm -11pm as a regular part of their job will receive an additional 10.5% on all hours worked. Employees in this group do not qualify for payments in (a)
- (d) As part of the local agreement on enhancements employees are provided with 1 days’ additional leave at Christmas. Employees will also contribute 1 day of annual leave, thereby facilitating full closure at Christmas. In years where 3 days are

required to facilitate a full closure, (2 in 7) the Council will provide this additional day.

#### 4. **Overtime**

Overtime will be paid at the following rates:

- Mon – Sat 33.3%
- Sunday 50%

Overtime rates only apply after 37 hours have been worked.

All Time of in Lieu (TOIL) will be calculated at the same rate as overtime.

#### 5. **Bank Holidays**

Employees working on a Bank Holiday will be paid at 50%. In addition to the payment time off with pay shall be allowed as follows:

Time worked less than half the normal working hours on that day: Half Day

Time worked more than half the normal working hours on that day: Full Day

#### 6. **Standby and Callout**

The Council's Standby and Callout Policy applies to all employees who are called upon to attend work in respect of emergency arrangements. Please refer to the policy for details.

#### 7. **Professional fees**

Employees are able to claim back their fees for membership of a professional body where it is determined by the Head of Service that it is essential for the role.

#### 8. **Market Supplements**

Pay is an important element in recruitment and retention, and if the Council is significantly and demonstrably below the market and unable to recruit or retain appropriate staff, then market supplements will be considered.

Market supplements will be used in a manner that:

- Helps preserve the integrity of the grading system
- Is fair and transparent
- Is consistent with equal opportunities policy and equal pay considerations

Market supplements will normally be considered where there is difficulty recruiting staff following an external advertisement or a risk assessment indicates potential retention difficulties. There would need to be investigation and analysis by the manager and People and Development to be sure that pay is the critical factor. There could be other reasons why people do not apply (e.g. hours of work, location, nature of the work, not advertising in the correct press). Consideration may also need to be given to amending the person specification of the post.

A market supplement will also be considered if retention problems are being encountered either for a job family or an individual key post. Again, it is important to investigate the reasons for retention difficulties to establish that pay is the principal and primary reason. There could be many other factors, such as staff not being able to make full use of their skills, working conditions, career development, management or training and development opportunities.

The market with which a comparison is being made will need to be carefully established. If comparison is being sought with the private sector, then the total recruitment package should be compared. A private sector company may have a higher salary but other conditions may not be as attractive, e.g. hours of work, pension, access to training and development opportunities, etc.

Where possible a reliable, reputable salary survey will be used as a comparator rather than specific jobs from other sources although these can be added to build up a comprehensive set of comparative data. The National/Regional Employers Organisation will be used as a key source, supplemented by other means. Where data is not readily available People and Development colleagues will advise on the process for assembling comparative data.

Care should be taken to compare like with like (i.e. just because a job has the same title, the job content, responsibilities and remit could be vastly different).

### Market Supplement Procedure

Where a manager has severe recruitment or retention difficulties, s/he should discuss these with People and Development who will advise on a range of options to investigate and to solve the difficulties. These could include —

### Recruitment

- advertise in different press
- advertise in different area
- change the advertisement
- redesign the job
- consideration of flexibility over hours of work
- part-time / job share
- a survey of the people who apply for a recruitment pack but who do not convert to applicants
- a salary survey

### Retention

- making better use of staff skills
- career development
- up-to-date IT
- distribution of work in the office
- flexible work arrangements
- learning from results of exit interviews

If consideration of other factors is unlikely to resolve the problem and a survey of salaries shows that Burnley Council pay is below the appropriate market, then an application to pay a market supplement should be made to the Strategic HR Manager or designated substitute, who will

consult with the Chief Operating Officer and the Executive Member for Resources and Performance Management and the appropriate trade union Officers. The Finance and Property service unit should also be consulted to cost the proposal and the head of service must be able to identify the resources to meet the cost of the market supplement.

The market supplement will not normally exceed 4 increments.

The head of service must consult the trade union on the proposal prior to the formal application and may wish to work with service unit trade union representatives in assembling or researching data on comparative salaries.

If the post is one of a number of posts having identical duties, the market supplement will be applied to staff currently in post.

The market supplement will be superannuable and clearly distinguishable from basic pay. A review mechanism will be implemented where appropriate. If a further salary survey shows that there is no longer a pay differential, this will justify the removal of the supplement.

If the market supplement is withdrawn, it will reduce on a phased cash basis (i.e. gross pay would reduce by £500 per annum over a period until the market supplement is withdrawn completely).

If, after a successful job evaluation appeal, the grade of the post is increased the supplement may be adjusted to ensure that the market rate is not exceeded.

#### **Other linked Policies and Procedures**

Stand By and Call Out Payments Policy

Pay Protection Policy

Relocation Allowances Policy

Long Service Awards

Honoraria payments

Job Evaluation Request for Review Procedure

Subsistence Allowances

Car mileage rates

J:/Shared/Personnel Manual/NJC Pay Policy  
February 2023





**CORPORATE PERSONNEL POLICY AND GUIDANCE  
PEOPLE AND DEVELOPMENT**

# **Pay Policy**

**JNC for Chief Officer of Local Authorities  
Constitution and Conditions of Service Salaries**



## **CHIEF OFFICER PAY POLICY**

### **1. Introduction**

The terms and conditions of employment of the Council's Chief Officers are determined nationally by the Joint Negotiating Committee for Chief Officers of Local Authorities, as detailed in the Constitution Condition of Service Salaries.

Pay levels do not directly depend on national negotiations. They are locally determined and operated with the intention of sustaining and continuously improving high performance outcomes from the top of the organisation.

### **2. Scope**

This policy applies specifically to the paid remuneration of those Council employees employed on Chief Officer terms and conditions. Except where referred to in this policy or the Constitution Condition of Service Salaries, Chief Officers shall enjoy terms and conditions no less favourable than those afforded to National Joint Council (NJC) conditions.

### **3. Aims**

The aims of this policy are to:

- promote fairness and equality;
- encourage cross organisational working;
- ensure pay levels are affordable and responsive to market pay rates;
- provide effective resourcing capacity for Chief Officer posts in order to deliver the Council's priority outcomes.

### **4. Determining Individual Salaries**

The relative job size of each post is determined through an agreed job evaluation scheme, supported by independent assessors.

The Council agreed in 2011 to use the nationally agreed Local Government Employers JNC Job Evaluation Scheme which assesses jobs in the areas of knowledge, analysis and planning, impact and responsibility for resources.

Job questionnaires are completed and authorised for each job role and are individually evaluated. The resulting total points score will determine the salary level for each post as assessed against the Council's agreed salary structure for Chief Officers.

### **5. Appeals**

A Chief Officer who is not satisfied with their resulting job evaluation score should set out the grounds for his/her appeal under the relevant job evaluation factor.

#### Step 1

The employee will discuss their appeal with the Chief Executive (Chief Operating Officer) or the Chief Operating Officer (Heads of Service), supported by the Strategic HR Manager. The employee is entitled to representation from a work colleague or trade union representative.

## Step 2

If the concerns are not settled or withdrawn the matter will be referred to an independent expert in the scheme for an independent view of the factor concerned.

The decision of the external review will be final. Chief Officers must wait a minimum of 12 months before submitting a further request for review.

## **6. Salary Structure**

When establishing or reviewing the salary structure for Chief Officers the Council will refer to the most relevant median salary in terms of local authority population and type. The Council will seek independent external advice on the relevant pay data to be used.

The median of the relevant benchmark pay data will normally be appropriate although pay levels may be assessed above or below the median taking account of external independent advice.

The pay rates do not take account of market factors. This is dealt with under the paragraph on Market Supplements.

In determining the pay structure other factors which may be taken into account include:

- Chief Executive's salary;
- special market / economic conditions;
- relationship of current salary levels to national median salaries;
- the management team structures compared to authorities of a similar structure and size;
- the size of each job as objectively assessed through a job evaluation scheme.

The salary structure (from April 2020) is made up of four bands with a single pay point in each band:

- Band 1 JE Score 1501 and above
- Band 2a JE Score 1301 - 1500
- Band 2b JE Score 1101 – 1300
- Band 3 JE Score 901 - 1100

The salary in each pay band from April 2022 is as follows:

- Band 1 Chief Operating Officer £94,028 (average minimum)
- Band 2a Heads of Service £77,579 (average minimum)
- Band 2b Heads of Service £66,080 (based on median plus 7.5%)
- Band 3 Heads of Service £60,704 (based on median plus 7.5%)

Median pay levels will normally be monitored and independently reviewed every 3 years. The Council will be advised where the salary levels are significantly above or below the median for comparable local authorities as defined above.

## **7. Hours of Work**

The normal week is 36.25 hours Monday to Friday. The normal working day is within the hours of 7.30 am and 6.30 pm. However the status of Chief Officer requires postholders to accept a high level of flexibility in the performance of the duties and responsibilities attached to the job role. Therefore the salary agreed takes account of the fact that Chief Officers will be required to attend meetings and perform other duties relating to Council

business outside normal office hours. In circumstances where this is excessive some time off in lieu may be granted in consultation with the relevant line manager.

## **8. Honoraria**

The Council may consider granting an honorarium to a Chief Officer who performs duties outside the scope of his/her post over an extended period. The amount will be assessed in line with the salary structure and job evaluation scheme and will be subject to objective justification.

## **9. Pay Protection**

Pay protection will be limited to no more than one pay point above the existing Chief Officer salary level, subject to a maximum of £6,000 per annum on all pay bands. The Chief Officer will accept additional duties and responsibilities beyond the scope of the lower graded job description up to the value of the protection and will continue to seek employment within the Council at a higher grade when this becomes available so the cost of protection is reduced.

Protection will be on the following basis:

- Year 1 – 100% cash protection\*
- Year 2 – 66% protection.
- Year 3 – 33% protection
- Year 4 and beyond – no protection.

\*Cash protection means that pay is frozen at the time of redeployment with no further annual pay rises being paid. The percentages referred to are of the difference between the pay in the old and new job.

## **10. Market Supplements**

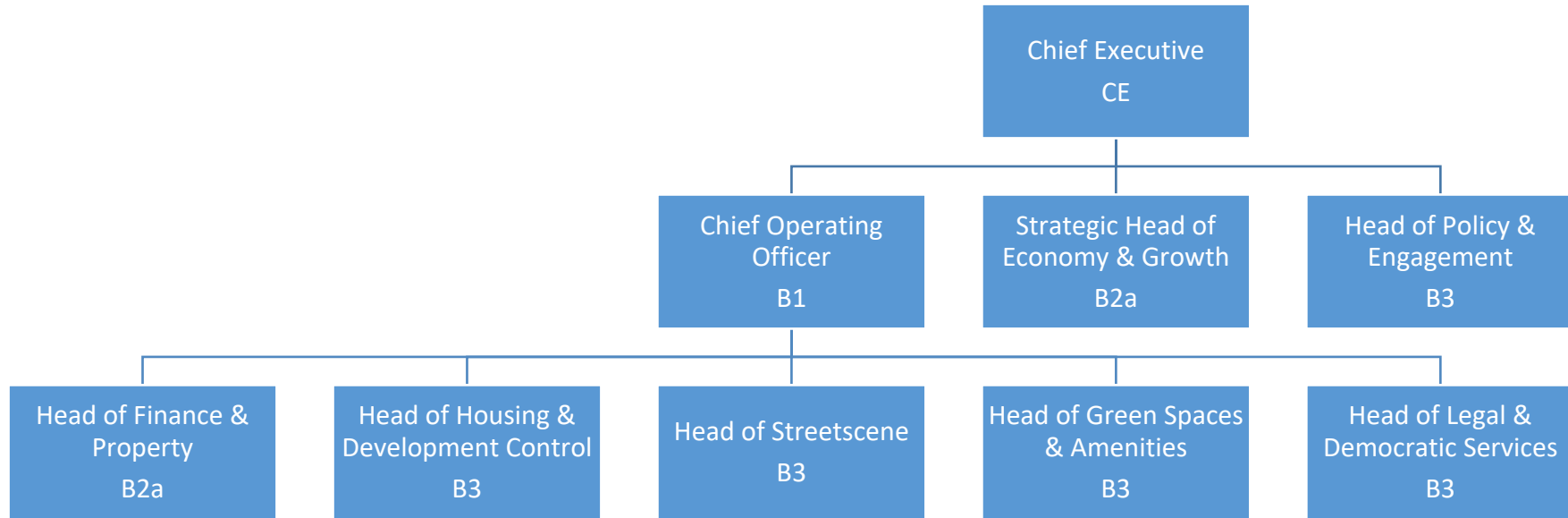
Pay is an important element in recruitment and retention, and if the Council is unable to recruit or retain a Chief Officer then a market supplement may be considered.

Market supplements will be used in a manner that:

- helps preserve the integrity of the salary structure;
- is fair and transparent;
- is consistent with equal pay considerations.

A market supplement or retention payment will normally be considered where there is difficulty recruiting a Chief Officer following an external advertisement or a risk assessment indicates potential retention difficulties. There would need to be investigation and analysis by the Chief Executive/Chief Operating Officer and Strategic HR Manager supported by the Head of Finance and Property and external, independent advice.

Any additional payments would require the approval of the Council following receipt of appropriate advice, together with agreed mechanisms for the review and removal of the supplement.



Page 257

At April 2023	Band 1 Chief Operating Officer	1
	Band 2a Heads of Service	2
	Band 3 Heads of Service	5

## Officer Employment Procedure Rules

### 1. Recruitment and appointment

The Council will follow its approved recruitment and selection procedures, including the preparation of job descriptions, person specifications and advertisements, when seeking to make officer appointments.

As part of the recruitment procedure the Council will make arrangements for a copy of the following declaration to be included in the recruitment information sent to all applicants:

*'Under the Local Government Act 2000 you must declare in writing whether you are the parent, grandparent, partner, child, stepchild, adopted child, grandchild, brother, sister, uncle, aunt, nephew or niece of an existing Member or officer of Burnley Borough Council; or the partner of such persons.*

*No candidate so related to a Member or officer will be appointed without the authority of the relevant chief officer or an officer nominated by him or her'.*

Applicants will also be advised that the Council will disqualify any applicant who seeks the support of any Member for any appointment with the Council.

No Member will seek support for any person for any appointment with the Council.

### 2. Recruitment of Chief Executive/ Head of Paid Service and other officers on JNC Terms and Conditions.

Where the Council proposes to appoint the Chief Executive/Head of Paid Service or any other officer on Joint Negotiating Committee for Local Authority Chief Executives and for Chief Officers of Local Authorities (JNC Terms and Conditions) it will prepare a job description, person specification and advert. Except where the position is to be advertised internally first the Council will make arrangements for the post to be advertised in such a way as to bring it to the attention of persons who are qualified to apply for it.

A committee of the Council, constituted as an Appointments Committee as set out in Paragraphs 4, 5 & 6, will be established to recruit the relevant Officers. The Strategic HR Manager, or in their absence the Chief Operating Officer, will be appointed as the Proper Officer for the appointment and will advise the Appointments Committees.

Members of the Executive will have the opportunity to raise objections to decisions about the appointments of senior officers i.e. those on JNC Terms and conditions.

### 3. Appointment of Chief Executive/ Head of Paid Service- by Full Council

The Full Council will approve the appointment of the Chief Executive/ Head of Paid Service following the recommendation on the appointment by the Appointments Committee as set out in Paragraph 4. That committee must include at least one member of the Executive.

4. **Appointment of Chief Executive/ Head of Paid Service**

The Appointments Committee will comprise:

Leader;

Deputy Leader;

Executive Member for Resources and Performance Management; and  
the Leaders of the two largest Opposition Groups.

Any of the above mentioned Appointment Committee members may nominate a substitute to take their place on the Committee.

Such substitute shall, save in the case of the Executive Member for Resources and Performance Management, be a member of the same political group as the member being substituted.

Any substitute nominated by the Executive Member for Resources and Performance Management shall be a member of the Council's Executive.

5. **Appointment of officers on JNC Terms and Conditions (other than the Chief Executive or Heads of Service) – i.e. Chief Operating Officer.**

The Appointments Committee will comprise:

Leader or Deputy Leader

Relevant Executive Member

Chair (Vice Chair as sub) of the Scrutiny Committee

Chief Executive

If, by the application of these Rules the membership of the Committee does not include at least one Member of an opposition group, then the Leader of largest opposition group (or their nominee) will be substituted for the Scrutiny place on the Committee.

6. **Appointment of officers on JNC Terms and Conditions (other than the Chief Executive/ Head of the Paid Service or Directors) – i.e. Heads of Service**

The Appointments Committee will comprise

Leader or Deputy Leader,

Relevant Executive Member; and

Chief Executive and/or Chief Operating Officer

Whichever of the Leader or Deputy are to be on the Appointments Committee, if they are also the Relevant Executive Member then another member of the Executive should be appointed to make up the three. The Chief Executive and Chief Operating Officer may both sit on the Committee if this is relevant to the responsibilities of the post.

7. **Other appointments**

Appointment of assistants to political groups shall be made in accordance with the wishes of the political group.



**PERSONNEL POLICY AND GUIDANCE  
PEOPLE AND DEVELOPMENT**

# **REDUNDANCY POLICY**

## **Procedure and Guidance**





## **CONTENTS**

<b>1. INTRODUCTION</b>	<b>2</b>
<b>2. SCOPE</b>	<b>2</b>
<b>3. CONSULTATION</b>	<b>2</b>
<b>4. DEFINITION OF REDUNDANCY</b>	<b>2</b>
<b>5. AVOIDING OR MINIMISING REDUNDANCY</b>	<b>2</b>
<b>6. PROCEDURE FOR THE MANAGEMENT OF REDUNDANCY</b>	<b>3</b>
<b>7. REDUNDANCY SELECTION</b>	<b>4</b>
<b>8. FORMAL NOTIFICATION OF REDUNDANCY</b>	<b>6</b>
<b>9. SUITABLE ALTERNATIVE EMPLOYMENT</b>	<b>6</b>
<b>10. EMPLOYEE SUPPORT AND ADVICE</b>	<b>6</b>
<b>11. RIGHT OF APPEAL</b>	<b>7</b>
<b>12. REDUNDANCY PAYMENTS</b>	<b>7</b>
<b>13. WITHHOLDING REDUNDANCY PAYMENTS</b>	<b>8</b>
<b>14. PAID LEAVE OF ABSENCE</b>	<b>8</b>
<b>15. GARDEN LEAVE</b>	<b>8</b>
<b>REDUNDANCY PROCEDURE QUICK GUIDE</b>	<b>9</b>
<b>Redundancy Selection Model.....</b>	<b>10</b>
<b>PROCEDURE FOR DEALING WITH REDUNDANCY APPEALS</b>	<b>11</b>
<b>REDEPLOYMENT POLICY</b>	<b>14</b>
<b>RETENTION AND REDEPLOYMENT DISABILITY, INJURY &amp; ILL HEALTH</b>	<b>19</b>
<b>PAY PROTECTION POLICY</b>	<b>24</b>

## **1. INTRODUCTION**

This document sets out the principles and procedures to apply where reductions in staffing levels, including compulsory redundancies, are required.

Burnley Borough Council aims to be an employer of choice and will take all reasonable steps to avoid redundancies. However it recognises that modernisation, service improvements, reorganisations and financial constraints or the need for particular knowledge and skills will affect staffing levels and therefore redundancies may become necessary.

Where this occurs, the Council is committed to minimising the effect and to providing reasonable support to those employees affected.

## **2. SCOPE**

This procedure applies to all Council employees. Where redundancy applies to Chief Officer grades then either the Chief Operating Officer or the Chief Executive will be responsible for the consultation. Separate consultation arrangements will apply for the Chief Executive.

## **3. CONSULTATION**

The Council believes in working positively with the recognised trade unions to resolve problems and minimise the impact on employees. Therefore consultations, including those with individual employees, will be timely and meaningful, and all positive suggestions given serious consideration. Consultation will take place as soon as practicable and notices will be issued only after meaningful consultation has taken place.

## **4. DEFINITION OF REDUNDANCY**

Redundancy is defined in law as a dismissal for one of the following reasons:

- the employer ceases, or intends to cease the business in which the employee was employed; or
- the employer ceases or intends to cease to carry on the business in the place where the employee was employed; or
- the requirement to carry out work of a particular kind has ceased or diminished or is expected to cease or diminish.

In cases where the service transfers to another provider, employees are not necessarily redundant and would normally transfer to another employer on their existing terms and conditions, commonly referred to as "TUPE" regulations (Transfer of Undertakings Protection of Employment).

## **5. AVOIDING OR MINIMISING REDUNDANCY**

The Council will take all reasonable steps to avoid or minimise redundancies. The strategy adopted may vary for each redundancy situation, but typically could include:

- job matching an employee to another post in the authority (see Job Matching Procedure)
- redeployment and retraining (See Redeployment Policy) ;
- achieving reductions through natural wastage;
- reviewing the use of agency or temporary staff;
- freezing external advertising and filling posts from existing employees;
- reviewing overtime working;
- reducing the hours of work:
- seeking voluntary reductions in working hours;
- seeking volunteers for early retirement / redundancy (ER/VR) where this can be justified in the financial or managerial interest of the Council.

NB Each request for ER/VR will be considered but it must be stressed that the overriding consideration will be the continued efficient running of the Council and the maintenance of a high quality skills base. Therefore the Council reserves the right to reject requests from volunteers where it is believed that it is in the Council's best interest.

## **6. PROCEDURE FOR THE MANAGEMENT OF REDUNDANCY**

In any redundancy situation the procedure as set out below should be followed.

### **6.1 Consultation**

Employees and relevant trade unions should be made aware of the proposals for organisational change, and the reasons, at the earliest opportunity. Failure to consult could result in a finding of unfair dismissal by an Employment Tribunal. Before starting any redundancy process advice should be sought from People and Development.

Prior to employees and trade unions being formally advised of any proposals that may involve redundancies, Management Team must be consulted and authorise commencement of consultations. Meaningful discussions should then take place with trade unions on measures that could be taken to avoid or minimise the redundancies and an agreement reached on the selection criteria that should be used. A report to the Executive should be prepared to confirm the proposal and include detail of the consultation that has taken place prior to the issue of redundancy notices.

The above reporting and consultation procedures include redundancies that occur as a result of known expiry of external funding arrangements that are agreed within existing budget arrangements.

### **6.2 Timescales for Statutory Consultation**

There are minimum statutory timescales that indicate when formal consultation should begin. Consultation should allow for further consideration of any counter-proposals and alternatives to redundancy.

<b>NO. OF REDUNDANCIES IN ANY 3 MONTH PERIOD</b>	<b>Period of Consultation</b>
Less than 20 possible redundancies	Managers should allow a 30 day consultation prior to any redundancy notice being issued
20 – 99 possible redundancies	30 days statutory consultation period (including notification to the RPS)
100+	45 days statutory consultation period (including notification to RPS)

### 6.3 Notification to the Redundancy Payments Service

It is a legal requirement to notify RPS in writing of a proposal to make 20 or more employees redundant. Notification must be made on form HR1, which can be obtained from [www.gov.uk](http://www.gov.uk). At least 45 days' notice must be given if 100 or more employees are to be made redundant, and at least 30 days for 20 to 99 employees. The Strategic HR Manager (or his/her representative) will normally undertake this notification.

### 6.4 Notification to the Trade Unions

The Strategic HR Manager will also formally notify the appropriate trade union(s) in line with s.188 of the Trade Union and Labour Relations (Consolidation) Act 1992 of the potential intended redundancies. Formal consultation begins when a letter is sent to appropriate representatives, disclosing in writing:

- the reason for the proposals;
- the numbers and descriptions of employees the Council proposes to dismiss as redundant;
- the total number of employees of that description employed at the establishment in question;
- the proposed method of selecting the employees who may be dismissed;
- the proposed method of carrying out the dismissals, including the period over which the dismissals are to take effect;
- the proposed method of calculating the amount of redundancy pay.

## 7. **REDUNDANCY SELECTION**

Where the redundancy applies to particular jobs held by one or more individuals, the post(s) would be redundant without the need for selection.

Where there are multiple redundancies or a reduction in posts within a group of employees the “pool” of employees from which the redundancies will be drawn must be identified. This might be one team within a Service Unit, a group of employees doing the same job, usually working to the same or

similar job description, or those performing a particular function across a number of service units. Managers should seek advice from People and Development if the selection pool is not clear.

## **SELECTION CRITERIA**

The criteria used for redundancy selection must be clear and objective and be based on the future needs of the service. It should be applied fairly and consistently and must not discriminate on the grounds of recognised [protected characteristics](#) as defined in the Equality Act 2010 which are:

- Age
- Disability
- Gender reassignment
- Marriage and civil partnership (in respect of eliminating unlawful discrimination)
- Pregnancy and maternity
- Race – this includes ethnic or national origins, colour or nationality
- Religion or belief – this includes lack of belief
- Sex (Gender)
- Sexual orientation

In addition there will be no discrimination on the grounds of social background, political affiliation, spent convictions and trade union membership.

The Council reserves the right to choose a method of selection which is appropriate to the particular redundancy situation and is committed to early consultation with the recognised trade unions and individual employees over the particular method of selection in any redundancy situation.

## **EXAMPLES OF REDUNDANCY SELECTION CRITERIA**

- selection based on merit, individuals being measured against a person specification that reflects the requirements for the skills, qualifications and experience in the new posts;
- interviews used to appoint to new posts can involve the use of tests that are relevant to the requirements of the new posts;
- attendance record (having regard for our statutory obligations\* and industrial injuries);
- disciplinary and capability records;
- length of service in the redundant role or a substantially similar role, used alongside the criteria above. .

\*The Equality Act 2010 makes it unlawful for an employer to treat a disabled person less favourably because of a reason relating to their disability, without a justifiable reason. Employers are required to make reasonable adjustments to working conditions or the workplace where that would help to accommodate a particular disabled person. Employers should take account of this legislation when considering the dismissal of a disabled person.

Managers selecting for redundancy should usually use a scoring matrix, including all or some of the above criteria. It is essential that all selection

methods are objective and supported by documentation in case the decision is challenged. Even though the criteria may satisfy the test of objectivity, the selection will still be unfair if they are carelessly or mistakenly applied.

## 8. FORMAL NOTIFICATION OF REDUNDANCY

In accordance with this procedure, and following a period of consultation, notification of redundancy will be given, providing employees with appropriate notice of their employment being terminated:

<b>Continuous Service</b>	<b>Period of Notice</b>
One month or more but less than 2 years	4 weeks
Two years or more but less than 12 years	1 week for each year of continuous employment (minimum of 4 weeks)
12 years or more	Not less than 12 weeks

The Redeployment Policy is activated at the start of the consultation process and should be applied throughout the consultation process and during the period of notice. This is particularly relevant to the search for suitable alternative employment and any subsequent trial period.

## 9. SUITABLE ALTERNATIVE EMPLOYMENT

Please refer to the Redeployment Policy. Appendix 2

## 10. EMPLOYEE SUPPORT AND ADVICE

### 10.1 Redundancy Counselling

Once the individual(s) who are potentially redundant have been identified, an individual counselling meeting will be arranged led by the relevant Head of Service supported by an HR Advisor. The employee will be entitled to be accompanied by a trade union representative, friend or colleague.

The Head of Service should confirm the following details:

- why the Council has decided that redundancies are necessary, the numbers and area of work involved and the selection criteria;
- the personal details of the employee e.g. in relation to full name, address, start date of employment with Burnley Council, continuous employment date, date of birth and details of any disability;
- any actions being taken to the reduce the impact of the potential redundancy including an explanation and copy of the Redeployment Policy, and any ongoing support with CVs, retraining, outplacement or personal support;
- details of the employee's entitlements in relation to notice period, redundancy payment and pension estimates (where applicable and as agreed under the Statement of Pensions Policy);

- the employee's entitlement to reasonable time off to search for alternative employment;
- the employee's right of appeal (Please refer to the procedure for dealing with Redundancy Appeals at Appendix 1) –

The Council's redundancy consultation process will be explained to the employee. Notes of these discussions should be made and retained on the individual's file.

### 10.2 Time off for Job Search

Employees will be allowed reasonable paid time off during working hours to look for work or to arrange/attend training. To ensure this is consistently applied, it is recommended that:

- the relevant manager should agree time off in advance;
- at least 24 hours' notice should be given;
- a letter confirming the appointment or training should, as far as possible, support the request for time off.

### 10.3 Welfare Counselling

Welfare counselling for staff is available. Employees should contact People and Development for further information.

## **11. RIGHT OF APPEAL**

Please refer to the Procedure for Dealing with Redundancy Appeals – Appendix 1.

## **12. REDUNDANCY PAYMENTS**

Redundancy Payments will be calculated according to the Employment Rights Act 1996, but improvements to these are permitted. These improvements require that all continuous local government service will be aggregated and also provide local authorities with the discretion to lift the limitation on the amount of "a week's pay" for redundancy payment calculation purposes from the normal statutory limit to the employee's actual weekly wage/salary. The Council has decided to use the discretion to base redundancy payments on the actual week's pay, if higher than the statutory limit. (NB Actual salary will normally be basic salary plus any regular salary enhancements paid over the preceding 12 week period. Actual salary will not include the employer pension contribution)

For employees who at the date of redundancy (with three or more months' membership of the pension scheme) are entitled to early payment of pension and lump sum under the Local Government Pension Scheme Regulations 2013. Payments will be made in line with the agreed Statement of Pensions Policy.

### **13. WITHHOLDING REDUNDANCY PAYMENTS**

If an employee, under notice of redundancy, receives an offer of work outside the local government service, they can either work their notice with the Council and receive their redundancy payment or, if they wish to start prior to the end of the notice period, resign from their post (counter notice). In this case they will forgo the remainder of their notice pay but will be entitled to their redundancy pay calculated to the date they leave their employment.

If an employee, under notice of redundancy, receives and accepts an offer of work within the local government service, as covered by the Redundancy Modification Order, before their employment with Burnley Borough Council ends they will **not** be entitled to a redundancy payment. Their continuity of service will not be broken if they commence their new job before the 5th Monday following the date of termination of employment.

If an employee is made redundant and after their termination date obtains employment with another local authority they are entitled to retain any monies paid to them by their former employer in respect of notice and redundancy payments.

If the Council is aware that an employee under threat of redundancy has received an offer of employment with another local authority prior to their finishing date, then no redundancy payments will be made.

### **14. PAID LEAVE OF ABSENCE**

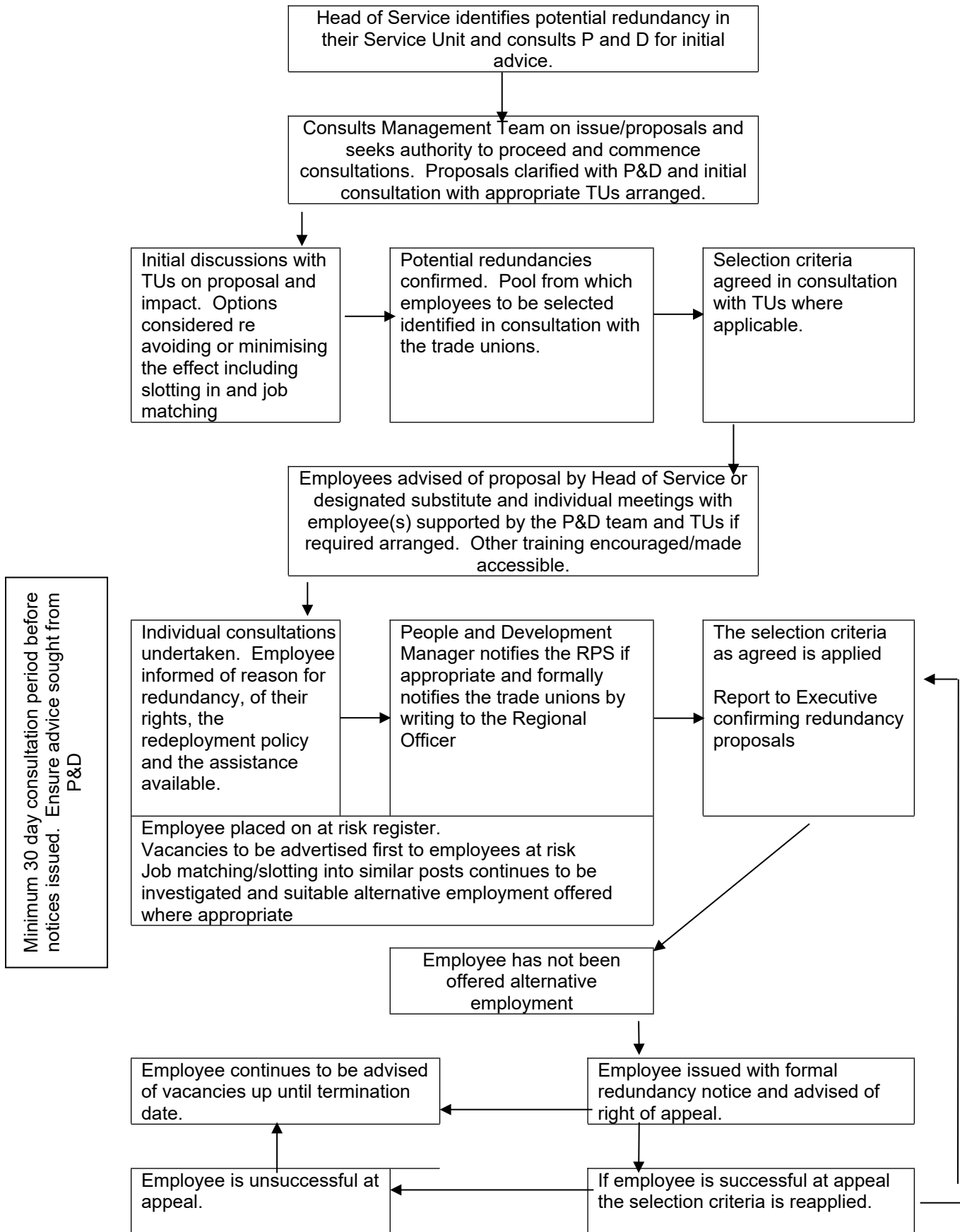
It will normally be expected that employees will work through their redundancy notice period in order to continue to receive help and support from or arranged by People and Development. In some circumstances, for example where work has ceased or significantly diminished, an employee may request to have paid leave of absence for some or all of their notice period. Such requests will be considered by the Strategic HR Manager and must be supported by the relevant head of service. Any agreement to such requests must usually be for the mutual benefit of the Council and the employee.

### **15. GARDEN LEAVE**

Garden Leave is the term used to describe a situation where an employee is required by their employer to remain away from work during the whole or part of the contractual notice period. Under the terms of this redundancy policy, as agreed with the trade unions, the Council may require employees to remain away from work during the whole or part of their redundancy notice period. This action will be taken in circumstances where the Council considers it needs to manage a significant risk or protect its interests. Such decisions will be made by the Strategic HR Manager in consultation with the relevant head of service and trade union representative.



## REDUNDANCY PROCEDURE QUICK GUIDE



## NORMAL REDUNDANCY SELECTION MODEL

<b>Part 1</b>	<b>Personal Details</b>	<b>Scored out of 200 points overall Measured from (12 mths back from start of consultation)</b>			
Full Name					
Directorate					
Service Unit					
Post No					
Job Title:					
Date of appointment to current job role					
Burnley Council service date					
Continuous service date					
<b>Part 2 Knowledge Skills and Competence (60% 120 points)</b>	High standard	Good standard	Satisfactory all essentials	Satisfactory most of essentials	
Heads of Service to confirm with P&D their proposed selection criteria before it is applied					
<b>See separate guidance application of redundancy selection criteria</b>					
<b>Part 3 Disciplinary Record over last 2 years (10% - 20 points)</b>	Issued on	<b>Part 4 Absence Record over last 2 years (20% - 40 points)</b>			Nos.
Verbal Warning		No of working days lost			
Written Warning		No of individual periods of absence			
Final Written Warning		Absence factor score			
Period from:		Period from:			
Period to:		Period to:			
<b>Part 5 Length of Service (10% - 20 points)</b> Length of service in current role or job roles very similar in nature with different title and grade					
<b>Part 6 – Scoring</b>	Records attached ✓	Banding (if applicable)	Score	Total (Out of 200)	
<b>Example Job criteria 120 pts</b> Met to a high standard all E & D criteria (120) Met to a good standard all E and D criteria (100) Met all E criteria to a satisfactory standard and some of D (80) Met most or all of E criteria to a satisfactory standard (60)					
<b>Discipline 20 pts</b> 0 (20), VW (15), WW (10), FWW (0) (over 2 years)					
<b>Absence factor score 40 pts</b> 0 (40), up to 25 (35), up to 63 (30), up to 100 (20), up to 500 (15) up to 1000 (10) over 1000 (0) Calc over 2 years. ( Pro rata for PT staff) <b>(NB Absences relating to industrial injury, pregnancy or disability sickness should normally be excluded)</b>					
<b>Length of Service 20 pts</b> 2 points for every year of service measured over 10 years over 10 years (20), over 9 years (18), over 8 years (16) etc.... over 1 year (2) up to 1 year (0)					
<b>Total Score (Out of 200)</b>					

**BURNLEY COUNCIL****PROCEDURE FOR DEALING WITH REDUNDANCY APPEALS****1.0 Redundancy Appeals Panel**

- 1.1 The Council shall establish a panel for the purpose of hearing and determining any appeals, which may be made against decisions relating to redundancies submitted by employees under this procedure. The Appeals Panel shall consist of 3 members of the Executive. Panels may be held in the evening if this helps to avoid delays and where possible an additional member identified as a substitute panel member.
- 1.2 At the appeal the Strategic HR Manager and/or the Head of Legal and Democratic Services/Senior Solicitor may be present throughout in an advisory capacity.
- 1.3 Redundancy appeals involving the Chief Executive, 151 Officer and Monitoring Officer will be considered by the Council under separately arrangements covered by the Chief Executive terms and conditions as agreed locally.
- 1.4 A member of the Appeals Panel shall not sit on any appeal that is to consider a decision on which he/she has had prior involvement.
- 1.5 Prior involvement means having a direct involvement in the selection of the employees to be made redundant including the agreement of the selection criteria (in consultation with the trade unions), the application of that criteria and the resulting decision on which employee/s the redundancy will fall. Prior involvement does not mean having an involvement in identifying savings targets and decisions on which services will be reduced or no longer supported. It will also usually be the case that the Executive Member of the service area from where the appeal originates will not take part in the appeal process. However, this will not be allowed to unreasonably delay an appeal being heard where other panel members are not available. Similarly, any other Officer with prior involvement in the redundancy selection process shall have no role in advising the Appeals Panel.

**2.0 Appeals Procedure**

- 2.1 All employees have the right to appeal to the Council's Redundancy Appeals Panel against dismissal for redundancy reasons. The grounds for appeal will concern the application of procedures, consultation and the fairness of selection. The decision of the Council to declare redundancies will not be grounds for appeal.
- 2.2 If the employee decides to appeal against their redundancy he/she must do so in writing, stating the grounds and enclosing relevant documents, within 10 working days of receiving formal confirmation that their post is to be made redundant. This may be in advance of the issue of the formal redundancy notice where the proposed numbers of redundancies

within a defined period are high. Notice of appeal must be sent to the Strategic HR Manager.

- 2.3 The Appeals Panel shall hear the appeal not later than 20 working days after the receipt of the notice of appeal from the employee, unless a later date for the hearing is mutually agreed. The employee shall be given at least five working days' notice of the hearing, in writing, stating the date, time and location.
- 2.4 The employee shall be in attendance at the hearing when the appeal is being heard and he/she may be represented by a friend or Trade Union representative, or legal adviser. If any party fails to attend, the Appeals Panel may, dependent on the circumstances, dismiss the Appeal, consider it in their absence or defer the hearing to an alternative date. Where either party intends to produce documentary evidence or call witnesses at the Appeal, details should be given to the other party in advance of the hearing.
- 2.5 The Appeals Panel shall have the right to allow the appeal or to confirm or alter the decision against which the appeal is made. The procedure to be followed at the hearing shall be as follows:

(Reference to the "Employee" should be taken to mean the employee and/or his/her representative(s) and reference to the Head of Service should be taken to mean the head of service or other appropriate senior officer).

- (a) The Head of Service to put the case in the presence of the employee and may call witnesses;
- (b) The employee to have the opportunity to ask questions of the Head of Service and/or the witnesses called, on the evidence given.
- (c) The Appeals Panel to have the opportunity to ask questions of the Head of Service and witnesses.
- (d) The Head of Service to have the opportunity to re-examine his/her witnesses.

**Note: Where possible witnesses should be questioned in turn by the parties and the Panel and should withdraw on completion of the questioning unless specifically requested to remain.**

- (e) The employee to put his/her case in the presence of the Head of Service and to call such witnesses he/she wishes.
- (f) The Head of Service to have the opportunity to ask questions of the employee and his/her witnesses.
- (g) The Appeals Panel to have the opportunity to ask questions of the employee and his/her witnesses.
- (h) The employee to have the opportunity to re-examine his/her witnesses (See also the note at (d) above).
- (i) The Head of Service may sum up his/her case.
- (j) The employee may sum up his/her case.

- (k) The Head of Service, the employee and all witnesses will withdraw whilst the Appeals Panel considers the case in private (the Panel's adviser(s) will remain).
  - (l) The Panel may recall either party, with the other party in attendance, to clear points of uncertainty on information already given then both parties will withdraw. The Panel may at its discretion recall witnesses, further witnesses, or adjourn the hearing in order that further information may be produced by either party.
  - (m) When the Appeals Panel has reached a decision the parties will return and the Panel will announce the decision, which will be confirmed in writing within seven working days.
  - (n) In delivering its decision the Appeal Panel shall address each of the selection criteria used and advise whether they are satisfied that each has been applied fairly and consistently using all facts reasonably at the Head of Service's disposal.
- 2.6 In circumstances where the Appeals Panel upholds the employee's appeal, for example on the grounds of the incorrect application of procedures, a lack of consultation or flaws or apparent unfairness in the application of selection criteria, the matter will be referred back to the service unit who will make arrangements for a Senior Officer, who has not been involved in the process so far, to undertake a review. If the review results in no change to the employee affected then the original redundancy notice will continue to apply and there will be no further right of appeal. If the review results in a different employee being selected for redundancy, agreement will be sought from the original employee to withdraw the redundancy notice with support as required from the trade unions.

### 3.0 **Further Rights of Appeal**

An employee who has completed two years' of continuous service with the Council on the effective date of his/her termination of employment may complain of unfair dismissal to an Employment Tribunal and he/she should consult with his/her trade union or other adviser on that possibility at the earliest opportunity. An application to an Employment Tribunal may be made as soon as the Council has given notice of dismissal and should be received by the Tribunal within a period of three months beginning with the effective date of termination.

Redundancy Appeals/Executive/Oct 2004/VW  
**Revised 19 September 2007 HAB**  
 Revised November 2009 and June 2010, September 2011, September 2014  
 Further revised June 2016  
 Further revised February 2017 and February 2018

## **Redeployment Policy**

### **1. Introduction**

Burnley Council is committed to making every endeavour to mitigate the effect of potential and confirmed redundancies by promoting the redeployment of affected employees to suitable available vacancies wherever possible. We are also committed to the retention and redeployment of employees who can no longer carry out the duties of their job as a result of disability, injury or ill-health.

### **2. Scope and Purpose of the Policy**

The Council has a statutory duty to consider the availability of alternative employment when an employee's current job is at risk of redundancy. The purpose of this policy is to provide the mechanism by which employees in a redundancy situation may be given every opportunity to obtain suitable alternative employment.

The policy will apply to all employees of the Council unless the reason for not doing so can be objectively justified, for example the termination of short term fixed or temporary contracts

The Council's policy on Retention and Redeployment on the grounds of Disability, Injury or Ill-Health is detailed separately at Appendix 3. Employees at risk due to redundancy or capability will be given equal access to redeployment opportunities but disabled employees must not be placed at a substantial disadvantage in comparison with non-disabled people.

### **3. Alternative Employment**

#### **Employees at Risk (Refer to Redundancy Policy)**

Where a potential redundancy situation is anticipated Management Team will authorise the commencement of meaningful consultations in order to identify reasonable steps to avoid or minimise redundancies. The Strategic HR Manager must be notified at this stage.

Subject to confirmation, arrangements will then be made for the individual identified as "at risk" to be interviewed by the head of service and a personnel officer. The employee may wish to have their trade union representative or work colleague present. The necessity for the redundancy will be fully explained and discussed with the employee.

It is essential that heads of service adopt a proactive approach to supporting employees at risk. This will include encouragement to apply for any potentially suitable job, including temporary job roles and providing early access to refresher or additional training. The employee may also be asked to complete a job application form to be used in any job matching exercise.

Arrangements will be made by the Strategic HR Manager for the employee to attend job search skills training or otherwise receive advice and counselling as a means of assistance in obtaining alternative employment.

Heads of service must ensure that meetings are held on a regular basis, so that necessary support towards redeployment is made available. A trade union representative or work colleague may accompany the employee at these meetings. It is particularly important to ensure that these meetings take place with an employee at risk of redundancy so that the possibilities of redeployment can be fully explored before termination of employment takes place.

People and Development will ensure that all vacancies are circulated to those employees identified for redeployment.

The employee must be given serious consideration for any suitable vacancy arising before any other internal and external candidates are considered. The test of suitability will be whether the employee could perform the duties of the vacant job given a reasonable amount of training or on the job instruction.

The procedure for dealing with the recruitment and selection process is set out in the next section.

#### **4. Recruitment and Selection Procedure**

##### **Slotting in process (pre-advertising)**

Consideration may be given to “slotting in” an employee directly into a vacant post if the following conditions apply. This approach can be applied prior to and after the issue of redundancy notices

- a) The vacant job is on the same grade or a maximum of one grade lower, when pay protection would be applied.
- b) The work is broadly similar to that in the employee’s current job role.  
(**N B:** reference should be made to the job description and person specification for the old and new job to assess whether this would be similar).
- c) There is only one employee suitable for each vacant post and no competitive selection is necessary.
- d) The ‘at risk’ employee meets the essential requirements of the person specification for the vacant job, or if there is a small training gap, this could be met within a short period, e.g. the acquisition of basic keyboard skills or technical updating by a short course.
- e) There is agreement between the employee, the head of service, the trade union and the Strategic HR Manager
- f) Where agreement is not possible, the post will be advertised in line with the procedure detailed below.
- g) The application of the policy results in a logical reasonable outcome.

##### **Job Matching (pre- advertising)**

Job matching is a process of identifying job roles in the organisation that have similar skill requirements which employees who are at risk, could reasonably undertake with additional training. This approach can be applied prior to and after the issue of redundancy notices.

- A completed application form will be forwarded to the People & Development who will try to match the employee against any existing vacancies. Even if the employee does not meet all the essential requirements, then an interview may still take place if it is considered the requirements can be met within twelve months.
- The matching process will only consider vacancies at the same grade or no more than one grade higher or lower than the grade of the employee's job.
- The service unit and a representative from People and Development will interview the employee/s. The suitability of the employee will be assessed in the normal way and, if necessary, a training plan will be prepared to ensure that any training gap is filled as soon as possible.
- If successful the employee will be offered the position under a variation to their contract or as suitable alternative employment.
- The Council's normal policy on pay protection will apply.

### **Advertising of Vacancies**

When a redundancy situation has been declared, or is anticipated, the policy on advertising vacancies internally and externally concurrently will be suspended and the following process of advertising will be followed:

#### **Stage 1 Employees at Risk**

Vacancies are to be advertised first to employees who have received notice of redundancy or who have been identified as the subject of consultation with the trade union and to employees seeking redeployment under the policy for Retention and Redeployment Policy on the grounds of Disability, Injury or Ill-Health.

This is to allow them the first opportunity to apply for the vacancy and is termed as "ring fencing".

This will only apply providing that the post advertised is of the same grade, or no more than one grade above the grade of the employee (s) at risk. If this condition is not satisfied, then the process moves to stage 2. Ring-fencing of vacancies does not apply to temporary or fixed term employees who will not have completed at least twelve months service at the date of redundancy.

NB Where employees apply for posts more than one grade below their existing job role, pay protection will be limited to no more than 4 incremental points above the maximum of the lower graded job

#### **Stage 2 Internal Advert**

If there are no suitable applicants from the employees at risk or if the post is more than one grade higher than those of the employees at risk, consideration will be given to advertising the post internally if this is likely to release a vacancy lower down the grading structure which could then be slotted/job matched or advertised internally to those at risk. The decision will be made based on the job description and person specification and be confirmed by



Management Team. Comments from the trade unions will be taken into consideration. In any event if the vacant post is graded 11 or above, the vacancy will normally move to stage 3 and be advertised internally and externally concurrently.

### **Stage 3 External Advert**

Where it is not or has not been possible to fill the vacancy internally due to criteria or decisions as detailed at stage 2, or requirement for specialist qualification/experience, the job will be advertised internally and externally concurrently.

### **Shortlisting**

The Council's recruitment and selection procedure for shortlisting should be followed. An employee at risk should be shortlisted where he/she meets the essential criteria as detailed in the person specification of the advertised post. If there is any doubt advice must be sought from People and Development.

### **Interviewing**

Interviews must be held in accordance with the Council's recruitment and selection procedures and interviewers must be clear about the person specification for the job and the extent to which the employee either meets or does not meet it.

Comprehensive records of interviews must be kept so that decisions made can be justified if necessary. Each interviewer should complete an interview record sheet and a consensus decision should also be recorded.

In a redeployment situation People and Development should always be consulted and a personnel officer will normally be included in the panel for any interviews which take place.

## **5. Offer of Alternative Employment**

An offer of alternative employment must be made in writing before employment under the previous contract ends. Employment in the new job must start immediately the notice expires or after an interval of not more than four weeks. Advice on the wording of the offer letter must be sought from People and Development.

If appropriate, the employee may be seconded to the new job before a period of notice in the old job has expired in order to gain more experience of the new situation. This will not, however, form the part of the trial period.

## **6. Trial Period**

An employee who is under notice of redundancy has a statutory right to a trial period of four weeks in an alternative job where the provisions of the new contract differ from the original contract. The trial period will commence on appointment to the new job, normally immediately after the previous contract has ended. The purpose of the trial period is to give the employee the chance to decide whether the new job is suitable without necessarily losing the right to redundancy payment. The Council will also use the trial period to assess the employee's suitability.

A trial period longer than four weeks can be agreed for retraining purposes. This agreement should be in writing, specifying the date on which the trial period ends and setting out the employee's terms and conditions after it ends. If the employee works beyond the end of the four week trial period, or the jointly agreed extended trial period, any redundancy entitlement will be lost because the employee will be deemed to have accepted the new employment.

If the new employment proves to be unsatisfactory during the trial period and is terminated, then the original redundancy will take effect. If the trial period is satisfactorily completed, the original dismissal on the grounds of redundancy is held not to have taken place and continuity of employment is unbroken.

Trial periods can obviously be a stressful time for employees who will need understanding and encouragement. The progress of the employee throughout the trial period should be closely monitored by way of mutual reviews with the head of service or designated substitute at weekly intervals, with support and counselling offered where appropriate. A decision to terminate employment at the end of the trial period for unsuitability should be taken only after careful, detailed consideration and discussion with People and Development.

## **7. Remuneration And Conditions Of Employment**

The Council currently operates a policy, which protects an individual's pay where he/she is redeployed to a lower graded post, as a result of redundancy.

Where an employee is redeployed to a lower graded post and protection is applied, he/she can be expected to carry out duties commensurate with the level of protection as and when required.

In view of the protection he/she would also be expected to apply for suitable vacancies more appropriate to the protected salary as and when they become vacant.

The current agreement on pay protection is set out in Appendix 4

Redeployment Policy November 2009

Updated September 2014, February 2017 and February 2018

## **Retention and Redeployment Policy**

### **Disability, Injury or Ill-Health**

#### **1. Scope**

This policy provides guidelines on the retention and redeployment of employees who can no longer carry out the duties of their job as a result of disability, injury or ill-health.

The Council intends, wherever possible, to retain such employees in their own post, to offer them comparable employment or to redeploy them into a more suitable post of equal status. This post will be no more than one grade above the employee's current post.

#### **2. Legal Requirement**

The Equalities Act 2010, places an obligation on the Council to take reasonable steps to ensure that disabled people are not placed at a substantial disadvantage in comparison with non-disabled people. Examples of the types of reasonable adjustments employers are expected to consider are detailed below.

#### **3. Retention of Employees in their Current Post**

We will make every effort to retain an employee in his/her current post or where this is not possible, to redeploy him/her into an appropriate post of equal status, preferably within the same service unit.

In the event of an employee becoming unable to perform all or part of the duties of his/her current post, retirement on the grounds of ill-health will only be considered as a last resort and will be subject to the agreement of the Council's Occupational Health Consultant.

Where it becomes apparent that an employee is no longer able to fulfil all or part of the duties of their current post, for reasons of disability, ill-health or injury, their manager should meet with them to discuss the situation. It is essential that the issue be handled sensitively and confidentially. Consultation should take place, at every stage, with the employee concerned together with a chosen representative (e.g. trade union representative, or work colleague). In appropriate circumstances a close family member may be permitted to attend to support the employee.

In accordance with the Equality Act, managers should consider making the following reasonable adjustments to enable the employee to continue in employment. However, this is not an exhaustive list and other alternatives should also be considered where appropriate.

For guidance on managing the attendance of employees with disabilities, please refer to the Managing Attendance Policy and Guidelines and the Tailored Adjustment Agreement in the personnel manual.

Reasonable Adjustments:

- making adjustments to premises i.e. where cost is not an unreasonable factor;
- allocating some of the disabled employee's duties to another person\*;
- agreeing a change to the employee's working hours;

- assigning the employee to a different place of work;
- allowing the employee to be absent during working hours for rehabilitation, assessment or treatment (see Disability Leave below);
- additional training;
- acquiring or modifying equipment;
- modifying instructions or reference manuals;
- modifying procedures for testing or assessment;
- providing a reader or interpreter;
- providing additional supervision;
- transferring the employee to fill an existing vacancy (see Redeployment Section below).

\*In cases where other employees will be affected, e.g. if duties are to be reallocated, it is important to consult all affected employees and their representatives.

The Council has a number of schemes, including V-time, flexitime, job share, part-time working and homeworking, which should be considered in assisting an employee to continue in employment.

In some cases it may be appropriate to involve advisers from the Department of Work and Pensions (DWP) in undertaking assessments to determine appropriate, reasonable adjustments in addition to Occupational Health. The advisers can often assist in funding adjustments under the Access to Work Scheme.

<https://www.gov.uk/government/publications/access-to-work-guide-for-employers>

People and Development (P&D) is available for advice and support on all issues related to retention and redeployment.

#### **4. Redeployment**

Recruitment and selection will be managed as detailed in the Redeployment Policy. Employees will be considered for redeployment alongside those who are at risk of redundancy taking into account any reasonable adjustments that may be required.

At all stages in the redeployment procedure the employee concerned, together with his/her representative must be consulted. Discussions of this nature must be handled in a sensitive and confidential manner.

Once all parties are agreed that a return to the employee's current post is not appropriate then, wherever possible, the employing service unit is responsible for finding a suitable alternative post within their own unit.

Redeployees should be considered for all appropriate vacancies arising within the unit before they are generally advertised using the slotting in or job matching process. They should not necessarily be expected to meet all the essential criteria on the person specification. The recruiting panel should instead consider whether or not the individual has the potential to undertake the duties of the post with the necessary training and support and within an agreed timescale. If necessary, reasonable adjustments to the duties and associated essential criteria should also be considered at the interview stage in order to comply with the Equality Act.

If it is not possible to redeploy an employee within the employing service unit the head of service should contact P & D for assistance in redeploying the employee into another service unit. P & D must be satisfied that the employing service unit cannot find anything suitable.

In accordance with the provisions of the Equality Act a reasonable adjustment to consider would involve transferring an employee to a more suitable post under the slotting/job matching process including any necessary reasonable adjustments. Advice should be sought at this stage, to arrange for a referral to Occupational Health and to seek guidance from a disability adviser from the Department of Work and Pensions.

Redeployees will be considered first for suitable, alternative posts before they are generally advertised, alongside employees at risk of redundancy, using the agreed procedures in under Section 4 of the Redeployment Policy. They should not necessarily be expected to fulfil all the requirements of the person specification immediately. Reasonable adjustments to the duties and associated essential criteria will also be considered where necessary.

If an employee is redeployed to a post at a lower grade the Pay Protection Policy will be applied.

Once it has been agreed that redeployment is the best option for the employee, People and Development will continue to try and find a suitable vacancy for a period of up to 12 weeks after the employee has been declared fit to return to work. This period may be extended dependent on the circumstances and in agreement with the Chief Operating Officer.

## **5. Redeployment Opportunity Not Identified**

If a suitable vacancy does not arise within the agreed period the employee will be referred to the Occupational Health Unit to be considered for retirement on the grounds of ill health.

If the Occupational Health Consultant is unable to certify entitlement to early release of superannuation benefits on the grounds of ill-health, or if a suitable job offer is unreasonably refused, or if no suitable, alternative employment is available, it will be necessary to review the continued employment on the grounds of capability. This will be dealt with in accordance with the Capability Section of the Council's Disciplinary Procedure (see Managing Attendance Policy).

## **6. Register of Reasonable Adjustments**

All reasonable adjustments that relate to an employee must be reported to People and Development to be recorded on the employee's personal record. This will assist the Council to demonstrate, if challenged, the extent to which it has made reasonable adjustments. It will also help to monitor the cost of making such adjustments.

The employee and manager will complete a Tailored Adjustment Agreement that will provide a living record of reasonable adjustments agreed between the disabled employee and his/her line manager.

## **7. Monitoring**

Statistics relating to reasonable adjustments will be incorporated into People and Development's reporting and information processes.

## **8. Complaints**

If an employee feels that he/she has been unfairly treated at any stage of this procedure, the Council's Grievance Procedure may be invoked.

## **9. Disability Leave Scheme (DLS)**

The Disability Leave Scheme provides newly disabled employees or a disabled employee whose condition has significantly deteriorated with a period of time off work to adjust to the change in personal and professional circumstances. During the leave the employee is able to assess their disability or condition and how it affects their job role, bridging the gap between sickness and a return to work. It will cover the period between the end of sick leave, when the employee is judged as fit to return to work, and the employee's actual return.

The DLS provisions cover all existing employees, full-time and part time. There is no qualifying period although each case will be considered on its own merits.

The DLS is not intended to burden services but is about ensuring good practice in the workplace, creating an environment where employees are willing to discuss their disability and where disabled employees and their managers can proactively assess how the employee can remain in work.

Its purpose is to enable the employee to participate in an assessment of the changes required in their job or work environment, and/or to become familiar with new techniques and processes. It can also allow time for:

- providing time to adjust to the change in personal and professional circumstances;
- reassessing current job role, adjustments or alternative opportunities;
- adaptations to the work environment;
- equipment to be put in place and/or assessment of how it can be funded;
- undertaking a programme of rehabilitation and training on the job or residential centre;
- discussions with specialist Disability Employment Advisers or Occupational Health to plan the way forward;
- assessing/clarifying if the employee will be able to return to his/her previous employment or be redeployed to another post or if an application for ill health retirement should be pursued.

The Managing Attendance Policy already allows for a period of up to 4 weeks therapeutic return. In addition employees may also have an accumulated balance of annual leave, some of which could be used to extend the therapeutic process. The DLS can be applied where significant changes/additional assessments are required for reasons as detailed above. In practice some of the above assessments may also take place whilst the employee is still on sick leave.

If, following a careful process of formal and informal consultation and the DLS is considered appropriate, the Chief Operating Officer, Head of Service and Strategic HR Manager can allow up to 4 weeks additional leave to assist in the adjustment process. The leave will be paid at the usual salary and noted on the employee's personal and leave records.

During the leave, arrangements should be made for an employment assessment to be carried out by a competent organisation before any decision is made about the employee's future e.g. Disability Employment Adviser and Occupational Health Consultant in consultation with People and Development. This assessment is intended to clarify/quantify/put in place the rehabilitation required, the time this will take, the equipment/adaptations required and how this can be funded.

It is important that assessments and resulting action plans, necessary training and medical advice are closely monitored and co-ordinated to make best use of the additional leave. This will be the responsibility of People and Development.

People and Development will make a record of:

- the employee details and the nature of their disability;
- the assessments undertaken;
- the detail and cost of equipment required and provided;
- the detail and cost of any rehabilitation/training;
- period of DL;
- cost of any temporary cover;
- other quantifiable costs;
- quantifiable savings – e.g. decreased retirement costs, savings on recruitment or induction training of new staff.

Retention and Redeployment Policy February 2018  
Last reviewed February 2017/HAB

## BURNLEY COUNCIL

### Pay Protection Policy

The Council's policy on pay protection, applicable to employees on National Joint Council (NJC) terms and conditions is as follows:

1. Protection will be limited to no more than 4 incremental points above the maximum of the lower graded job.
2. The employee will accept additional duties and responsibilities beyond the scope of the lower graded job description up to the value of the protection.
3. The employee will continue to seek employment within the Council at a higher grade when this becomes available so the cost of protection is reduced. The original limits on protection will still be applicable.
4. When assessing protection limits for an employee in receipt additional payments, the figure for comparison will include other payments and will be made to the nearest equivalent spinal column point.
5. Protection will be on the following basis
  - Year 1 – 100% cash protection\*
  - Year 2 – 66% protection.
  - Year 3 – 33% protection
  - Year 4 and beyond – no protection.

\*Cash protection means that pay is frozen at the time of redeployment with no further increments or annual pay rises being paid. The percentages referred to are of the difference between the pay in the old and new job.

#### 6. **Conditions of Protection**

Subject to the overall protection limit detailed in para 1 above

- a) Protection will apply to contractual overtime and the following locally agreed additional pay enhancements encompassing
  - Shift allowance
  - Irregular hours payment
  - Weekend enhancements

[To qualify for this protection the employee must have been in receipt of the additional payment for 12 months or more. This protection would only apply in redeployment situations.]

- b) Protection will not be applied to standby/call out payments or irregular overtime.

Personnel Committee 19.1.99/Amended 2004/JB  
 Last reviewed (no changes) October 2017  
 Next review November 2023



## Burnley Borough Council

### Statement of Pensions Policy

#### Introduction

1. This Statement outlines the Council's Policy with regard to the payment of pension benefits. The statement has been formulated following full consultation with the Trade Unions and reflects the Local Government Pension Scheme Regulations 2013 as amended and the discretions adopted by the Council.

#### **Retirement**

2. The Local Government Pension Scheme's normal pension age (NPA) is equal to the employee's individual State Pension Age (SPA). Employees can retire and receive their benefits without any reductions at this date. Further information on the SPA can be found at [www.gov.uk/calculate-state-pension](http://www.gov.uk/calculate-state-pension)
3. Employees are able to retire at anytime from age 55 onwards without the Council's consent but their benefits may, dependent on age and service, be reduced to reflect the early payment. Further information on the reductions can be obtained from [www.lppapensions.co.uk](http://www.lppapensions.co.uk)
4. Employees are able to join and remain in the scheme up until 2 days before their 75<sup>th</sup> birthday. Benefits for employees who defer drawing benefits beyond their NPA will be actuarially increased to reflect the fact that they will be paid for less time.
5. With effect from 1<sup>st</sup> April 2014 pension benefits are calculated on a Career Average Re-valued Earnings (CARE) Scheme formula. A CARE pension works by taking a 1/49<sup>th</sup> of an employee's annual pensionable salary and then adds this into a pension pot. This pension pot then increases each year in line with CPI. Further information on the calculation of pension benefits can be found at [www.lgpsmember.org](http://www.lgpsmember.org)

#### Early Retirement with Redundancy (compulsory or voluntary)

6. Redundancy Payments will be calculated according to the Employment Rights Act 1996, but improvements to these are permitted. These improvements require that all continuous Local Government Service will be aggregated and also provide Local Authorities with the discretion to lift the limitation on the amount of "a week's pay" for redundancy payment calculation purposes from the normal statutory limit to the employee's actual weekly wage/salary. The Council has decided to use the discretion to base redundancy payments on the actual week's pay, if higher than the statutory limit.  
N.B. Actual salary will normally be basic salary plus any regular salary enhancements paid over the preceding 12 week period. Actual salary will not include the employer pension contribution
7. Only completed years count for the purpose of calculating a redundancy payment.
8. Employees who are aged 55 or over at the date of redundancy (with two or more years membership of the Pension Scheme) are entitled to early payment of pension and lump sum under the Local Government Pension Scheme Regulations 2013.

**Note: Voluntary Early Retirement with Redundancy can only be granted if there is a substantial saving to the Council in allowing the employee to leave. The**

**saving from an early retirement must be sufficient to pay back the full capitalised cost over no longer that a 5 year period. The saving will usually involve the net loss of a post but the retirement must satisfy the statutory definition of redundancy.**

Retirement in the Interests of Efficiency of the Service

9. The Council is able to retire an employee who is over 55 in the interests of efficiency of the service. The following factors will be used upon which to judge the merits of each case:
- a) The benefits in increased efficiency, for example, in service delivery or to facilitate changes to the organisation.
  - b) Any savings that will accrue.
  - c) Health grounds, where retirement on medical grounds or dismissal on capability grounds are not appropriate.
  - d) Compassionate grounds.

Ill-Health Retirement

10. The 2007 Regulations introduced a 3-tier system of ill-health retirement which will be applied dependant on the assessment of the Occupational Health practitioner as to the prospect of the employee obtaining gainful employment before their normal pension age (NPA) as follows:

Tier 1	No reasonable prospect of the employee obtaining gainful employment due to ill-health before NPA
Tier 2	Cannot obtain gainful employment within reasonable* period of leaving due to ill-health but likely to be able to do so before NPA
Tier 3	Can obtain gainful employment within reasonable* period of leaving

\* Defined as 3 years

11. Ill health retirement benefits will be paid in conjunction with the Pension Regulations as follows:

Membership							
< 2 years	Refund or transfer out						
2 years and over	<table style="width: 100%; border-collapse: collapse;"> <tr> <td style="width: 30%;">Tier 1</td> <td>Immediate 100% enhanced</td> </tr> <tr> <td>Tier 2</td> <td>Immediate 25% enhanced</td> </tr> <tr> <td>Tier 3</td> <td>Immediate no enhancement</td> </tr> </table> <p>* The enhancements will be based on the period to the employees SPA (or age 65 if later)</p>	Tier 1	Immediate 100% enhanced	Tier 2	Immediate 25% enhanced	Tier 3	Immediate no enhancement
Tier 1	Immediate 100% enhanced						
Tier 2	Immediate 25% enhanced						
Tier 3	Immediate no enhancement						

12. Where a former employee is certified as Tier 3 they are required to inform the Council of any employment taken up, whether local government or not. Where gainful employment has not been found by 18 months following termination, the Council will refer the former employee to the Council's Medical Advisor for an opinion as to whether the former employee is capable of undertaking any gainful employment. Depending on their assessment the pension could either be suspended until their SPA or may be upgraded to tier 2.

13. The Council will not terminate employment on ill-health grounds without the recommendation of the Council's Medical Advisor. Further details can be obtained from the Council's Managing Attendance at Work Policy.
14. The formula for the calculation of benefits in ill-health retirement situations is the same as for retirement.

### **Auto Enrolment**

15. Burnley Borough Council implemented the Government's Auto-Enrolment scheme from 1 June 2013. This means that all employees who meet the following criteria will be automatically enrolled into the Local Government Pension Scheme:
  - Earning over £10,000 per year
  - Aged 22 or over and are under State Pension Age and
  - Are not currently in a pension scheme
16. Auto-Enrolment takes place every 3 years. Employees that are auto-enrolled do have the opportunity to opt out. Further information on auto-enrolment into the LGPS can be found at [www.lppapensions.co.uk](http://www.lppapensions.co.uk)

### **Flexible Retirement**

17. The Local Government Pension Scheme allows scheme members aged over 55 to draw their retirement benefits even though they have not retired providing:
  - The employer consents and
  - There has been a reduction in hours or a reduction in grade equivalent to a minimum of 40%.
18. Where such a request is approved employees will receive payment of their pension (and lump sum if appropriate). Employees may also continue paying into the LGPS to build up further benefits. Further information is available in the Council's Flexible Retirement Scheme.

### **Contribution Rates**

19. The Local Government Pension Scheme 2013 state that employee contribution rates are to be banded and assessed on actual pay as at the day of assessment.
20. Casual workers who are members of the scheme will be re-banded on a monthly basis using exact earnings x 12 to reach an annual pensionable pay figure on which to base individual employee contribution rates.
21. All pensionable pay (including non-contractual overtime and pay protection) will be included in the calculation of employee contribution rates.
22. The Council has adopted the discretion that where there is a material change in pensionable pay the contribution rate will be re-determined.

## Limitation of Payments

23. If a person who is in receipt of a pension under the Local Government Pension Scheme Regulations in respect of an ill-health retirement, is re-employed within the Service, he/she will be subject to pension abatement rules contained in the Local Government Pension Scheme Regulations 1997 and the Local Government (Early Termination of Employee) (Discretionary Compensation) (England and Wales) Regulations 2000. Where appropriate, the employee's pension will be adjusted to ensure that his/her combined income will not exceed the income that would apply had he/she remained in the former employment.

## **Discretions not adopted**

24. For employees with membership prior to March 2014, under the Local Government Pension Scheme (Benefits, Membership and Contributions) Regulations 2007, the Council will not award a scheme member an additional period of membership at any time. This discretion has been removed from the 2014 scheme.
25. Under the Local Government Pension Scheme Regulations 2013, the Council will not award a scheme member an additional pension.
26. Under the Local Government (Discretionary Payments) (Injury Allowances) Regulations 2011 the Council will not operate an Injury Allowance Scheme.
27. Under the Local Government Pension Scheme Regulations 2013, the Council will not fund additional pension via a Shared Cost Additional Pension Contribution (SCAPC) contract, either by regular ongoing contribution or one-off lump sum.

**Note:** Where an employee has had a period of unpaid additional maternity, paternity or adoption leave or a period of authorised unpaid leave (including the purchase of additional leave) and makes an election to purchase the full amount of the lost pension within 30 days of their return to work, the Council will fund 2/3<sup>rd</sup>s of the cost of the purchase. (In the case of buying additional leave the election should be made within 30 days of the purchase being approved)

28. Under the Local Government Pension Scheme (Transitional Provisions, Savings and Amendments) Regulations 2014, the Council will not apply the Rule of 85 protection to any scheme member who wishes to voluntarily draw benefits on or after 55 and before age 60. The protection aged 60 and above is subject to the note below.

**Note:** In October 2006 the government removed 'the 85 year rule' from the pension scheme rules. Members aged 60 and above who meet the Rule of 85 but who wish to take their pension benefits before their NPA may still have a benefit reduction applied subject to certain protections. Further information on the Rule of 85 protections can be found on the website [LGPS member site](#)

## **Transfer of Pensionable Service**

29. New entrants to the Lancashire Scheme are advised that they have 12 months to request a transfer of previous service from another scheme. Individual applications by employees of Burnley Borough Council for transfers into the LGPS that are beyond the first 12 months of active membership of the scheme are referred to the Strategic HR Manager to be dealt with under delegated powers. The Head of Finance & Property will be consulted in the use of this delegation. The circumstances of each case will continue to be considered on an individual basis, but with reference to the following principles:

Generally applications will only be approved if:

- No previous option was given to the member due to an administrative error (e.g. service declared but the transfer quotation had never been requested).
- There has been an administrative delay in processing the initial request, which was received within the initial 12 months of active membership.
- There are exceptional circumstances that have prevented the employee from exercising their option within 12 months of active membership of the scheme.

### **Payment of Deferred Benefits**

30. If you leave your employment as a result of redundancy or efficiency and you are aged 55 or over, you will receive immediate payment of any pension benefits relating to that employment. If you have previously chosen to combine an earlier deferred period of employment with the employment from which you are being made redundant, any pension you receive will be based on all your service. If, however, you have chosen to leave your benefits separate, any pension and lump sum you receive will relate only to service in the later employment. You will not normally be able to receive payment of any deferred benefits until your NPA. Further information on deferred benefits is available at [www.lppapensions.co.uk](http://www.lppapensions.co.uk)

### Early Release of Benefits for former employees on ill-health grounds

31. Preserved benefits are payable if the authority (as the former employer) is satisfied (based on the opinion of a medical officer suitably qualified in occupational health) that the individual is permanently incapable of discharging efficiently the duties of his/her former employment. In these cases there would be no ill-health enhancement and no reduction in benefits.
32. The LGPS (Miscellaneous) Regulations 2012 now allow a former employee who has had their Tier 3 benefits suspended to request early release of their suspended pension benefits on ill-health grounds after age 55 and before age 60 but only if they are “permanently incapable of undertaking any gainful employment”. The ill-health condition can be a new condition or the same one which has deteriorated. The assessment will be made by the Council’s Medical Advisor. In these cases any reduction in benefits could be waived at the Council’s discretion. This decision will be taken by the Executive Member for Resources and Performance Management and Chief Operating Officer based on the individual circumstances.

### **Policy for Release of Benefits on Compassionate Grounds**

33. Preserved benefits (other than for ill health cases) would only be released if an ex-employee's personal circumstances are such that the Authority agrees that he/she is prevented from working by the need to provide full-time care for a husband/wife/partner/son/daughter who is suffering from a terminal or chronic illness and this results in financial hardship for the family.

The decision to release preserved benefits on compassionate grounds will be taken by the Strategic HR Manager in consultation with the Head of Finance & Property and Executive Member for Resources and Performance Management.

In these circumstances any reduction in benefits could be waived at the Council’s discretion. This decision will be taken by the Strategic HR Manager in consultation with the Head of Finance & Property and Executive Member for Resources and Performance Management.

## **Pension Tax Relief**

34. With effect from April 2014 the annual allowance for tax relief purposes is £40,000. This means that employees who receive a significant pay increase may need to pay tax on any contributions in excess of the annual allowance. This is only likely to affect higher earners but the Council recommends that employees who think they may exceed the annual allowance seek specialist advice from an independent financial advisor. Further information on the calculation of annual allowances can be found at [www.lppapensions.co.uk](http://www.lppapensions.co.uk)

## Further Information

35. Further information on the payment of pension benefits outlined in this statement can be obtained from the People and Development Unit (ext 7124).
36. Your Pensions Service administer the Local Government Pension Scheme on behalf of Burnley Borough Council and can be contacted on 0300 323 0260 (helpdesk) or via the website contact form [Member Contact Form • Local Pensions Partnership Administration \(lppapensions.co.uk\)](#)



# Gender Pay Gap Report

## March 2023

## **Foreword**

The Equality Act 2010 (Specific Duties and Public Authorities) Regulations 2017 requires public sector organisations with 250 or more employees to publish information to demonstrate how large the pay gap is between their male and female employees. Whilst we do not meet the threshold of 250 employees the Council has taken the decision to continue to publish this data.

I can confirm that our data has been calculated according to the requirements of the Equality Act 2010.

Mick Cartledge  
Chief Executive



## Background

The information contained within this report is based on a snapshot date of 31 March 2022. At this date our workforce comprised of 56% male and 44% female employees.

For the purposes of reporting the gender pay gap, all permanent, temporary and casual employees are included in the total workforce figure of 217.

This analysis looks at the gender pay differences within Burnley Council, focusing on the overall pay difference between the male and female workforce. A positive pay gap indicates that men are paid more, a negative pay gap indicates that women are paid more.

The gender pay gap is different to equal pay. Equal pay relates to men and women receiving equal pay for equal work and not meeting this requirement is unlawful. The Council operates job evaluation schemes to ensure that work of equal value is paid at the same rate. The gender pay gap is a measure of any disparity in pay between the average earnings of males and females.

The regulations require us to report on:

<b>Mean gender pay gap</b>	The difference between the mean hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
<b>Median gender pay gap</b>	The difference between the median hourly rate of pay of male full-pay relevant employees and that of female full-pay relevant employees
<b>Mean bonus gap</b>	The difference between the mean bonus pay paid to male relevant employees and that paid to female relevant employees
<b>Median bonus gap</b>	The difference between the median bonus pay paid to male relevant employees and that paid to female relevant employees
<b>Bonus proportions</b>	The proportions of male and female relevant employees who were paid bonus pay
<b>Quartile pay bands</b>	The proportions of male and female full pay relevant employees in the lower, lower middle, upper middle and upper quartile pay bands

The overall gender pay gap is defined as the difference between the median (actual mid-point) or mean (average) basic annual earnings of men and women expressed as a percentage of the median or mean basic annual earnings of men.

## Gender Pay Gap – 31 March 2022

### Mean

Average hourly rate of pay and the percentage difference between



£16.56

**GAP**

**-1.72%**  
**£0.28**



£16.28

Burnley Council's mean gap is lower than the national average of 13.9%\*

\* Annual Survey of hours and Earnings 2022 (Office for National Statistics)

### Median

Middle hourly rate of pay and the percentage difference between



£15.91

**GAP**

**-6.64%**  
**£0.99**



£14.92

Burnley Council's median gap is lower than the national average of 14.9%\*

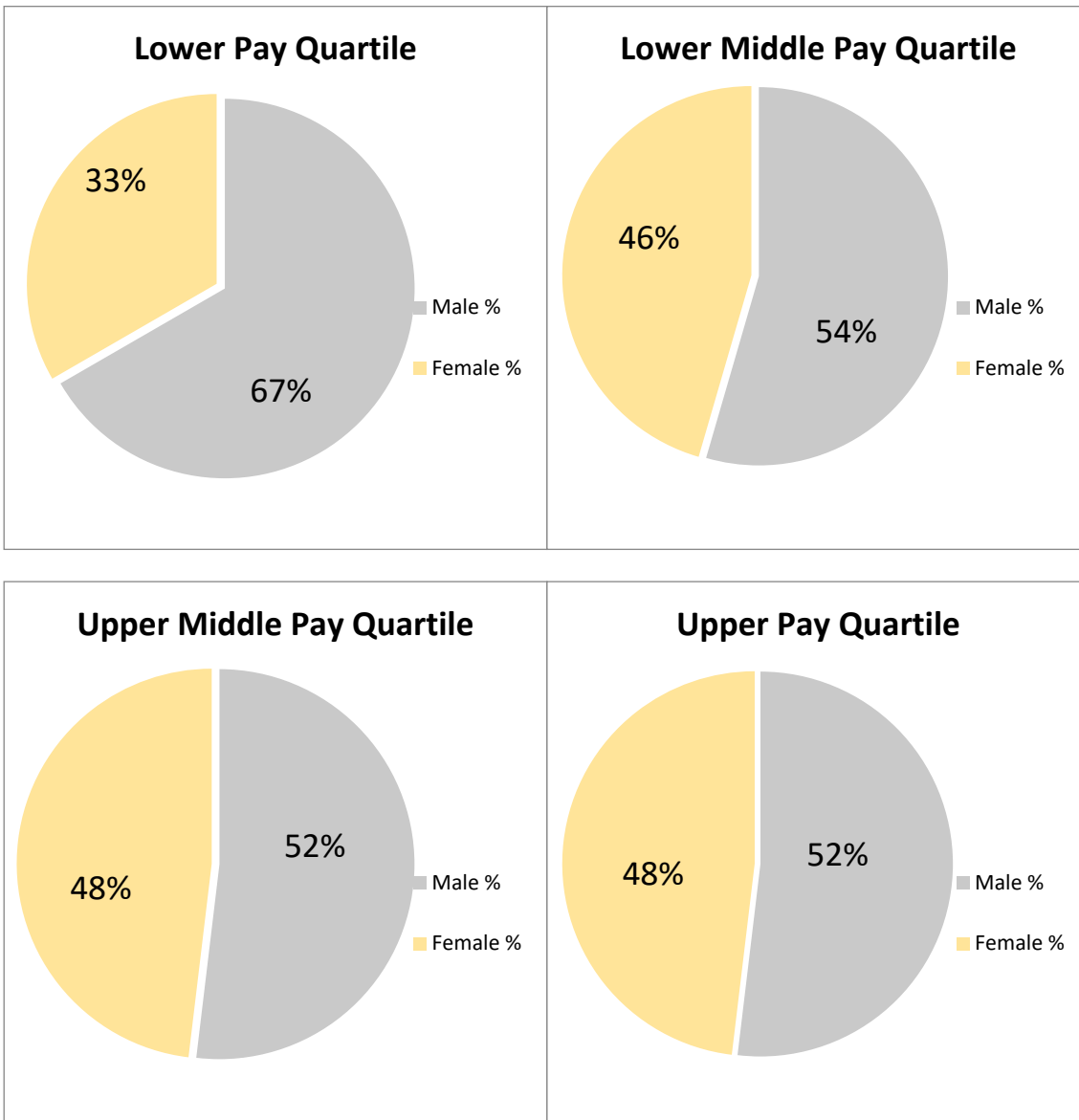
\* Annual Survey of hours and Earnings 2022 (Office for National Statistics)

### Bonus Gap

Burnley Council does not operate any performance related pay or bonus scheme and therefore has no bonus gender pay gap

## Quartile Pay Bands

These graphs show the workforce composition in each pay quartile. The proportions do generally reflect our gender workforce profile.



## Analysis

- Latest figures suggest that the median gender pay gap across the public sector is 15.9% and the figure across all industries in Lancashire is 13.3% with Burnley at -2.8%. The Council compares favourably with these statistics.
- The Regulations require the hourly rate to be calculated as ordinary pay which includes basic pay and allowances as well as deductions for benefits provided through salary sacrifice schemes. It does not include overtime payments or pension contributions. Burnley Council operates salary sacrifice schemes for childcare vouchers and the purchase of bicycles. It also allows employees to purchase up to 10 days additional leave per year. The gender proportion of our employees who take-up these benefits is below:

	Male	Female
Childcare Vouchers	0.0%	5.2%
Cycle Scheme	0.8%	2.1%
Bought Additional leave	0.8%	4.2%

- As at the snapshot date of 31 March 2021, 33% of our senior management team were female.

## Taking Action

Burnley Council is committed to fair pay irrespective of gender. We already have the following in place:

- Support for employees through application of flexible working policies
- An anonymised recruitment process where all equality monitoring information (including that related to gender) is removed to reduce the potential for unconscious bias
- Learning and development programme which provides employees with opportunity to meet their full potential eg. Talent Management.

We will prioritise the following areas for action:

- Explore how we can attract more women into our organisation to create a more even gender balance across the grading structure. As an equal opportunities employer, we firmly believe in appointing the best candidate into the role, regardless of their gender or other factors covered by the Equality Act.
- We will continue to actively encourage flexible working across the organisation to ensure that all employees have the opportunity to work in a way that works for their career aspirations and work/life balance.

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## **Note to Executive following Scrutiny Committee 9<sup>th</sup> February 2023.**

### **Pay Policy Statement**

It was noted that the Employer contribution rate would increase from April 2023, and that therefore, paragraph 35 on p8 of the Appendix document (p42 of the Executive Agenda pack) should be updated to include the wording in **bold** below.

35 . The Council contributes to the Local Government Pension Scheme for its employees who are members of the Scheme which is 17.6% of an employee's salary **(from April 2023 this increases to 19%)**. This rate of contribution is set by actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

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# EXECUTIVE

BURNLEY TOWN HALL

Monday, 13<sup>th</sup> February 2023, at 6.30 pm

## 84. Pay Policy Statement 2023/24

### PURPOSE

To seek Executive endorsement for the Council's Pay Policy Statement which is required to be published prior to the end of March each year.

### REASON FOR DECISION

The Localism Act 2011 – [Chapter 8 - Pay Accountability], requires all local authorities to set out its position on a range of issues relating to the remuneration of its employees. The Pay Policy Statement must be approved by the Council in open forum, by the end of March each year and then be published on its website.

### DECISION

As the Employer contribution rate would increase from April 2023, paragraph 35 on p8 of the Appendix document (p42 of the Executive Agenda pack) should be updated to include the wording in **bold** below.


35. The Council contributes to the Local Government Pension Scheme for its employees who are members of the Scheme which is 17.6% of an employee's salary **(from April 2023 this increases to 19.4%)**. This rate of contribution is set by actuaries advising the Lancashire Pension Fund and is reviewed on a triennial basis.

**Subject to the above amendment the Executive endorsed the report and recommended approval by Full Council.**

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ITEM NO	
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## REPORT TO AUDIT AND STANDARDS COMMITTEE

	<b>DATE</b>	<b>16<sup>th</sup> January 2023</b>
	<b>PORTFOLIO</b>	<b>None</b>
	<b>REPORT AUTHOR</b>	<b>Lukman Patel (Chief Operating Officer and Monitoring Officer)</b>
	<b>TEL NO</b>	<b>7140</b>
	<b>EMAIL</b>	<a href="mailto:lpatel@burnley.gov.uk">lpatel@burnley.gov.uk</a>

## CODE OF CONDUCT REVIEW

<b>PURPOSE</b>	
1.	To consider the Borough Council’s Code of Conduct (Existing Code) for Members and associated Complaints Procedure following the publication of the Local Government Ethical Standards report produced by The Committee on Standards in Public Life (“the CSPL”) and the Local Government Association’s (LGA) Model Code of Conduct (LGA’s Model Code).

<b>RECOMMENDATION</b>	
2.	That the Audit and Standards Committee recommend to Full Council to make the proposed changes to the Council’s Existing Code and associated Complaints Procedure as set out in Appendix B in response to the Best Practice recommendations contained in the Local Government Ethical Standards report produced by the CSPL as abstracted in the LGA’s Model Code.
3.	That the Audit and Standards Committee either:
3.1	establish a sub-committee to consider and produce a report as to whether it should adopt the Model Code and report back to this Committee in the first instance with their findings; or
3.2	resolve not to recommend to Full Council to approve the Model Code at this juncture; or
3.3	defer the decision to adopt the Model Code for 12 months due to the perceived ambiguities in the LGA’s Model Code at this moment in time and review the situation when the position is clearer or the LGA produces an updated Code.

<b>REASONS FOR RECOMMENDATION</b>	
4.	<p>The Committee has the responsibility to promote and maintain high standards of conduct of elected Members.</p> <p>It is important to review the Existing Code periodically to ensure that it is benchmarked and reflects best practice. Addressing any shortfalls in the existing arrangements by adopting the best practice recommendations from the CSPL is considered beneficial. It</p>

	<p>also increases transparency and improves trust and confidence in the local democratic process.</p> <p>The Committee may wish to establish a sub-committee whose remit shall be to consider whether it should recommend to Full Council to adopt the LGA's Model Code if it considers this necessary to maintain high standards of conduct of elected Members.</p> <p>The Committee may decide to defer the establishment of a sub-committee to consider the adoption of the Model Code for 12 months due to the perceived ambiguities in the LGA's Model Code at this moment in time and review when the position becomes clearer or the LGA produces an updated Code.</p> <p>The Committee may opt not to recommend to Full Council to approve the Model Code at this juncture as the Existing Code is fit for purpose and the LGA's Model Code does not materially improve or add more rigour to existing arrangements.</p>
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<b>SUMMARY OF KEY POINTS</b>	
5.	<p><b>Background</b></p> <p>Section 27 of the Localism Act 2011 requires local authorities to promote and maintain high standards of conduct by members and co-opted members of the authority.</p> <p>The Council adopted its Existing Code in 2012 and it has been subject to a few minor amendments over the years. The Existing Code and associated complaints procedure are available at:</p> <p><i>Existing Code:</i> <a href="http://moderngov.co.uk/contents">CONTENTS (moderngov.co.uk)</a></p> <p><i>Complaints Procedure:</i> <a href="http://moderngov.co.uk/part-5-1-code-of-conduct-and-complaints-procedure-appendix-review-draft">Part 5.1 Code of Conduct and Complaints Procedure Appendix REVIEW DRAFT (moderngov.co.uk)</a></p> <p>The Borough Council's Monitoring Officer also oversees the complaints of Parish and Town Councillors. Parish and Town Councils have Codes of Conduct and complaints procedures that are broadly similar to the Borough Council's Existing Code.</p>
6.	<p><b>The Committee on Standards in Public Life Report</b></p> <p>The CSPL advises the Prime Minister on ethical standards across the whole of public life in England and monitors and reports on issues relating to the standards of conduct of all public office holders.</p> <p>The CSPL undertook a review of local government ethical standards.</p> <p>Following the completion of its review the CSPL published a report on 30 January 2019. A copy of the CSPL report is available at:</p> <p><a href="https://www.gov.uk/government/publications/local-government-ethical-standards-report">https://www.gov.uk/government/publications/local-government-ethical-standards-report</a></p> <p>In its report dated 30 January 2019 the CSPL made 24 recommendations to the government to improve ethical standards in local government. Recommendation 1 is abstracted as follows:</p>

*“The Local Government Association should create an updated model code of conduct, in consultation with representative bodies of councillors and officers of all tiers of local government.”*

On 18 March 2022 the Government published its response to the CSPL recommendations.

A copy of the Government response is available at:

<https://www.gov.uk/government/publications/local-government-ethical-standards-government-response-to-the-committee-on-standards-in-public-life-report/government-response-to-the-committee-on-standards-in-public-life-review-of-local-government-ethical-standards#recommendation-1>

The Government responded as follows to CSPL’s Recommendation 1:

*“The Localism Act 2011 states that relevant authorities must promote and maintain high standards of conduct by members and co-opted members. It requires these authorities to adopt a code of conduct for their councillors. Authorities can determine the content of their own code of conduct. However, codes must conform to the 7 ‘Nolan’ principles of standards in public life: selflessness, integrity, objectivity, accountability, openness, honesty, and leadership. Relevant authorities for the purposes of these requirements include local authorities in England, namely county councils, district councils, London borough councils and parish and town councils.*

*It is for individual councils to set their own local code, in line with the Act. The government has previously published a light-touch illustrative code of conduct.*

*The Local Government Association has worked with sector representative bodies to update its own suggested code of conduct, with the intention that this new suggested code could establish a consistent benchmark that local authorities can amend or add to as they see fit to reflect local circumstances and priorities. The Local Government Association published the updated code of conduct in January 2021. However, it remains a local decision on whether this model code is adopted.”*

**7. LGA’s Model Code**

Following the publication of the CSPL report, the LGA began drafting a Model Code for consideration for Local Authorities that was published in May 2020. A copy of the Model Code is available at:

[Local Government Association Model Councillor Code of Conduct 2020](#)

The LGA’s Model Code has received a lukewarm response from local authority Monitoring Officers. The inability to introduce firmer sanctions from the Government for a breach of the Code of Conduct has probably heightened the apathy. Requests were sent to neighbouring local authorities and Lancashire County Council canvassing whether they have or propose to adopt the LGA’s Model Code. Responses (where received) have been abstracted at Appendix A.

It has also been observed that the LGA’s Model Code departs from narrower wording in s31 of the Localism Act 2011 (which relates to Disclosable pecuniary interests) and introduces a distinction between things that "directly relate" to an interest and things that "affect" an interest. It has been suggested that this is probably because it assumes the change to the law recommended by the CSPL report to repeal s 31 of the Localism Act

	<p>2011 but until such time as s31 is repealed departing from (narrowing) the wording currently in the Localism Act is not recommended given the criminal sanctions for failure to disclose a DPI.</p> <p>The LGA's Model Code was also drafted before the Government's response to the CSPL report that could explain why some of the provisions contained in the LGA's Model Code. As Members will note the Government did not adopt all of the recommendations contained in the CSPL report.</p> <p>Should Members consider the necessity to consider adopting the LGA's Model Code, it is suggested that a sub-committee is established to consider the LGA's Model Code to ensure that proper consideration is provided to the document before it is recommended to Full Council for approval.</p>
8.	<p><b>Best Practice Recommendations</b></p> <p>The Local Government Ethical Standards report produced by the CSPL also contained 15 Best Practice Recommendations. The Monitoring Officer has reviewed these by reference to the Council's existing processes and procedures and provided a narrative at Appendix B. Where the current processes and procedures are not in line with these recommendations, proposals have been put forward by the Monitoring Officer for consideration by the Committee. It is recommended that the Committee consider these proposals for adoption before they are presented to Full Council.</p>

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>	
9.	None arising directly from this report.

<b>POLICY IMPLICATIONS</b>	
10.	Not applicable.

<b>DETAILS OF CONSULTATION</b>	
11.	<p>The following persons and organisations have been consulted on the draft report. Their responses (if provided) are abstracted at Appendix A.</p> <p>Parish and Town Councils in the Borough of Burnley  Blackburn with Darwen Borough Council  Hyndburn Borough Council  Lancashire County Council  Pendle Borough Council  Ribble Valley Borough Council  Rossendale Borough Council  The Borough Council's Two Independent Persons</p>

**Appendix A – Responses to Consultation received.**

Name of organisation/individual	Response received
Briercliffe Parish Council	No response received.
Cliviger Parish Council	No comments
Dunnockshaw & Clowbridge Parish Council	No response received.
Habergham Eaves Parish Council	No comments
Hapton Parish Council	No response received.
Ightenhill Parish Council	No response received.
Padiham Town Council	No comments
Worsthorne with Hurstwood Parish Council	No response received.
Blackburn with Darwen Borough Council	<p>BwD reviewed the LGA code in January 2021 <a href="#">Local Government Ethical Standards Report.pdf (blackburn.gov.uk)</a> and opted to retain our local code but updated it to reflect the Committee on Standards in Public Life best practice recommendations. The Standards Committee were advised with options to adopt the LGA Code in its entirety, adopt the LGA code with amendments or retain the local Code and update it and the complaints procedure to reflect the CSPL recommendations. The Committee recommended to Council to approve the third option. The Committee preferred the local adopted code in terms of its format and wording.</p> <p>Also, please see link to the article: <a href="#">Monitoring officers give lukewarm response to LGA Model Code of Conduct, unlikely to recommend implementation: LLG (localgovernmentlawyer.co.uk)</a></p>

Hyndburn Borough Council	<p>I am currently looking at it for Hyndburn.</p> <p>I understand only around 4 Lancashire LA's have adopted the new code to date.</p> <p>Personally I don't like the LGA code as I think it is unduly complicated, but ultimately it will be members decision.</p>
<p>Lancashire County Council</p>	<p>Lancashire County Council looked at this earlier this year through a member working group, and decided that we would retain our old code and not use any of the LGA Code. The only thing we changed was to increase the threshold for the declaration of Gifts and Hospitality from £25 to £50.</p> <p>There were two main reasons why we didn't amend our Code:</p> <ol style="list-style-type: none"> <li>1. One of the key benefits our members initially saw in the LGA code was that it might help deliver some consistency across councils, which might have been particularly helpful in a two tier area like ours where some councillors will be operating to two slightly different codes. However, when we started to ask around back then, we got a very clear message that many councils were either adopting it in part or adopting it with revisions. Either way, it meant that the "consistency" ambition was never going to be realised</li> <li>2. The LGA code is a perfectly good code and we had no issues with it, but we didn't feel that it said anything that our current code didn't already say. Some things it perhaps said better or more clearly, other things worse, but overall, we didn't feel it made much difference. Given that generally we don't have many issues or complaints under the code anyway, it was not felt that we had a problem that needed fixing, and as the new code did not present immediate and obvious advantages, it felt a bit like it would mean doing some work without getting much out of it.</li> </ol>
Pendle Borough Council	No response received.



Ribble Valley Borough Council	<p>Ribble Valley adopted in April 2021 and we trained all councillors in autumn 2021 using Paul Hoey and then I trained (or invited for training) all Parish Councils so that they could decide if they wanted adopt it or not. Quite a few have a adopted the same code which is helpful.</p> <p>We previously had an extremely limited code and had had some high profile standards issues. I wanted all members to buy into the new code, and the training, which largely they did. The timing was helpful from that perspective. I also drafted new arrangements which are quite prescriptive on how complaints are dealt with, including the investigation and hearings. This was also to head off any future issues around the process. It seems to have had the desired effect. I have found being able to refer members to examples in the LGA guidance which accompanies the code useful too.</p> <p>I did tweak the code slightly to deal with the fact that we are a committee system.</p>
Rossendale Borough Council	<p>We have adopted it with slight tweaks as I didn't feel that the model code went far enough to satisfy the best practice recommendations. I also wanted to keep additional items so that it fit Rossendale and the standards we were wanting to stay with. Members appreciated that this might be subject to change as further consideration to Standards continues.</p> <p>Members have found the code easier to work with and the LGA guidance document that accompanies it is very useful and easy for our members to understand. Please see link for our report etc which may or may not be of use to you. It is item D2.</p> <p><a href="https://www.rossendale.gov.uk/meetings/meeting/1251/council">https://www.rossendale.gov.uk/meetings/meeting/1251/council</a></p>

The Borough Council's Two Independent Persons

Support recommendations.

**Appendix B – Proposals to comply with The Local Government Ethical Standards report Best Practice recommendations.**

Best Practice Recommendation	Current Position	Proposals
<p>Best practice 1: Local authorities should include prohibitions on bullying and harassment in codes of conduct. These should include a definition of bullying and harassment, supplemented with a list of examples of the sort of behaviour covered by such a definition.</p>	<p>This is currently not expressly included in the Council’s Existing Code, but other parts of the Existing Code can be used to regulate such adverse behaviour.</p> <p>Bullying is prohibited but not defined.</p> <p>Harassment is neither defined nor expressly prohibited.</p>	<p>Add the words “harass or victimise” after the word “bully” in Part 1, 3(1)(2)(b) of the Existing Code. Although, victimisation is not specifically referenced, it is considered appropriate to prohibit such conduct as it is often an adverse behaviour linked to bullying and/or harassment that should be condemned and subject to sanctions.</p> <p>It is also proposed that the following definitions and examples of bullying, harassment and victimisation are added into the Council’s Existing Code for clarity.</p> <p><b>“Definitions and Examples:</b></p> <p><i>Bullying is a particular form of harassment and may be characterised as persistent, offensive, intimidating, malicious or insulting behaviour, possibly through an abuse or misuse of position or power where the intention or outcome is to undermine, humiliate, denigrate or injure the recipient. Examples of bullying include: shouting at others in public or in private; personal insults; ignoring or excluding individuals; persistent, excessive, unfair or unjustified criticism; setting impossible deadlines or targets/objectives or making inconsistent demands. This list is not exhaustive.</i></p> <p><i>Harassment is, in general terms, unwanted, unreasonable and offensive conduct affecting the dignity of the individual. It includes verbal, non-verbal and physical conduct that may be related to age, gender, race, disability, sexual orientation, religion and belief, nationality or any personal characteristic of the individual, and may be persistent or an isolated incident. Examples of harassment include: unwanted physical contact, offensive jokes or banter, offensive emails, pictures or graffiti, unwelcome sexual advances, exclusion and victimisation. This list is not exhaustive.</i></p> <p><i>Victimisation is treating someone less favourably than others because the individual has, in good faith, complained (whether formally or otherwise) that someone has been bullying or harassing them or someone else, or supported someone to make a complaint or given evidence in relation to a complaint. Examples include: Isolating someone because the individual has made a complaint or treating them differently. This list is not exhaustive.”</i></p>

		Parish and Town Council's to be asked to consider implementing these changes to their respective Codes if the Borough Council decides to approve the same.
<p>Best practice 2: Councils should include provisions in their code of conduct requiring councillors to comply with any formal standards investigation and prohibiting trivial or malicious allegations by councillors.</p>	<p>Members are not expressly required to comply with any formal standards investigations pursuant to the Existing Code.</p> <p>Following consultation with the Independent Person, if the Monitoring Officer consider an allegation malicious, the complaint can be rejected.</p>	<p>Add in an express requirement in Part 1 of the Existing Code as follows:</p> <p><i>“(8) Members are required to comply with any investigation in relation to complaints against their conduct or relating to other elected members of the authority. Failure to do so is considered a breach of the Code of Conduct.”</i></p> <p>Add the word “trivial” after the word “malicious” at page 2 of the complaints procedure for Members.</p> <p>The Monitoring Officer to write to Clerks of Parish and Town Council's for their Members to consider including this requirement in their respective complaints procedure if this proposal is approved by the Borough Council.</p>
<p>Best practice 3: Principal authorities should review their code of conduct each year and regularly seek, where possible, the views of the public, community organisations and neighbouring authorities.</p>	<p>This is currently not undertaken.</p>	<p>The Monitoring Officer has forwarded a draft copy of this report to the Council's Independent Person, Parish and Town Councils, Lancashire County Council and neighbouring authorities for consideration. Comments received by them are abstracted at Appendix A of this report.</p> <p>An annual review of the Code of Conduct shall be added to the work plan of the Council's Audit and Standards Committee. Before any material review of the Existing Code is proposed, the views of the public, community organisations, Parish and Town Council's and neighbouring authorities should be considered.</p>
<p>Best practice 4: An authority's code should be readily accessible to both councillors and the public, in a prominent position on a council's website and available in council premises.</p>	<p>The Council's Existing Code and associated complaints procedure is available on the Council's website and at a copy is available at the Town Hall.</p>	<p>Not applicable.</p>

Best practice 5: Local authorities should update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.	The Register is currently held in paper format	The Governance Management Information System has the capability for Members of the Borough Council to self-register gifts and hospitality online. This would then immediately be available on the website to view or download on an individual member or whole council basis. Training will be provided to Members of the Borough Council.  Parish and Town Councils to be asked to update their gifts and hospitality register at least once per quarter, and publish it in an accessible format, such as CSV.
Best practice 6: Councils should publish a clear and straightforward public interest test against which allegations are filtered.	The test outlined in the current complaints procedure is clear and is considered appropriate.	Not applicable.
Best practice 7: Local authorities should have access to at least two Independent Persons.	The Council currently has two Independent Persons.	Not applicable.
Best practice 8: An Independent Person should be consulted as to whether to undertake a formal investigation on an allegation, and should be given the option to review and comment on allegations which the responsible officer is minded to dismiss as being without merit, vexatious, or trivial.	This process is already incorporated into the Council's complaints procedure for Members.	Not applicable.

<p>Best practice 9: Where a local authority makes a decision on an allegation of misconduct following a formal investigation, a decision notice should be published as soon as possible on its website, including a brief statement of facts, the provisions of the code engaged by the allegations, the view of the Independent Person, the reasoning of the decision-maker, and any sanction applied.</p>	<p>This is established in the Council's existing practices.</p>	<p>Not applicable.</p>
<p>Best practice 10: A local authority should have straightforward and accessible guidance on its website on how to make a complaint under the code of conduct, the process for handling complaints, and estimated timescales for investigations and outcomes.</p>	<p>Details on how to make a complaint and the process for handling complaints are available and accessible on the Council's website. Details of estimated timescales for investigations and outcomes are not included on the website.</p>	<p>The Monitoring Officer to arrange for details of estimated timescales for investigations and outcomes to be included on the Council's website.</p> <p>Parish and Town Councils to be reminded to do the same or re-direct to the Borough Council's website.</p>
<p>Best practice 11: Formal standards complaints about the conduct of a parish councillor towards a clerk should be made</p>	<p>Each Parish and Town Council has its own processes and procedures.</p>	<p>The Monitoring Officer to write out to Parish and Town Clerk's recommending that that their Complaints Procedures are reviewed and updated if necessary.</p>

<p>by the chair or by the parish council, rather than the clerk in all but exceptional circumstances.</p>		
<p>Best practice 12: Monitoring Officers' roles should include providing advice, support and management of investigations and adjudications on alleged breaches to parish councils within the remit of the principal authority. They should be provided with adequate training, corporate support and resources to undertake this work.</p>	<p>The Council's Monitoring Officer regularly attends suitable training courses to undertake his role. The Monitoring Officer is supported by his Deputy and other officers at the Council to support him with investigations.</p>	<p>Not applicable.</p>
<p>Best practice 13: A local authority should have procedures in place to address any conflicts of interest when undertaking a standards investigation. Possible steps should include asking the Monitoring Officer from a different authority to undertake the investigation.</p>	<p>This is currently not included in the Council's Constitution.</p>	<p>Discussions will be had with neighbouring authorities with a view to establishing a reciprocal arrangement.</p>

<p>Best practice 14: Councils should report on separate bodies they have set up or which they own as part of their annual governance statement and give a full picture of their relationship with those bodies. Separate bodies created by local authorities should abide by the Nolan principle of openness and publish their board agendas and minutes and annual reports in an accessible place.</p>	<p>The Council has a joint venture for Weavers Triangle with Barnfield Investment Properties Limited, namely Barnfield and Burnley (Developments) Limited). The Council has a 50 per cent stake in the latter.</p> <p>Details of this joint venture are not currently recorded in the Council's annual governance statement</p> <p>The board agendas and minutes and annual reports are currently not published due to commercial confidentiality. However, before any major development is progressed, a report is presented to the Council's Executive and is generally considered by the Council's Scrutiny Committee. These reports also make their way to Full Council when a budget is required to fund a development.</p>	<p>By adopting this best practice recommendation, it is considered that full and frank discussions with the developer could be lost, and commercial discussions could be prejudiced.</p> <p>All material decisions made by the joint venture that require implementation are presented to the Council's Executive and are generally considered by the Council's Scrutiny Committee. These reports also make their way to Full Council when a budget is required to fund a development.</p> <p>However, an annual progress report to the Council's Scrutiny and Executive Committee is recommended.</p> <p>Details of this joint venture shall be included in the Council's annual governance statement.</p>
---	--	---



<p>Best practice 15: Senior officers should meet regularly with political group leaders or group whips to discuss standards issues.</p>	<p>This is currently not undertaken.</p>	<p>This item to be added to the Group Leaders Agendas periodically for discussion.</p>
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# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 26th January, 2023 at 6.30 pm

## 35. Code of Conduct Review

A report was submitted on the Code of Conduct Review. Members were asked to consider the Borough Council's Code of Conduct (existing Code) for Members and associated Complaints Procedure, following the publication of the Local Government Ethical Standards report produced by The Committee on Standards in Public Life (CSPL) and the Local Government Association's (LGA) Model Code of Conduct (LGA's Model Code).

It was reported that the LGA's Model Code had received a lukewarm response from local authority Monitoring Officers and concerns had been raised over the wording in relation to interests.

- RESOLVED -
- (1) **That the Audit and Standards Committee recommends to Full Council to make the proposed changes to the Council's existing Code and associated Complaints Procedure, as set out in Appendix B in response to the Best Practice recommendations contained in the Local Government Ethical Standards report produced by the CSPL as abstracted in the LGA's Model Code; and**
  - (2) That the decision to adopt the Model Code be deferred for 12 months due to the perceived ambiguities in the LGA's Model Code at this moment in time and review the situation when the position is clearer or the LGA produces an updated code.

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**Constitutional Amendments, Appointments to Committees & Reporting****REPORT TO FULL COUNCIL**

<b>DATE</b>	<b>22/02/2023</b>
<b>PORTFOLIO</b>	<b>Leader</b>
<b>REPORT AUTHOR</b>	<b>Alison McEwan</b>
<b>TEL NO</b>	<b>01282 477259</b>
<b>EMAIL</b>	<b>amcewan@burnley.gov.uk</b>

**PURPOSE**

1. To consider a report on:
  - waivers of call-in;
  - changes to the constitution by the Leader;
  - proposals to update the Financial Procedure Rules, Standing Orders, Procurement Strategy, Scheme of Delegation (Council functions) and Proper Officer List; and
  - the proposed nomination to Scrutiny Committee by the Burnley and Padiham Independent Party

**RECOMMENDATION**

2. That the call-in waivers relating to the urgent Executive Reports and Urgent Chief Executive Decision be noted.
3. That Members note the addition to the Constitution Part 3 Scheme of Delegation approved by the Leader on 17<sup>th</sup> January 2023, granting a delegation to the Chief Operating Officer to exercise delegations granted to Heads of Service in the absence of that Head of Service.
4. That Members approve the changes to Financial Procedure Rules and Standing Orders for Contracts.
5. That Members approve the Council's updated Procurement Strategy 2023-2028.
6. That Members approve the updated Part 3 Scheme of Delegations (Council Functions) and Proper Officer list.
7. That Members approve the appointment of Cllr Mark Payne to the Scrutiny Committee.

<b>REASONS FOR RECOMMENDATION</b>
-----------------------------------

8. To ensure that the Financial Procedure Rules reflect and remain compliant with all relevant legislation and policy.
9. To ensure that the purchase of all goods, works and services is effective and compliant with the Public Contract Regulations 2015 and the Council's Financial Procedure Rules.
10. To ensure alignment of the Council's Procurement Strategy and actions with corporate strategic priorities, the National Procurement Strategy for Local Government, and with the Public Contract Regulations 2015 and sector best practices.
11. To update the Constitution and Proper Officer List to ensure it is up to date and allow the efficient conduct of Council business.
12. To ensure that committee seats are politically balanced as required by the Local Government and Housing Act 1989, and appointments are up to date.

<b>SUMMARY OF KEY POINTS</b>
------------------------------

### **13. Call-in Waiver**

Part 4.5 of the constitution requires that a waiver of call-in be reported at Full Council. The Chair of Scrutiny agreed to call-in being waived regarding the following decisions: Town 2 Turf - Urgent Executive Decision taken by Executive 30<sup>th</sup> November 2022, Executive Delegations Report at 19<sup>th</sup> January Executive and Town 2 Turf Lighting Procurement – Chief Executives Urgent (Executive) Decision on 25<sup>th</sup> January 2023. (see Appendices 1 - 3).

### **14. Update of Part 3 Constitution Scheme of Delegation (Executive Functions)**

The Leader has approved changes to the Executive functions as set out in appendix 4 and these are presented to Full Council for noting.

### **15. Financial Procedure Rules (FPR)**

FPR Part 4.7 of the Constitution, section D3 'Contracts' has been updated to incorporate revised Competition Law requirements introduced through the Subsidy Control Act 2022 (04/01/23). The Act replaces EU State Aid Rules; however, EU rules still apply to European Regional Development and Social Fund projects.

Officers are required to consider if a contractual arrangement provides direct or indirect support to an organisation over any other that is capable of effecting competition or investment within the UK or outside territories.

Consideration must be given against a set of subsidy (financial assistance) tests and possible exemptions. Where a subsidy is determined as being present, officers must consider further steps to make a contract award lawful. The council will be obliged to publish relevant information on the UK Transparency Database where a subsidy is provided that is greater than £100,000 in value.

The updated financial procedure rules are available at appendix 5.

## **16. Standing Orders for Contracts (SOC)**

SOC, Part 4.7 of the Constitution, set out the actions which officers must follow to comply with FPRs and The Public Contract Regulations 2015, when contracting for goods, services and works through public expenditure.

Details of proposed changes to SOC are shown in the tracked changes document attached. In summary changes have been included to reflect amendments to, and introduction of new, legislation and best practice including:-

- a) A proposed increase in the Executive tender approval and SOC exemption threshold from £100,000 to £125,000 to recognise general price increase in the marketplace and inflation.
- b) A change is also proposed in the requirement to obtain Executive approval to issue or publicise a tender above £125,000 to approval obtained from the relevant Head of Service in consultation with the Head of Finance & Property Services and the relevant Executive Portfolio Holder. Note: the requirement to obtain approval to accept a tender above £125,000 remains with the Executive. This will minimise use of urgency powers and remove potential delay in the tender process. To note: when issuing a tender, the Council reserves the right not to award a contract should that be necessary.
- c) An increase is also proposed, in line with point a above, from £100,000 to £125,000 where exemptions to SOC can be made by the Head of Finance & Property Services and the Head of Legal & Democratic Services.
- d) Actions to be taken by Officers as necessary to meet the requirements within the recent Subsidy Control Act 2022 and reporting regime have been included.
- e) Similarly, under new legislation where VAT applies to a contract, the assessment of contract value to determine whether it will exceed the relevant procurement thresholds must now include VAT.

The updated standing orders for contracts is available at appendix 6.

## **17. Procurement Strategy 2023 - 2028**

A review has been carried out of the Council's Procurement Strategy. It has been updated to reflect recent changes in national policy, guidance, and best practices from across the public sector.

The strategy aligns procurement actions with corporate strategic priorities, the National Procurement Strategy for Local Government 2022, and with changes in the Public Contract Regulations.

The strategy sets out the council's responsibilities by continuing to mature its framework for procurement and promoting and supporting the council's strategic priorities for the borough.

The strategy applies to all council expenditure on goods, services, works and utilities. It meets the necessary National Procurement Strategy aims to show leadership in procurement, behave commercially and achieve community benefits.

Compliance with this strategy will support our duty to deliver best value, particularly where new service delivery models or efficiencies are required and improve and adapt how we procure services and goods to meet the changing needs of customers and the organisation through strong leadership in cost effective, innovative, responsible, and commercial ways.

The updated procurement strategy is available at appendix 7.

## **18. Updates to the Constitution and Proper Officer List**

Details of proposed changes to the Council's Scheme of delegation for Council functions are shown in tracked changes along with an explanation for the proposals.

It is important to keep the proper officer list updated so that it does not become out of date. The list is self-explanatory and has been updated to reflect (inter alia) changes in legislation over time. Members will also note that the Chief Executive and Chief Operating Officer have been given delegated authority to act as the relevant Proper Officer in the absence of a Proper Officer to ensure that council business can continue in an efficient and timely manner. The said list shall also be published on the Constitution section of the Council's website for transparency.

The updated constitution and proper officer list is available at appendix 8.

## **19. Appointments to Committees**

Burnley & Padiham Independent Party have to allocate one of their members to the scrutiny committee following the resignation of Cllr Emma Payne. Cllr Mark Payne has been nominated to fill this vacancy by the Burnley and Padiham Independent Party.

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>
--

20. None.



**POLICY IMPLICATIONS**

21. None.

**DETAILS OF CONSULTATION**

22. Member Structures Working Group.

**BACKGROUND PAPERS**

23. None.

**FURTHER INFORMATION**

**PLEASE CONTACT: Alison McEwan**

**01282 477259**

**ALSO: Chris Gay 01282 477163**

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# EXECUTIVE

## BURNLEY TOWN HALL

Wednesday, 30th November, 2022 at 6.30 pm

### 60. Exclusion of the Public

That the public be excluded from the meeting before discussion takes place on Minute 61 relating to Town to Turf Scheme on the grounds that in view of the nature of the business to be transacted if the public were present there would be a disclosure to them of exempt information within the meaning of Schedule 12s of the Local Government Act 1972.

### 61. Town to Turf Scheme - Procurement of Materials

#### PURPOSE

To seek approval to place a direct order with Hardscape Ltd the sole supplier for Kellen paving materials without delay to ensure fulfilment to meet construction phasing deadlines and minimise the risk of the scheme over-running with the external funding being recovered as a result.

#### REASON FOR DECISION

To ensure critical path programme delivery to secure scheme completion in June 2024, without foreseeable delays and without the risk of the external funding being recovered.

To enable the Council to timely award contracts for services and materials.

#### DECISION

The Executive resolved to:

- Delegate authority to the Head of Finance and Property to purchase materials with a value in excess of £100,000.
- Waive Standing Orders 18 to 22 (public notice, contract conditions, tender receipt and acceptance) in order that a direct award in line with DLUHC funding requirements can be made to Hardscape Ltd as sole supplier for materials required to deliver the 'Town 2 Turf' scheme.
- Waive call-in following the agreement of the Chair of Scrutiny due the urgent requirement to place this order and minimise the risk of the scheme over-running with the external funding being recovered as a result.

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# EXECUTIVE

## BURNLEY TOWN HALL

Thursday, 19th January, 2023 at 6.30 pm

### 64. Additional Items of Business

Members noted that the Chair had decided that two additional items of business, agenda item 14a) Executive Delegations to Heads of Service [minute 75] and agenda item 19 Levelling Up Fund [minute 80], should be considered at the meeting as a matter of urgency. These items had been published in a supplementary agenda.

### 75. Executive Delegations

#### PURPOSE

To seek approval to agree for the Chief Operating Officer to exercise those delegations to Heads of Service via reports to the Executive in the absence of that Head of Service.

#### REASON FOR DECISION

To enable the decisions approved by the Executive to be executed in a timely fashion and within contractual and funding deadlines.

#### DECISION

The Executive resolved to:

1. Authorise the Chief Operating Officer to exercise those delegations to specific Heads of Service in relation to actions arising from reports approved (both previously and in future) by the Executive in the absence of the relevant Head of Service.
2. Waive call-in in order to allow urgent deadlines to be met.
3. Recommend that Full Council approves a similar change to the Constitution Part 3 (Council Functions) Scheme of Delegation to add the following delegation to those of the Chief Operating Officer:

‘The Chief Operating Officer is delegated authority to discharge delegations and functions afforded to a Head of Service in the absence of the relevant Head of Service, excluding those finance functions afforded to the Section 151 Officer.’

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# URGENT EXECUTIVE DELEGATED DECISION BY THE CHIEF EXECUTIVE

BURNLEY TOWN HALL

## PRESENT

**OFFICERS** Alison McEwan - Democracy Officer

### 1. T2T – Procurement of Street Lighting Columns

**Purpose** To seek approval for the waiver of Standing Orders to enable the purchase of street lighting columns for the Town 2 Turf scheme.

**Reason For Decision** To enable the Council to purchase streetlighting columns and maintain the critical path programme delivery for scheme completion in June 2024, without delay and the risk of the external funding being recovered.

**Decision** That the Chief Executive using urgency powers under Part 3 of the Constitution (Executive Functions) approves:

- a. A waiver of Standing Orders 17 to 22 (public notice, contract conditions, tender receipt, and acceptance) to enable the timely purchase of 19 street lighting columns for the Town 2 Turf scheme.
- b. A delegation to the Head of Finance and Property Services to purchase the street lighting columns above £100,000 in value and in line with The Department for Levelling Up and Housing (DLUHC) funding and requirements.
- c. That in accordance with and following the requirements set out in Paragraph 15 of Part 4.5 of the constitution regarding the agreement provided by the Chair of Scrutiny, it is stated that in the opinion of the Chief Executive this decision is an urgent one and therefore not subject to call-in.

Decision made by: Chief Executive

Date: 25<sup>th</sup> January 2023

Decision Published on: 25<sup>th</sup> January 2023

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# PART 3 CHANGE TO DELEGATIONS (EXECUTIVE) BY THE LEADER

BURNLEY TOWN HALL

## PRESENT

OFFICERS Alison McEwan - Democracy Officer

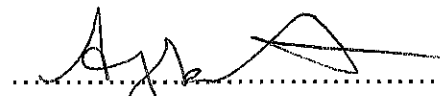
### Amendment to Part 3 Scheme of Delegation (Executive Functions)

I give notice that on 17<sup>th</sup> January 2023, I approved the following recommendation;

That the Leader approves changes to Part 3 (Executive) of the Council's constitution, i.e. the Scheme of Delegation, effective from 17<sup>th</sup> January 2023 to add the following delegation to those of the Chief Operating Officer;

“The Chief Operating Officer is delegated authority to discharge delegations afforded to a Head of Service in the absence of the relevant Head of Service apart from those relating to finance functions afforded to the Head of Finance and Property (s151 officer).”

Decision made by:

  
.....  
Councillor Afrasiab Anwar  
Leader

Date: 17<sup>th</sup> January 2023

Decision Published on: 18<sup>th</sup> January 2023

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# **FINANCIAL PROCEDURE RULES**

**V 2.09  
ED/LP**

# FINANCIAL PROCEDURE RULES

## CONTENTS

<b>QUICK REFERENCE GUIDE .....</b>	<b>4</b>
<b>A FINANCIAL MANAGEMENT .....</b>	<b>6</b>
A1 GENERAL .....	6
A2 LEGISLATION .....	6
A3 FORM OF ACCOUNTS AND PRIME FINANCIAL RECORDS .....	7
A4 FINANCIAL ADVICE AND GUIDANCE .....	7
A5 ACCESS TO FINANCIAL RECORDS AND INFORMATION .....	7
A6 RESPONSIBILITY OF OFFICERS AND MEMBERS .....	7
A7 BREACHES OF FINANCIAL PROCEDURE RULES .....	8
A8 SCHEME OF VIREMENT .....	8
A9 TREATMENT OF YEAR END BALANCES .....	9
A10 EMERGENCY EXPENDITURE .....	9
A11 STATEMENT OF FINANCIAL MANAGEMENT RESPONSIBILITIES .....	10
HEADS OF SERVICE .....	10
BUDGET HOLDERS .....	11
FINANCE AND PROPERTY UNIT .....	11
A12 ACCOUNTING POLICIES .....	12
A13 THE ANNUAL STATEMENT OF ACCOUNTS .....	12
A14 TRUST FUNDS AND CHARITIES .....	12
A15 STRATEGIC SERVICE DELIVERY PARTNERSHIPS .....	13
<b>B FINANCIAL PLANNING .....</b>	<b>14</b>
B1 PERFORMANCE PLANS .....	14
B2 CAPITAL EXPENDITURE AND FINANCE .....	14
B3 REVENUE BUDGET .....	15
B4 BUDGET FORMAT .....	16
B5 BUDGETARY CONTROL .....	16
B6 MAINTENANCE OF RESERVES .....	17
B7 RESOURCE ALLOCATION .....	17
<b>C RISK MANAGEMENT AND THE CONTROL OF RESOURCES .....</b>	<b>19</b>
C1 RISK MANAGEMENT .....	19
C2 INTERNAL CONTROL .....	19
C3 INSURANCE .....	20
C4 TREASURY MANAGEMENT .....	20
C5 ASSETS .....	21
C6 INVENTORIES AND STORES RECORDS .....	21
C7 INTELLECTUAL PROPERTY .....	22
C8 IRREGULARITIES .....	22
C9 AUDIT AND INSPECTION .....	23
INTERNAL AUDIT .....	23
EXTERNAL AUDIT .....	24
OTHER REVIEW BODIES .....	24
C10 PREVENTION OF FRAUD AND CORRUPTION .....	24

C11	STAFFING .....	24
<b>D</b>	<b>SYSTEMS AND PROCEDURES .....</b>	<b>25</b>
D1	GENERAL .....	25
D2	ORDERING OF GOODS AND SERVICES AND LETTING OF CONTRACTS ...	25
D3	CONTRACTS .....	26
D4	INCOME .....	27
D5	PAYMENT OF ACCOUNTS .....	29
D6	SALARIES AND WAGES .....	30
D7	OFFICERS TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES .....	30
D8	MEMBERS ALLOWANCES .....	31
D9	BANKING ARRANGEMENTS .....	31
D10	INFORMATION TECHNOLOGY .....	32
D11	TAXATION.....	32
D12	PETTY CASH ACCOUNTS.....	33
D13	PROCUREMENT CARDS.....	33
D14	ELECTRONIC PROCUREMENT .....	34
D15	ANTI-MONEY LAUNDERING .....	34
<b>E</b>	<b>EXTERNAL ARRANGEMENTS .....</b>	<b>36</b>
E1	GENERAL .....	36
E2	EXTERNAL FUNDING .....	36
E3	PARTNERSHIP .....	37
E4	WORK FOR THIRD PARTIES .....	38
E5	FRONT FUNDING.....	38

**INDEX .....**  
**37**Version Control

Version	Date	Comment	Authorised
V1	13/12/06	Council Approval	Phil Moore
V2.0	08/04/09	Council Approval	Phil Moore
V2.01	5/02/13	Minor Amendment	Helen Seechurn
V2.02	11/2/13	Update for Job Titles	David Wilcock
V2.05	12/11/15	Review of Scheme of Delegation	Phil Moore
V2.06	31/08/16	Minor Amendment	Lukman Patel
V2.07	30/01/17	Minor Amendments	Eric Dickinson/Lukman Patel
V2.08	20/04/18	Consequential Amendments	Eric Dickinson/Lukman Patel
V2.09	01/02/19	Minor Amendments	Eric Dickinson/Lukman Patel

# FINANCIAL PROCEDURE RULES

For the purposes of these rules, Chief Officers are defined as the Chief Executive and the Chief Operating Officer.

## Quick Reference Guide

*(Please note the following is only a guide and does not exempt you from needing to understand the provisions contained within the Financial Procedure Rules)*

**Warning: - Failure to comply may lead to disciplinary action**

### GENERAL

Financial Management and control in service units is the responsibility of the relevant Head of Service and his/her staff and therefore **everyone** has an obligation to be competent in financial matters.


- ✓ Expenditure can only be incurred where there is an approved **COUNCIL** budget  
No expenditure should be incurred based upon:
  - Members “approving” spending – they cannot establish budgets themselves
  - An approval letter from an external funding body
  - Amounts which were in budget in a previous financial year
- ✓ The Finance team are there to offer support and consultation
- ✓ If you are aware of an **ADDITIONAL** spending pressure or **DEFICIENCY** in income, highlight to your HOS/CE/COO – immediately!
- ✓ You can move up to **£20,000** (with the exception of salary budgets, capital budgets and others highlighted at rule A8.2.3) from one budget to another in any one year. But please remember you **MUST** tell Finance of ANY changes
- ✓ Any transfer of revenue budget above £20k or the transfer of salary budgets must be approved by Management Team
- ✓ Any transfer of capital budgets must be approved by the Executive
- ✓
- ✓ Always **PLACE AN ORDER** when you are committing the council to spending
- ✓ Unspent budgets **DO NOT** carry forward, contact your / HOS/CE/COO if there is a special need
- ✓ Heads of Service have responsibility for all assets inventories and stores under their control
- ✓ When contacting the Council’s bankers for extension or amendments to the provision of services, Finance **MUST** be informed of the request, to ensure proper management.


### IRREGULARITIES/LOSS/THEFT/FRAUD

- ✓ In any case where you suspect there may be irregularities/loss/theft or fraud, you must contact your Head of Service or Chief Officer **and** one of the following: -
  - Head of Legal and Democratic Services
  - Head of Finance and Property

- Internal Audit Manager

## **EMERGENCIES**

 Your Chief Officer or HOS can write to the Head of Finance and Property, who may give written approval for proposed urgent spending without budget provision for **UP TO £20,000**

 For proposed urgent spending without budget **EXCEEDING £20,000**, it must be determined that it is not practical in the time available to convene a full meeting of the Council. The agreement of the Scrutiny chair **MUST** be obtained. Where it is possible to meet these two requirements then spending can be undertaken with written approval from the Head of Finance and Property + Chief Executive + the Leader/Deputy Leader + the relevant or any other Executive portfolio holder.

Remember: - No written authorisations – No emergency expenditure

- ✓ The Head of Service **MUST** report back to the next meeting of Council in every case.

## **CAPITAL SPENDING**

- ✓ The capital budget **DOES NOT** confer authority to spend
- ✓ There has to be a report on each proposal before spending is committed. The Executive **HAS TO APPROVE** before commitments can be incurred
- ✓ The report needs to outline the effect of the proposed spending on the Revenue Account over a **3 YEAR PERIOD**

## **SCOPE OF FINANCIAL REGULATIONS**

**Please remember that:** - Financial Procedure Rules cover areas such as risk management, preventing fraud and corruption and anti –money laundering

**Please also remember that:** -

Financial Procedure Rules apply to **all** external funding programmes where the Council is the **ACCOUNTABLE** body

**and**

No bids can be submitted for **EXTERNAL FUNDING** unless they are in accordance with the Council's **EXTERNAL FUNDING STRATEGY**

**Warning:- If you overspend without approval, you will have a reduced budget the following year.**

# FINANCIAL PROCEDURE RULES

## A FINANCIAL MANAGEMENT

### Why is this important?

Good financial management secures value for money, controls spending, ensures due probity of transactions and achieves objectives on time. Decisions are informed by accurate accounting information. It covers all financial accountabilities, including the policy framework and budget.

### A1 GENERAL

- A1.1 Financial Procedure Rules exist to regulate the Council's financial affairs, to provide a framework for proper financial management and to maintain the required standard of financial administration for the Borough Council.
- A1.2 These Financial Procedure Rules should be read in conjunction with other policies of the Council and with the Council's Standing Orders, particularly in relation to ordering of goods and services and letting of contracts.
- A1.3 These rules are part of the Council's Code of Corporate Governance.

### A2 LEGISLATION

- A2.1 The Head of Finance and Property is the Officer charged with responsibility for the proper administration of the financial affairs of the Borough Council under Section 151 of the Local Government Act 1972.
- A2.2 The Head of Finance and Property is the responsible financial officer in accordance with the Accounts and Audit Regulations 2015 (and Amendments) (which cover specific issues and requirements which local authorities must comply with).
- A2.3 Under Section 114 of the Local Government Finance Act 1988, the Head of Finance and Property has the duty, after first consulting with the Monitoring Officer and Head of Paid Service (Chief Executive), to report to all Members of the Council and the external auditor if it appears to him/her that: -
- ❖ The authority, the Executive, a Committee or Officer of the authority, or a Joint Committee on which the authority is represented: -
    - has made or is about to make a decision which involves or would involve the authority incurring expenditure which is unlawful
    - has taken or is about to take a course of action which, if pursued to its conclusion, would be unlawful and likely to cause a loss or deficiency on the part of the authority, or



- is about to enter an item of account, the entry of which would be unlawful
  - ❖ The expenditure of the authority incurred (including expenditure it proposes to incur) in a financial year is likely to exceed the resources (including sums borrowed) available to it to meet that expenditure.
- A2.4 The Head of Finance and Property is the Council's Money Laundering Reporting officer in respect of the Proceeds of Crime Act 2002.
- A2.5 Where, exceptionally, these rules are considered to be in conflict with legislation, employees are required to comply with the legislation. In all such cases a record of this must be provided to the Head of Finance and Property.

### **A3 FORM OF ACCOUNTS AND PRIME FINANCIAL RECORDS**

- A3.1 The Head of Finance and Property is responsible for determining the acceptable form of all accounts and prime financial records (manual or electronic). These records are to be retained as long as required for the appropriate legislation.

### **A4 FINANCIAL ADVICE AND GUIDANCE**

- A4.1 The Head of Finance and Property is responsible for ensuring the provision of advice to the Council, its Executive, Committees, Sub-Committees and Councillors and employees on all aspects of local government finance and the financial implications of the Council's policies and objectives.
- A4.2 The Head of Finance and Property may issue any instruction intended to secure proper financial administration, and this is to be effected by the responsible Officer. Any explanatory guidance on the application of the Financial Procedure Rules must only be produced with the approval of the Head of Finance and Property.

### **A5 ACCESS TO FINANCIAL RECORDS AND INFORMATION**

- A5.1 All employees must provide the Head of Finance and Property with any information he/she may require concerning the financial operations of the Council and allow him/her access at any time to the documents and records under their control.
- A5.2 The Head of Finance and Property shall be informed by the responsible Officer of any matters, which have significant financial implications for the Council before a report is submitted to the Executive or to a Committee or Sub-Committee. He/she must be given adequate time to consider the matter before despatch of the agenda item to Members.

### **A6 RESPONSIBILITY OF OFFICERS AND MEMBERS**

- A6.1 Responsibility for maintaining financial control and ensuring that expenditure is incurred and income is raised in accordance with the Council's policies rests

with Employees. Except when sitting as the Council, the Executive, a Committee or Sub-Committee, Members have no authority individually to direct that expenditure shall be incurred or income varied, although individual Members may, and where the Council, Executive, Committee or Sub-Committee so direct they shall, be consulted on proposals to incur expenditure or vary income. Individual Executive Members can also approve spending where there is budget provision for proposals up to £100,000.

- A6.2 The Chief Officers and Heads of Service must ensure that these Financial Procedure Rules are observed throughout the Service Unit(s) and applicable partners under their control.

## **A7 BREACHES OF FINANCIAL PROCEDURE RULES**

- A7.1 Any breach of these Financial Procedure Rules must be brought to the attention of the Head of Finance and Property and the appropriate Chief Officer or Head of Service, who may decide that disciplinary action should be brought against the offending employee.

## **A8 SCHEME OF VIREMENT**

- A8.1 **Definition** - Virement is the transfer of approved budgets within a service area from one detailed (subjective) budget heading to another.
- A8.2 **Restrictions** - The approved annual revenue and capital budgets cover various service areas and consist of various cost centres, each of which have their own individual budgets. These budgets must not be used for other purposes except under the provisions contained within these Financial Procedure Rules.
- A8.2.1 All virements must be consistent with the Council's objectives and are subject to the reporting requirements outlined under Budgetary Control (see rule B5).
- A8.2.2 Virement can be temporary or permanent. Where there is an estimated temporary or one-off reduction in expenditure then approved budgets cannot be vired to fund new, continuing or longer-term commitments.
- A8.2.3 Virement does not apply to the following budget types:
- ❖ Non-controllable budgets – costs which are controlled by another budget-holder including capital financing costs, insurances and central recharges.
  - ❖ Transfers between capital projects (unless authorised by the Executive under rule B2.7)
  - ❖ Transfers from service unit training budgets to other service unit budgets
  - ❖ Any transfers to or from salaries and associated costs budgets (unless authorised by Management Team)
- A8.2.4 Virements from training budgets are only permitted between the Service Unit and the corporate training budget

- A8.3 **Virements up to £20,000** - Heads of Service are authorised to vire up to £20,000 within their approved revenue budget from one detailed budget heading to another **per year** without the need for consultation **with the exception of the budget types outlined in rule 8.2.3 above**. Heads of Service are also authorised to transfer up to £20,000 of approved revenue budget between services subject to both the transferring and receiving Head of Service authorising such virements. They may only transfer approved budgets for expenditure to other approved expenditure budgets. Similarly they can only transfer approved budgets for income to other approved income budgets.
- A8.3.1 Before a Head of Service can authorise any virement he/she must ensure that any planned savings incorporated within approved budgets have been, or are capable of being, achieved before virement from any budget head takes place.
- A8.3.2 In all cases where the Head of Service authorises budget transfers they must be fully documented and the Head of Finance and Property must be notified immediately in writing. Heads of Service shall report upon virements made when submitting information for budget monitoring reports to the Executive.
- A8.4 **Virements over £20,000** - for revenue budget amounts over £20,000, excluding virement of salaries budgets, approval can be sought from:
- Chief Officers – up to £50,000
  - Head of Finance and Property – up to £100,000
- A8.5 **Virement of Salary Budgets** – for any proposal to vire salary and associated cost budgets approval should be sought from Management Team

## **A9 TREATMENT OF YEAR END BALANCES**

- A9.1 No savings arising in approved budgets shall be carried forward to the following financial year except with the approval of the the Executive and full Council.

## **A10 EMERGENCY EXPENDITURE**

- A10.1 In cases of emergency and where it is necessary for expenditure to be incurred for which no provision has been made in the approved annual budget, and for which no virement is available, an Emergency Expenditure approval must be sought.
- A10.2 For amounts not exceeding £20,000, the Head of Finance and Property may authorise the expenditure following a request made to him/her in writing by the relevant Head of Service/Chief Officer.
- A10.3 For amounts exceeding £20,000, the matter will then be dealt with in accordance with Budget and Policy Framework Procedure Rule 4 (where it is not practical to convene a full meeting of Council in the time available and the Chair of the Scrutiny Committee agrees).

- A10.4 For amounts exceeding £20,000, written approval shall be sought from the Head of Finance and Property and the Chief Executive, prior to consultation with the Leader, or in his/her absence the Deputy Leader and the relevant Executive Portfolio holder or in his/her absence another Executive member.
- A10.5 No Emergency Expenditure shall be incurred, for the above until all the written authorisations as required have been received.
- A10.6 For amounts attributable to the services of the Major Peacetime Emergency Plan, the Chief Executive and Emergency Officer (Chief Operating Officer in consultation with the Head of Finance and Property (or their authorised deputies) may authorise all necessary and proper expenditure, subject to a report being submitted to the next ordinary meeting of the Executive and the Scrutiny Committee.
- A10.7 Any approval given under this Rule shall be reported by the relevant Head of Service to the next meeting of the full Council.

## **A11 STATEMENT OF FINANCIAL MANAGEMENT RESPONSIBILITIES**

### HEADS OF SERVICE

- A11.1 Overall responsibility for budgets and financial control for services under his/her management, in accordance with the Council's Constitution, including the maintenance at all times of a system of effective controls including a full and proper division of duties to provide proper financial control.
- A11.2 Delegation of budget management, monitoring and control to budget holders and, where appropriate, supervisors of budget holders, as designated by the relevant Head of Service.
- A11.3 Responsibility for virement between cost centres and within cost centres (both subject to any limits or consultation requirements imposed by the Council) (currently £20,000 each year between individual budget heads without the need for consultation) and for ensuring the Council's objectives and priorities are maintained.
- A11.4 Responsibility for seeking supplementary estimates and for reporting on budget variations.
- A11.5 Responsibility for co-ordination of the production of the annual budget for the Service Unit
- A11.6 Responsibility for reporting to the Executive, the Scrutiny Committee and the individual Executive portfolio Members on;
- ❖ The requirements of the annual budget
  - ❖ The monitoring of the annual budget
  - ❖ The actual expenditure and income for the financial year

- A11.7 Responsibility for monitoring and controlling the activities of designated budget holders
- A11.8 Ensuring co-ordination of practices and maintenance of effective systems for financial control and the delivery of value for money within activities.
- A11.9 Responsibility for ensuring proper arrangements is in place for budgetary control, including maintaining a continuous record of commitments.
- A11.10 To ensure that all persons ordering goods or services and all designated budget holders are properly trained in financial matters and comply with Council policy and the Council's Constitution.
- A11.11 Promoting co-operative working between all Service Units, to ensure the proper administration of the financial affairs of the Council.
- A11.12 Co-operate with the Finance and Property Unit in the production of the Council's Annual Statement of Accounts.

#### BUDGET HOLDERS

- A11.13 Responsibility for controlling and managing specific budgets as designated by the relevant Head of Service. This incorporates a requirement to maintain a continuous record of commitments.
- A11.14 Monitoring of income and expenditure budgets in line with Council Policy, the Council's Constitution and reporting of variances to the relevant Head of Service.
- A11.15 The proper certification or authorisation of commitments (orders), accounts for payment and other payment requisitions and the proper accounting for income due, as authorised by the relevant Head of Service.

#### FINANCE AND PROPERTY UNIT

- A11.16 Provide proper financial information and advice, as directed by the Head of Finance and Property and Accounting Division Manager
- A11.17 Responsibility for co-ordination of the production of the Council's annual revenue and capital budgets. In preparing the budget the Finance Unit will: -
  - ❖ Maintain and supply budget information for presentation to the Management Team, Scrutiny Committee / Budget Scrutiny Panel, Executive and Council
  - ❖ Provide a budget timetable with key dates for estimate preparation and ensure that information is available when needed.
  - ❖ Provide a summary of budget variations for Heads of Service to include in Budget Reports in four of the annual Committee cycles and in monthly monitoring reports to Executive portfolio Members.

- ❖ Provide a standard narrative on the budget overview to accompany budget reports.
- ❖ Provide estimates for all centrally maintained expenditure and income: -
  - Salaries and Wages/National Insurance/Superannuation
  - Insurances
  - Pensions
  - Employee Car Leasing
  - Rents/Rates
  - Central Recharges
  - Capital Financing
  - Rental Income (to the extent that it is recovered via the periodical rental system)
- ❖ Provide advice on Growth and Savings

This list is not wholly prescriptive and can be amended by agreement with the Head of Finance and Property .

- A11.18 Responsibility for co-ordination of the preparation of the Council's Statement of Accounts.
- A11.19 Maintain an overview of the financial control of all budgets for which Heads of Service are responsible.
- A11.20 Preparation of reports to the Scrutiny Committee in four of the annual Committee cycles providing an overall revenue monitoring position for the authority as a whole.
- A11.21 Preparation of reports to Scrutiny Committee and full Council in four of the annual Committee cycles detailing Supplementary Estimates and Emergency Expenditure approvals in the year to date.
- A11.22 Co-ordination of the procedure for securing Emergency Expenditure approvals.
- A11.23 Co-ordination of the allocation of revenue and capital resources.

## **A12 ACCOUNTING POLICIES**

- A12.1 The Head of Finance and Property is responsible for the selection and operation of the accounting policies of the Council.

## **A13 THE ANNUAL STATEMENT OF ACCOUNTS**

- A13.1 The Head of Finance and Property is responsible for ensuring that the annual statement of accounts is prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom: A Statement of Recommended Practice.

## **A14 TRUST FUNDS AND CHARITIES**

- A14.1 Trust funds and charity accounts must be administered in accordance with the appropriate statutory provisions and at least to the same standard as those operated by the Council, to demonstrate good stewardship and effective use of resources.

## **A15 STRATEGIC SERVICE DELIVERY PARTNERSHIPS**

- A15.1 The Chief Operating Officer is authorised to approve additional spending, or a reduction in spending, of up to £100,000 in relation to strategic service delivery partnerships in consultation with the Head of Finance and Property, Leader and the Executive Member for Resources and Performance Management

## **B FINANCIAL PLANNING**

### **Why is this important?**

The importance of this area is in the need for sound planning, monitoring and control of resources. Sound budget management is crucial to informing good decision making and achieving best value in the use of the Council's resources.

### **B1 PERFORMANCE PLANS**

- B1.1 The Council has various performance plans and strategies which need to be published to explain the objectives, current performance and proposals for improvement. The Annual Report is a key element of engagement with the public.
- B1.2 Advice should be sought from the Head of Finance and Property on the financial information that needs to be included in performance plans.
- B1.3 Heads of Service are responsible for ensuring that accurate and timely information is produced for the production, monitoring and review of performance plans.
- B1.4 Heads of Service are required to ensure that there are robust systems of control to ensure that timely and accurate information is maintained and recorded in the performance plans.

### **B2 CAPITAL EXPENDITURE AND FINANCE**

- B2.1 A five year Capital Investment Needs Strategy will be maintained and reviewed annually.
- B2.2 The Capital Programme will include all expenditure proposals which the Head of Finance and Property deems should be regarded as capital expenditure irrespective of how it is intended that they should be financed.
- B2.3 A Capital Budget is to be prepared annually for submission to the Executive and to the Council for approval.
- B2.4 The Capital Budget is to be accompanied by a statement showing the revenue effect of the budget over a three year period.
- B2.5 Projects within the capital programme can be released once the Head of Service is satisfied that:
  - Funding approvals are in place
  - Standing orders and procurement regulations will be complied with
  - A detailed breakdown of proposed net spending has been provided to the Head of Finance and Property



- Any revenue implications of the project are provided for within the revenue budget and medium term financial strategy

There is no requirement for a report to the Executive on each project but a full business plan should be in place and agreed with the relevant Chief Officer prior to commencement. The Head of Service or Management Team can however present a report to the Executive on the proposed project if it is considered appropriate”.

- B2.6 Provided that the estimated costs do not exceed the provision made within the approved Capital Budget, the Executive may authorise the expenditure subject always to compliance with the Council’s Standing Orders in relation to contracts.
- B2.7 Where the estimated costs of a scheme exceed the provision made within the approved Capital Budget, before a contract is entered into or expenditure is incurred the Executive must, wherever possible, determine that a virement be made from the provisions included for other schemes within the Capital Programme.
- B2.8 Where estimated excess costs over budget provision cannot be met by virement, before a contract is entered into or expenditure incurred, a report must first be made to the Executive to consider the allocation of the required additional resources and make a recommendation to the Council.
- B2.9 No amount provided in a Capital Budget approved by the Council may be used for any purpose other than that for which it was authorised except by prior authorisation of the Executive.
- B2.10 A monitoring report covering the whole of the Capital Budget must be submitted to the Scrutiny Committee . Following closure of the accounts for the year, reports must be made to Scrutiny Committee, on the actual expenditure and income for the year. Where the method of finance is by leasing, the report will include a cost comparison showing the differences in the annual revenue costs between leasing and conventional borrowing.

### **B3 REVENUE BUDGET**

- B3.1 Estimates of revenue expenditure and income, including a three-year forward assessment of the revenue budget, are to be prepared by the appropriate Heads of Service, as directed by the Head of Finance and Property. They must be submitted to the Scrutiny Committee and Executive in accordance with the Budget and Policy Framework Procedure Rules and in accordance with the timetable and any guidelines determined by the Council.
- B3.2 In association with the preparation of the annual revenue budget, Heads of Service are to review charges for services and rents and make appropriate recommendations to Scrutiny Committee and Executive.

## **B4 BUDGET FORMAT**

- B4.1 The format of the budget approved by full Council is the responsibility of the Head of Finance and Property, having regard for the appropriate legislation, codes of practice and service needs.
- B4.2 Heads of Service are responsible for preparing a budget in a format that complies with the requirements of the Head of Finance and Property

## **B5 BUDGETARY CONTROL**

- B5.1 Budgetary control must be maintained by the appropriate Heads of Service.
- B5.2 Heads of Service must maintain a continuous record of commitments and submit to Management Team in four of the annual Committee cycles a monitoring report on income and expenditure for services under their control. A monitoring report covering the overall revenue budget must be submitted by the Accountancy Division Manager to Scrutiny Committee and the Executive in four of the annual Committee cycles. Following the closure of the accounts for the year a report must be made to the Executive, on the actual expenditure and income for the year. On each reporting occasion detailed explanations must be given of major variations between expenditure and budget. The format of the reports shall be as directed by the Head of Finance and Property.
- B5.3 Heads of Service must also report monthly on their budgets to the relevant Executive portfolio Member.
- B5.4 Subject to the provisions outlined for virement, Heads of Service are responsible for ensuring that no amount included in any budget approved by the Borough Council is used for any purpose other than that for which it is authorised.
- B5.5 Transfers of expenditure provision between budget heads (virement) may be made only in accordance the provisions outlined in these Financial Procedure Rules for virement.
- B5.6 Heads of Service must ensure that any likely overspending or proposed item of expenditure not provided for in the approved estimates, which cannot be met by a virement, shall only be incurred with the prior consent of the Council. This consent is to be sought by means of an application for a supplementary estimate to the Executive.
- B5.7 Any shortfall in estimated income which cannot be met by virement shall be reported by the relevant Head of Service to the next meeting of the Scrutiny Committee.
- B5.8 No expenditure for which a supplementary estimate has been sought shall be incurred until the approval of the Council has been obtained, with the exception of the circumstances arising as detailed in these Financial Procedure Rules covering emergency expenditure.

- B5.9 A report detailing any variations and supplementary estimates to be considered and emergency approvals granted together with a summary of supplementary estimates (including emergency approvals) granted since the start of the current financial year, showing the overall effect on the General Fund, shall be presented to each meeting of the Council as directed by the Head of Finance and Property.
- B5.10 Subject to compliance at all times with these Rules and with the Standing Orders of the Council Heads of Service are empowered to incur expenditure up to the amounts included within their approved budget. No expenditure, capital or revenue, shall be incurred in connection with the adoption of any new policy or significant extension of existing policy without the prior approval of the Executive or the Council.
- B5.11 Where additional in-year spending is proposed and which is to be funded from expected income from grants, fees and charges or other contributions, the following authorisation limits will apply:
- Up to £20,000 – Heads of Service
  - Between £20,000 and £50,000 – Heads of Service in consultation with the Head of Finance and Property
  - Over £50,000 – Heads of Service in consultation with the Head of Finance and Property and the Executive Member for Resources and Performance Management
- B5.12 All such approvals outlined in regulation B5.11 above must be documented, signed and sent to the Head of Finance and Property for budget monitoring purposes.

## **B6 MAINTENANCE OF RESERVES**

- B6.1 The use or application of any earmarked reserve shall be a matter for determination by the full Council on the recommendation of the Executive and in accordance with the Council's Reserves Policy.
- B6.2 The Executive may approve the use of earmarked reserves up to a limit of £100,000 to support spending. Such approvals must be reported through to the next meeting of the Council.
- B6.3 Where the Executive recommend the use of earmarked reserves exceeding £100,000 then the approval must be given by full Council.
- B6.4 The Head of Finance and Property is responsible for providing advice on the prudent level of reserves, taking account of the advice of the external auditor on this matter.

## **B7 RESOURCE ALLOCATION**

- B7.1 The allocation of resources needs to be prioritised to ensure a fair distribution and to fulfil legal responsibilities. Resources may include staff, money, equipment, goods and materials.
- B7.2 The Head of Finance and Property will advise on the methods available for funding resources and assist in the allocation of resources to budget holders.
- B7.3 Heads of Service must work within the budget limits and use the resources allocated in the most efficient, effective and economic way. This is to ensure that they can achieve value for money.
- B7.4 Heads of Service must identify opportunities to minimise or reduce resource requirements or consumption without having a detrimental effect on agreed levels of service delivery.

## **C RISK MANAGEMENT AND THE CONTROL OF RESOURCES**

### **Why is this important?**

It is essential that robust, integrated systems are developed and maintained for identifying and evaluating all significant operational risks to the Authority. Equally, regulations are needed to ensure arrangements are in place to protect the assets and resources of the Council.

### **C1 RISK MANAGEMENT**

- C1.1 The Head of Finance and Property is responsible for ensuring that the Council has and maintains appropriate Risk Management arrangements.
- C1.2 Heads of Service should ensure that risk management is embedded in the Council's decision-making process so that the risk implications of strategic and operational decisions can be considered.
- C1.3 Appropriate Officers should ensure that risk management is maintained at an operational level and to report to Heads of Services changes in the risks faced by the Council.
- C1.4 Heads of Service should ensure that the Council's Risk Management arrangements are complied with in their service, and to ensure that new risks, threats and opportunities are assessed, appropriate controls are in place to address the risk and that any further actions required to reduce the identified risk are implemented.

### **C2 INTERNAL CONTROL**

- C2.1 Internal Control is the system of controls devised by management to help ensure that the authority's objectives are achieved in a manner which promotes economic, efficient and effective use of resources and ensures all income due to the Council is collected and that the Council's assets and interests are safeguarded, whilst securing probity and legitimacy of transactions and preventing and detecting fraud, misuse or irregularity.
- C2.2 The Head of Finance and Property is responsible for advising on effective systems of internal control.
- C2.3 Heads of Service shall ensure that a robust system of internal control is in operation throughout their service. They should ensure that there are arrangements to establish and review the sound arrangements for separation of duties, safeguarding assets, appraising, planning, authorising and controlling their operations in order to achieve continuous improvement, efficiency, economy and effectiveness.
- C2.4 Heads of Service should monitor the effectiveness of the system of internal control within their service on a regular basis, and ensure that they are performing the required control objectives.

- C2.5 Heads of Service and Chief Officers will provide Statements of Assurance on the operation of the governance arrangements including internal controls in their services to the Leader and Chief Executive to enable the Annual Governance Statement to be completed.

### **C3 INSURANCE**

- C3.1 The Head of Legal and Democratic Services shall arrange and administer all insurance taken out by the Council, in consultation with the Head of Finance and Property and in accordance with the requirements of the Council. Heads of Service must ensure that indemnity limits are adjusted as appropriate so as to ensure the Council is always adequately covered against risk.
- C3.2 Heads of Service shall promptly notify the Head of Legal and Democratic Services of all risks, liabilities, properties or vehicles which require to be insured and of any alterations affecting risk or insurance indicating the amount of cover required.
- C3.3 Heads of Service shall immediately notify the Head of Legal and Democratic Services of any fire, loss, accident, incident or other event which may give rise to a claim against the Council's insurers.

### **C4 TREASURY MANAGEMENT**

- C4.1 Treasury Management is defined as the management of the Council's cash flows, its borrowings and its investments, the management of the associated risks and pursuit of the optimum performance or return consistent with those risks. It includes all activity relating to banking arrangements, borrowing and lending of money, and leasing.
- C4.2 Control for overall treasury management matters will rest with the Head of Finance and Property who shall act in accordance with the Prudential Code for Capital Finance in Local Authorities and the Code of Practice on Treasury Management in Local Authorities produced by the Chartered Institute of Public Finance and Accountancy (CIPFA). No other officer of the Council, except those officers authorised in writing by the Head of Finance and Property are permitted to engage in treasury management activities.
- C4.3 The following clauses as recommended by the Code of Practice have been adopted by the Council.
- C4.4 This Council adopts CIPFA's Code for Treasury Management in Local Authorities.
- C4.4.1 A Treasury Policy Statement setting out strategy and procedures shall be adopted by the Council and subsequently its implementation and monitoring shall be delegated to the Executive
- C4.4.2 All money in the hands of the Council shall be aggregated for the purposes of treasury management and shall be under the direction of the Head of Finance and Property.

- C4.4.3 All executive decisions on borrowing, investment or financing shall be delegated to the Head of Finance and Property and through him/her to those officers authorised in writing by him/her who shall be required to act in accordance with Council policy, CIPFA's Prudential Code for Capital Finance in Local Authorities and the Code of Practice on Treasury Management in Local Authorities.
- C4.4.4 Reports shall be made to the Executive not less than four times in each financial year on the activities of the Treasury Management operation and on the exercise of powers delegated to the Head of Finance and Property. One such report shall comprise an annual report on Treasury Management for presentation by 30th September of the succeeding financial year.

## **C5 ASSETS**

- C5.1 Assets of the Council include land, buildings, plant and machinery, equipment, software, stock and information. The Head of Finance and Property shall direct how records of these assets should be maintained.
- C5.2 Heads of Service should ensure that all assets of the Council are appropriately maintained and securely held. They should also ensure that contingency plans for the security of assets and continuity of service in the event of a disaster or system failure are in place.
- C5.3 The Council's assets should only be used for the purposes of the authority and should be properly accounted for. The Head of Finance and Property will determine appropriate arrangements for the maintenance of Asset Registers and other records of assets.
- C5.4 Heads of Service are responsible for maintaining appropriate arrangements for the security of assets under their control. This includes verification checks on assets on a periodic basis, for example an annual check of inventory.
- C5.5 Where assets are no longer required by the Council, these should be disposed of under the authorisation of Heads of Service according to the requirements of the authority (Standing Orders for Contracts) so as to maximise benefits.
- C5.6 Employees have a personal responsibility in respect of information assets, to protect and maintain the accuracy and confidentiality of information.
- C5.7 Keys to assets, buildings, plant, vehicles, safes etc. should be securely held at all times. The loss of any such keys must be reported to the Head of Finance and Property as soon as possible.
- C5.8 Heads of Service should make arrangements for the valuation of assets for accounting or other purposes to meet requirements specified by the Head of Finance and Property.

## **C6 INVENTORIES AND STORES RECORDS**

- C6.1 Heads of Service shall designate officers to be responsible for the safe custody and physical control of stores, vehicles, plant, furniture and equipment within

their own Service Units and for the maintenance of proper records and inventories for all assets and equipment held by the Service Unit. Heads of Service must ensure that inventories are kept up to date and checked at least annually.

- C6.2 The Chief Operating Officer shall maintain a proper record and inventories of computer hardware, software and communications equipment in order to ensure that this is completed. Heads of Service shall obtain the approval of the Chief Operating Officer or his/her authorised representative for any procurement, installations, relocations or reinstallations of any hardware, software or communications equipment.
- C6.3 Heads of Service shall arrange for periodic checks of equipment and stores to be carried out by officers other than those responsible for their safe custody and control. All stocks of equipment and stores are to be checked at least once per year. The Head of Finance and Property is to be advised of their value and any discrepancies that might have occurred by means of a certificate signed by the officer who carried out the stock check.
- C6.4 Each Head of Service shall be responsible for ensuring that stocks of equipment and materials are not excessive in relation to requirements. Surplus equipment and materials (other than leased items where prior consultation with the Head of Finance and Property is required) shall normally be disposed of by competitive quotation.
- C6.5 Each Designated Officer shall maintain such records as are deemed necessary by the Head of Finance and Property, to determine the use of the Council's vehicles and plant. No employee of the Council shall use Council vehicles, plant, or equipment for private purposes.
- C6.6 All write-offs or disposals of inventory or stock items are to be authorised by the Head of Service and notified to the Head of Finance and Property

## **C7 INTELLECTUAL PROPERTY**

- C7.1 Intellectual property is a generic term that includes writing, designs, software development and inventions. If the employee creates these during the course of employment, then, as a general rule, they belong to the employer, not the employee.
- C7.2 Where the Council decides to become involved in commercial exploitation of intellectual property, appropriate controls should be in place to protect the Council's interests including provisions within the Council's Code of Conduct for Employees.
- C7.3 Heads of Service should ensure that staff do not carry out private work in Council time and that staff are aware of the Council's rights with regard to intellectual property.



## **C8 IRREGULARITIES**

- C8.1 Chief Officers and Heads of Service shall notify the Head of Finance and Property and the Council's Monitoring Officer immediately of all financial or accounting irregularities or suspected irregularities including those relating to cash, stores, property, remuneration or allowances. The Head of Finance and Property shall ensure that the Internal Audit Manager is informed of these notifications.
- C8.2 The Council's Monitoring Officer) and Head of Finance and Property, on receipt of a report from a Chief Officer or Head of Service disclosing apparent irregularities shall initiate such action as the law provides or in his/her opinion the circumstances merit.

## **C9 AUDIT AND INSPECTION**

- C9.1 The Head of Finance and Property shall, to the extent that he/she considers necessary or desirable, conduct or arrange for the examination and audit of the accounts of the Council and of its Officers and agents.
- C9.2 Heads of Service are responsible for co-operating with the Head of Finance and Property to enable audit arrangements to be planned, completed and reviewed. This extends to audits and reviews by internal and external audit and any other external review body.
- C9.3 Where appropriate Chief Officers are responsible for ensuring that Heads of Service or nominated responsible officers have agreed and implemented actions arising from audits or external reviews.

### **INTERNAL AUDIT**

- C9.4 The Head of Finance and Property, or other officers authorised in writing by him/her, shall have access for any necessary examination and audit, at all reasonable times, to all cash, property, documents, books of account and vouchers appertaining in any way to the finances of the Council. He/she shall be entitled to receive such explanations as may be necessary to satisfy him/herself of the correctness of any matter under examination.
- C9.5 Before proceeding, Heads of Service are required to consult with the Head of Finance and Property about any proposed changes or developments to financial procedures, records, systems and accounts, and such changes are subject to the agreement of the Head of Finance and Property. Advice should be sought from Internal Audit in the following instances:
- C9.5.1 - during discussion of the initial draft specification for the new system and consideration of the internal controls to enable the audit view to be taken into account before the specification is finalised.
- C9.5.2 - during the design of the tests which are to be applied to the new system to verify its reliability, accuracy and fitness for purpose.

- C9.5.3 - during the evaluation of the new system test results and discussion of pre-implementation action required.

#### EXTERNAL AUDIT

- C9.6 A local Audit Panel is responsible for appointing external auditors to each authority. The External Auditors are independent and are governed by the appropriate legislation and applicable standards.

#### OTHER REVIEW BODIES

- C9.7 From time to time the authority may be subject to audit, inspection or investigation by external bodies, such as HM Revenue and Customs, who either have statutory or contractual rights of access and explanation.

### **C10 PREVENTION OF FRAUD AND CORRUPTION**

- C10.1 The Head of Finance and Property is responsible for the development and maintenance of anti-fraud and anti-corruption policies.
- C10.2 The Monitoring Officer is responsible for the development and maintenance of the Whistle-blowing Policy.
- C10.3 All employees and Members of the Council must comply with the requirements of the Council's Code of Practice on the receipt of gifts and hospitality.

### **C11 STAFFING**

- C11.1 The Head of Paid Service (Chief Executive) is responsible for providing overall management to staff. They are also responsible for ensuring that there is proper use of the evaluation or other agreed systems for determining the remuneration of a job.
- C11.2 Heads of Service in consultation with the Chief Operating Officer and the Head of Finance and Property should ensure that there is an accurate forecast of staffing levels linked to an appropriate budget provision.
- C11.3 Heads of Service are required to ensure adequate control over such costs as sickness, overtime, training and temporary or agency staff. Heads of Service should ensure that there is compliance with Personnel Policies and instructions.
- C11.4 Heads of Service should ensure that checks are undertaken as required by the Recruitment and Selection policy prior to employing staff to ensure that they are appropriately qualified, experienced and trustworthy.

## **D SYSTEMS AND PROCEDURES**

### **Why is this important?**

This area forms much of the routine financial business of the Council and involves large numbers of transactions and staff. This area will be of interest to many people and it is important that such a major area of activity is clearly regulated and those regulations are supported by thorough detailed standards.

### **D1 GENERAL**

- D1.1 The Council operates a wide range of financial systems and controls to ensure that it can achieve its objectives.
- D1.2 Each financial system shall be documented in sufficient detail to allow a competent person with basic knowledge of the purpose of the system to operate, maintain and monitor the system. Each Head of Service shall ensure that such documentation exists for every financial system under their control and is updated as and when required.
- D1.3 All changes to these financial systems shall be notified to the Head of Finance and Property , however Heads of Service are responsible for the monitoring and proper operation of these systems.
- D1.4 Any changes to agreed financial procedures by Heads of Service to meet their specific service requirements should be agreed first with the Head of Finance and Property.
- D1.5 Heads of Service shall ensure that their staff receive relevant financial training and that their staff are competent to use local and central financial systems as necessary to perform their role effectively.
- D1.6 All data submitted for processing and information provided to the Head of Finance and Property by staff, shall conform to any timetables or data requirements as agreed by the Head of Finance and Property.
- D1.7 The Head of Finance and Property shall issue appropriate advice and guidance about systems and controls required to secure satisfactory standards of probity and regularity and to monitor that these are achieved.
- D1.8 Staff must not undertake, authorise, or instigate transactions that result in any financial advantage to themselves or their immediate friends and family. They should ensure that they declare these issues to their manager, who should make appropriate arrangements to address this potential conflict of interests.

### **D2 ORDERING OF GOODS AND SERVICES AND LETTING OF CONTRACTS**

- D2.1 The Council's Standing Orders and Procurement Strategy contain specific instructions relating to the letting of contracts, the issue of variation orders on contracts, and the purchase of goods and services, and these must be followed at all times.

- D2.2 Employees and Members of the Council must not use Council stationery or computerised systems to place orders with suppliers for goods or services intended for personal use. Under no circumstances shall orders for such goods or services purport to be issued on behalf of the Council.
- D2.3 Officers authorised to order goods and services or to seek tenders for contracts must comply with Council Policy, the Council's Standing Orders, National Directives and these Financial Procedure Rules. They must make appropriate arrangements for the approval of orders and ensure that all orders are made on official order forms or via ordering systems that have been approved by the Head of Finance and Property.
- D2.4 Purchases of equipment, goods and materials shall be made through the most economical means, having regard to practicality, sustainability and in accordance with the Council's Standing Orders making use of co-ordinated purchasing agreements where these are available.
- D2.5 Staff must not, under any circumstances, order or authorise anything which would result in a payment to themselves or their immediate family. Where it is intended that the Council pay a member of staff or their immediate family, the order or invoice(s) concerned must be authorised by another approved member of staff.

### **D3 CONTRACTS**

- D3.1 The Head of Finance and Property is to be informed in writing of all contracts where the value exceeds £50,000.
- D3.2 Where contracts provide for payment to be made by instalments, Heads of Service must ensure that a Contract Register is kept showing the payments made under each contract together with any other payments and related professional fees.
- D3.3 All requests for payment in respect of a contract are to be made by means of a certificate in a form agreed with the Head of Finance and Property and certified by an authorised Officer. The certificate must show particulars relating to the contract, its total amount, the sum paid to date and the amount of retention money deducted. The names and specimen signatures of persons authorised to certify shall be supplied to the Head of Finance.
- D3.4 Every extra or variation to a contract shall be certified by the authorised Officer(s). In cases where these extras or variations cause a material variation in previously estimated costs, they shall be included in budget monitoring reports.
- D3.5 The Head of Finance and Property shall, as he/she considers necessary, direct the examination of final accounts, documents and vouchers relating to contracts. He/she shall be entitled to make all such enquiries and receive such information and explanations as he/she may require to satisfy himself/herself as to the accuracy of the accounts submitted.

- D3.6 Without prejudice to the legal obligations of the Council, Architect, Engineer or supervising officer under any contract, the final certificate relating to the completion of a contract for building construction or engineering works shall not be issued until the appropriate Officers, private architects, engineers or consultants have provided to the Head of Finance and Property a detailed statement of account and other relevant documents.
- D3.7 Where a contractor goes into receivership during the contract, officers should ensure that the Council's is not exposed to unreasonable risk. This could take the form of performance bonding, or other arrangements to mitigate the costs of the loss of contractor.
- D3.8 The Architect, Engineer or supervising officer for a contract should ensure that a signed contract or other appropriate contract arrangements are in place prior to commencement of works or services.
- D3.9 Contracts that are subject to annual payment for example insurance premiums, computer (hardware & software) contracts, or annual maintenance agreements should be verified to confirm that these are still valid requirements and Accountancy Services are informed of the timing of large sums to facilitate treasury management.
- D3.10 Competition Law requirements introduced through the Subsidy Control Act 2022 require Officers to consider if a contractual arrangement provides direct or indirect support to an organisation or enterprise over any other that is capable of effecting competition or investment within the UK or outside territories.
- D3.11 Consideration must therefore be given against subsidy (financial assistance) tests and possible exemptions. Where a subsidy is determined to be present, officers must consider further steps to make a contract award lawful. The council will be obliged to publish relevant information on the UK Transparency Database where a subsidy is determined to have been provided and is greater than £100,000 in value.

#### **D4 INCOME**

- D4.1 Arrangements for the safe and efficient receipt of, and accounting for, all money, i.e. cash and cheques due to the Council, are subject to the direction of the Head of Finance and Property who may issue such instructions, as he/she deems necessary. All employees must comply with these instructions.
- D4.2 All money received by any employee on behalf of the Council must be promptly paid into the Council's Cash Office or to the Council's Bank in the form in which they are received and in accordance with instructions issued by and at intervals agreed with the Head of Finance and Property. In any interim period between receipt and banking, the responsible employee must ensure that the monies received are at all times kept secure in a safe or locked cabinet. Under no circumstances must the limits on safes etc., be exceeded. Where this is likely to occur, an additional pay-in to the Bank or Cash Office must be made.
- D4.3 All receipt forms and books, tickets and other financial stationery shall be ordered and supplied to Heads of Service in accordance with instructions

issued by the Head of Finance and Property. The Accountancy Division Manager must be notified as soon as possible of all events for which financial stationery, tickets etc., will be required. The Officer responsible for the event must ensure that proper control and accounting arrangements are implemented.

- D4.4 All employees responsible for receiving money will in all cases give a receipt. This will be by means of a receipting machine, by the use of a receipt book bearing the Council's name, or by means of a ticket where appropriate. Where a cash till is in use, all income received shall be recorded through the till.
- D4.5 Where payment is received in the form of a cheque, the number of the receipt(s) issued must be written or printed on the back of the cheque and on the paying-in slip which must also record the amount of the cheque. Cheques made payable to an individual or another organisation (third party cheques) must not be accepted. Council cheques made payable to an individual may be accepted, with the written agreement of that individual, to defray any debt that individual may have to the Council.
- D4.6 Where payment is received in the form of a debit or credit card or other form of electronic payment, details of the payment must be cross-reference to the receipt and appropriate procedures used to confirm the legitimacy of the transaction. Officers should ensure that these payment details are securely maintained.
- D4.7 All transfers of Council money between staff members shall be signed for by them. All transfers of Council money to security firms acting for the Council shall be signed for by a member of staff and a representative of the firm to whom the money is transferred and a record made of the seal number(s) or envelope number(s).
- D4.8 Personal cheques shall not be cashed out of money held on behalf of the Council.
- D4.9 In respect of credit income due to the Council, accounts shall be rendered promptly within 21 days by the relevant Head of Service, and appropriate and accurate information supplied for subsequent recovery action, as directed by the Head of Finance and Property.
- D4.10 The Head of Finance and Property is to be notified promptly of all income due under contracts, leases and other arrangements entered into by the Council. The appropriate Head of Service shall ensure that lease renewals are negotiated promptly and details of the revised periodical payments notified to the Head of Finance and Property without delay.
- D4.11 Heads of Service have a responsibility to assist the Head of Finance and Property in collecting accounts that they have originated by providing any further information and in pursuing the matter on the Council's behalf.
- D4.12 Non-payment of accounts shall be followed up by the effective action to pursue the accounts within defined timescales, before proceeding with legal action to recover the debt in accordance with Council policy.

- D4.13 Heads of Service must operate appropriate performance management systems used to monitor the recovery of income.
- D4.14 Irrecoverable debt can only be written off in accordance with Council policy, and with the agreement of the Head of Finance and Property or other officer(s) authorised by him/her. A schedule of all sums written off during each financial year must be prepared by Heads of Service at the end of each financial year for inclusion in the Council's accounts. Heads of Service will provide information as directed by the Head of Finance and Property to enable the appropriate accounting adjustments to be made.
- D4.15 The setting of fees and charges for services shall be made after advice has been sought from the Head of Finance and Property.
- D4.16 The receipt of income through electronic systems shall only be permitted with the approval of the Head of Finance and Property. The system should ensure that there is appropriate security over access, record keeping and reconciliation of the systems with the council's main financial systems.
- D4.17 A person who is not involved in the collection or banking process must reconcile money collected and deposited to the bank account.
- D4.18 Heads of Service should ensure that where post is opened, at least two people are present so the money received in the post is properly identified and recorded.
- D4.19 Heads of Service should ensure that the responsibility for cash collection is separated from that of identifying the amount due and reconciling the amount due to the amount received
- D4.20 The use of third parties to collect income should be monitored to ensure compliance with these Financial Procedure Rules and appropriate standards.

## **D5 PAYMENT OF ACCOUNTS**

- D5.1 The Head of Finance and Property will direct that any procedures and instructions necessary for the verification and passing for payment of invoices and claims are detailed and issued
- D5.2 The primary responsibility for ensuring the correctness of the invoice or claim for payment remains with the certifying officer.
- D5.3 All invoices and claims for payment including final accounts of contracts shall be examined and verified by the appropriate responsible Officer. The names and specimen signatures of officers authorised to certify shall be supplied to the Head of Finance and Property.
- D5.4 Before certifying an account for payment, the certifying officer must be satisfied that: -
  - D5.4.1 - the work, goods or services to which the account relates have been fully received or properly carried out

- D5.4.2 - the account has not previously been passed for payment; is the proper liability of the Council; and is in accordance with Council Policy and Standing Orders.
- D5.4.3 - the payment is within estimate provision and has been allocated to the correct expenditure code.
- D5.4.4 - the prices are correct and that discounts and VAT are properly calculated and recorded.
- D5.4.5 - deductions for tax are made as appropriate under the Construction Industry Tax Deduction Scheme.
- D5.4.6 - the appropriate entries have been made in inventories of stock records.
- D5.4.7 - the order number is recorded on the certification grid.

## **D6 SALARIES AND WAGES**

- D6.1 The payment of all salaries, wages, gratuities, compensation and other allowances to employees or former employees of the Council shall be made through the Council's payroll system.
- D6.2 Each Head of Service shall without delay notify the Council's payroll provider and the Head of People and Development, of all matters affecting those payments and in particular: -
  - D6.2.1 Appointments, resignations, dismissals, suspensions, secondments and transfers;
  - D6.2.2 Absences from duty for sickness or other reason that may affect any aspect of payments to staff;
  - D6.2.3 Changes in remuneration other than normal incremental progression, nationally negotiated pay awards and agreements of general application;
  - D6.2.4 Information necessary for maintaining records of service for the purposes of superannuation, income tax, national insurance and other statutory and voluntary deductions from pay.
- D6.3 All time sheets and other documents in support of payments to employees shall be in a form prescribed or approved by the Head of Finance and Property and shall be submitted to the Council's payroll provider before the dates specified by him/her. The relevant Head of Service shall certify all such time sheets and documents or a responsible officer designated by him/her. The names and signatures of officers authorised to certify shall be supplied to the Head of Finance and Property
- D6.4 The Head of Finance and Property is authorised to direct the implementation of all nationally agreed pay awards, except for matters where the Council is required to exercise its discretion, and to implement incremental salary progression in accordance with national and local schemes.



## **D7 OFFICERS TRAVELLING, SUBSISTENCE AND OTHER ALLOWANCES**

- D7.1 All claims for payment of car mileage, travelling and subsistence and other allowances and expenses shall be made only in accordance with the rates agreed from time to time by the Council for costs properly incurred on Council activities. All claims shall be signed by the Head of Service/Chief Officer or other responsible officer designated by him/her.
- D7.2 Signed claims for subsistence and travel by public transport may be reimbursed through Petty Cash. Claims for car mileage must be made at monthly intervals on the prescribed form through the Councils payroll system.
- D7.3 The certification by the Head of Service or other responsible officer shall be taken as confirmation that the journeys were authorised and that the allowances and expenses were properly and necessarily incurred. Notwithstanding the prime responsibility of the certifying officer to satisfy him/herself as to the validity and accuracy of the claim, the Head of Finance and Property may at his/her discretion direct the examination of the claims and be provided with any explanations he/she may seek.
- D7.4 Officers should ensure that these arrangements and limits apply when travelling, subsistence or other allowances are paid through the Council's P-Cards. Payments made that are in excess of allowances will be deemed to be private expenditure and recovered from the officer concerned.
- D7.5 Officers should ensure that where required that they obtain receipts for travel and subsistence expenditure, and provide these details in support of the claims involved.
- D7.6 The Council will not pay or reimburse parking fines or other similar costs i.e. on the spot penalties, excess travel charges etc. that have been incurred by officers.

## **D8 MEMBERS ALLOWANCES**

- D8.1 Payments to Members of the Council (and to any co-opted persons) in respect of special and basic responsibility, financial loss, travel and subsistence allowances will be made under the direction of the Head of Finance and Property. Claims must not exceed the amounts laid down from time to time by the Council and must be made on the prescribed form and at intervals, if any, laid down by the Council.
- D8.2 All claims submitted shall be properly certified by the Member concerned. The certification will be taken to mean that the Member has attended the meeting, conference or seminar for which the allowance is being claimed; that the meeting etc. was an approved duty under the Council's Scheme and that the period of absence from home was entirely for the purpose of the meeting etc., concerned. For claims for travel by motorcar on approved duties, the lower rate of car mileage will be paid unless the Member certifies that the use of the motorcar "resulted in a substantial saving of time". Where more than one Member attends the same conference or seminar etc., outside the Borough, wherever possible they should travel together.

## **D9 BANKING ARRANGEMENTS**

- D9.1 All receipts shall be paid into and all payments made out of the Council's Bank Accounts by or under the direction of the Head of Finance and Property
- D9.2 All arrangements with the Council's Bankers under the Council's Banking Contract shall be made solely under the direction of the Head of Finance and Property. He/she shall be authorised to open such accounts in the name of the Council and give directions as necessary for the making of payments on behalf of the Council and for the deposit of money received by the Council.
- D9.3 Authorisation for the direct debiting of the Council's bank accounts shall be given only under the personal signature of the Head of Finance and Property or other officer authorised in writing by him/her.
- D9.4 All cheques shall be ordered only as directed by the Head of Finance and Property who shall require proper arrangements to be made for their safe custody.
- D9.5 Cheques drawn on the Council's bank accounts shall bear the facsimile signature of the Head of Finance and Property. Before issue, all cheques must have been subjected to a secondary independent scrutiny and endorsed as a valid payment by an officer authorised by the Head of Finance and Property. For amounts of £10,000 and above, cheques shall also be initialled by the Head of Finance and Property or other officer(s) authorised in writing by him/her. These arrangements apply to BACS and other electronic payments where appropriate.
- D9.6 At intervals determined by the Executive, the Head of Finance and Property shall direct that competitive quotations be sought for the provision of banking services to the Council.

## **D10 INFORMATION TECHNOLOGY**

- D10.1 Chief Officers and Heads of Service must comply with the Council's Information Services Strategy and the Information Technology Security Policy.
- D10.2 Computerised systems which involve a financial operation or produce output that may influence the allocation of resources must conform to acceptable minimum standards of control as directed by the Head of Finance and Property
- D10.3 Computerised systems which contain financial information which support or affect the accounts of the Council must be reconciled to the Council's main Financial Management System in accordance with instructions issued under the direction of the Head of Finance and Property.
- D10.4 Heads of Service with systems that involve the operation of electronic ordering, receipting or financial record systems shall ensure that an appropriate system of internal control is in place.

## **D11 TAXATION**

- D11.1 The Head of Finance and Property is responsible for ensuring that appropriate advice is available on all taxation issues that affect the authority.
- D11.2 The Head of Finance and Property is responsible for ensuring the authorities tax records are maintained and that all tax payments are made, tax credits received, and tax returns submitted by their due date as appropriate.
- D11.3 Officers must ensure that the appropriate VAT liability is attached to all income due and that all VAT Recoverable on purchases complies with the legislation.
- D11.4 Officers must ensure that the VAT liability of activities, especially land and property transactions, have been approved by the Head of Finance and Property prior to commencement.
- D11.5 Heads of Service must ensure that all persons employed by the authority are added to the authorities payroll and so are treated appropriately for taxation, unless the individuals are bona fide self employed or are employed by a recognised staff agency.
- D11.6 Officers must follow the advice issued by the Head of Finance and Property on taxation matters.

## **D12 PETTY CASH ACCOUNTS**

- D12.1 The Head of Finance and Property will direct the setting up of petty cash, cash floats and imprest accounts for officers and the determination of the individual amounts thereof and the purposes for which they may be used.
- D12.2 In all cases petty cash, cash floats and petty cash account books must be kept securely and be in a form approved by the Head of Finance and Property All payments made out of petty cash shall be supported by properly authorised vouchers that have also been signed by the person receiving the money.
- D12.3 All officers holding petty cash accounts shall submit periodic claims for reimbursement as directed by the Head of Finance and Property and vouchers shall support each claim.

## **D13 PROCUREMENT CARDS**

- D13.1 The Head of Finance and Property is responsible for the issue of Procurement Cards to nominated members of staff and is responsible for providing instruction and guidance on the use of the Cards.
- D13.2 Officers should ensure that they comply with the guidance issued by the Head of Finance and Property and ensure that they keep the Card and any associated codes safe at all times. Cardholders are not permitted to share or delegate the use of the card issued to them to any other person.
- D13.3 Officers should ensure that when using the Card in circumstances that are covered by official allowances, (subsistence, travel etc) that they are aware of

the appropriate allowances and that card payments made in excess of these allowances will be recovered from the officer concerned.

- D13.4 Officers are required to obtain and retain receipts and VAT invoices for Card transactions.

## **D14 ELECTRONIC PROCUREMENT**

- D14.1 The arrangements for normal ordering of goods and services apply in the case of electronic procurement (including any purchases through the Internet). Such systems shall only be considered if they can ensure that there are appropriate access controls, security, accountability for transactions and audit trails of actions.
- D14.2 Heads of Service shall authorise nominated officers to operate the various aspects of electronic procurement in consultation with the Head of Finance and Property
- D14.3 Heads of Service shall ensure that there are appropriate arrangements in their service to;
- D14.3.1 - create orders
  - D14.3.2 - authorise Orders (as required)
  - D14.3.3 - ensure that the order has been created against the correct cost code.
  - D14.3.4 - record the receipt of goods and match this to the order
  - D14.3.5 - match invoices to the Goods received note and order (as required)
  - D14.3.6 - separate duties so that no one officer can perform all aspects of procurement.
- D14.4 The approval of the Head of Finance and Property is required prior to the introduction of new systems of electronic procurement or the operation of any changes to the systems of electronic procurement.
- D14.5 Where an approved electronic procurement system is in operation and the required controls have been operated in the Service, the requirements for the payments of accounts (Section D5) maybe modified.

## **D15 ANTI-MONEY LAUNDERING**

- D15.1 The Council is required to ensure that there are adequate controls to detect and prevent the Council handling the proceeds of crime. Where the officer is involved in a single or cumulative transaction of €15,000 (£13,000) or more from or to a third party they must;
- D15.1.1 Ensure that the third party produces satisfactory proof of identity

- D15.1.2 If the third party identified acts or appears to act for another person then they must take reasonable measures to identify that person.
- D15.1.3 Not proceed any further with the transactions if they are not satisfied with the identity.
- D15.2 In order to facilitate this no officer of the Council is permitted to receipt cash of a value of £10,000 or over for a single transaction or a series of related transactions.
- D15.3 In all cases where there is doubt about the identity, further action must not be taken without consulting the Head of Finance and Property It is important that the third party is not given any information concerning any suspicions.
- D15.4 The records relating the transaction must be retained as following;
  - D15.4.1 A copy of the Proof of identity
  - D15.4.2 Information about the source of evidence
  - D15.4.3 Information enabling the evidence to be re-obtained, if required.
  - D15.4.4 Details of the transaction between the Council and the third party.
  - D15.4.5 Retained for five years after the relationship ended or the date of the last transaction
- D15.5 Any officer who knows or has reasonable grounds for suspecting that a third party is engaged in money laundering through transactions with the Council, must inform the Head of Finance and Property as soon as practicable. The Head of Finance and Property will consider whether or not to disclose this to the Police and will record the reasons for that decision.

## **E EXTERNAL ARRANGEMENTS**

### **Why is it important?**

The importance of this area is in the local authority's distinctive leadership role for the community, bringing together contributions from the various stakeholders, maximising funding opportunities and achieving best value. This may involve the establishment of partnership arrangements, joint ventures and externally funded projects, and it is essential that the responsibilities, obligations and commitment attached to such arrangements are properly managed and accounted for.

### **E1 GENERAL**

E1.1 Unless specifically provided otherwise, Financial Procedure Rules apply in the event of the Council, the Executive, a Committee or Sub-Committee or Officer acting as agent for another local or public authority or company. They also apply where the Council acts as the Accountable Body under any partnership funding arrangements.

### **E2 EXTERNAL FUNDING**

- E2.1 All applications or bids for grant or other external funding which include supporting contributions from the Council must be notified to and agreed in advance with the Head of Finance and Property. This requirement relates to both cash contributions and any other Council contribution.
- E2.2 All applications or bids for grant or other external funding which DO NOT include supporting contributions from the Council must be notified in advance with the Head of Finance and Property.
- E2.3 On notification of approval of a grant or other external funding to the Council, the relevant Head of Service must immediately notify the Head of Finance and Property; supply him/her with a copy of the written approval, and inform him/her of the name of the officer designated to act as the Council's Responsible Officer for this funding.
- E2.4 The Responsible Officer shall prepare claims for grant assistance or other external funding promptly and in accordance with the criteria for claiming the grant or funding, and submit grant claim forms for authorisation and signature by the Head of Finance and Property. The Responsible Officer shall ensure that the authorised and signed claim form is received by the grant or external funding body by the specified date.
- E2.5 The Responsible Officer shall ensure that proper accounting arrangements and prime records are maintained for the purposes of audit by the Council, the Council's external auditors and the grant or external funding body.
- E2.6 The Head of Finance and Property must be informed before the Council acts as an accountable body for external funding or assumes financial responsibility on behalf of third parties for funding. The Responsible Officer shall ensure that there are appropriate arrangements to minimise the risk to the Council, such as standards of internal control, auditing arrangements, monitoring and reporting.

### **E3 PARTNERSHIP**

- E3.1 Where necessary partners should be aware of their responsibilities under the Council's Financial Procedure Rules and Standing Orders for Contracts.
- E3.2 Project/Partnership Managers should ensure that risk management processes are in place to identify and assess all known risks.
- E3.3 Any Partnerships or project shall be appropriately appraised to assess the viability of the project in terms of resources, staffing and expertise.
- E3.4 All the partners, including the Council, should agree and accept the roles and responsibilities involved in the partnership or project, before the partnership or project commences.
- E3.5 Regular communication should be undertaken with other partners during the partnership or project to ensure problem identification and sharing.
- E3.6 The Head of Finance and Property must be consulted to advise on effective controls, scheme appraisal for financial viability, risk appraisal and management, resourcing (including taxation), audit security and control requirements.
- E3.7 The project/partnership manager shall provide appropriate information to the Head of Finance and Property to enable appropriate accounting arrangements can be made and records made in the Council's Statement of Accounts.
- E3.8 Partnership or Project management is responsible for ensuring appropriate governance arrangements are in place for the project or partnership. The governance arrangements should ensure that there is;
  - E3.8.1 A clear statement of the partnership principles and objectives (for example a contract, constitution etc)
  - E3.8.2 Clarity on each partner's role within the partnership
  - E3.8.3 Definition of the roles of partnership board members (or other management arrangements)
  - E3.8.4 Line management responsibilities for staff that support the partnership.
  - E3.8.5 A statement of funding sources for joint projects and clear accountability for proper financial administration.
  - E3.8.6 A protocol for dispute resolution within the partnerships (for example escalation and appeal processes).
  - E3.8.7 A clear legal status for the partnership
  - E3.8.8 Clarity on the ability of partners' representatives to bind their organisation to partner decisions.

#### **E4 WORK FOR THIRD PARTIES**

- E4.1 Any new areas of work for third parties shall be appropriately estimated and charged for after consultation with the Head of Finance and Property
- E4.2 Appropriate information shall be provided to the Head of Finance and Property to ensure that accounting and financial reporting arrangements are maintained.

#### **E5 FRONT FUNDING**

- E5.1 The Head of Finance and Property must approve any instances where the authority is requested to front fund an external body. He will determine the information and arrangements that are required to support this arrangement.
- E5.2 Officers must ensure that there are appropriate controls in place to ensure proper use of the funds by the external body, and that this does not expose the Council to undue risk.



# Index

Access to Financial Records and Information .....	7
Accounting Policies .....	12
Anti-Money Laundering .....	32
Assets .....	19
Audit and Inspection .....	21
Banking Arrangements .....	29
Breaches of Financial Procedure Rules .....	8
Budget Format .....	14
Budgetary Control .....	15
Capital Expenditure and Finance .....	13
Contracts .....	24
Electronic Payments .....	32
Emergency Expenditure .....	9
External Arrangements General .....	34
External Funding .....	34
Financial Advice and Guidance .....	7
Financial Management General .....	6
Form of Accounts and Prime Financial Records .....	7
Front Funding .....	36
Income .....	25
Information Technology .....	30
Insurance .....	18
Intellectual Property .....	20
Internal Control .....	17
Inventories and Stores Records .....	19
Irregularities .....	20
Legislation .....	6
Maintenance of Reserves .....	16
Members Allowances .....	29
Officers Travelling, Subsistence and Other Allowances .....	28
Ordering of Goods and Services and Letting of Contracts .....	23
Partnership.....	35
Payment of Accounts .....	27
Performance Plans .....	13
Petty Cash Accounts .....	31
Prevention of Fraud and Corruption .....	22
Procurement Cards .....	31
Quick Reference Guide .....	4
Resource Allocation .....	16
Responsibilities of Officers and Members .....	7
Revenue Budget .....	14
Risk Management .....	17
Salaries and Wages .....	28
Scheme of Virement .....	8
Staffing .....	22
Statement of Financial Management Responsibilities – Budget Holders .....	11
Statement of Financial Management Responsibilities – Finance Unit .....	11

Statement of Financial Management Responsibilities – Heads of Service .....	10
Systems and Procedures General .....	23
Taxation .....	30
The Annual Statement of Accounts .....	12
Treasury Management .....	18
Treatment of Year End Balances .....	9
Trust Funds and Charities .....	12
Work For Third Parties .....	36



**Burnley.gov.uk**

# **STANDING ORDERS FOR CONTRACTS**

*Version 11.0*

*(February 2023)*

## **1. 0 Table of Contents:**

2. 0 Standing Orders for Contracts: Context [Page 4](#)

2.1 Contract Value Thresholds [Page 5](#)

3. 0 Standing Orders Applicable to ALL Contracts [Page 7](#)

### **Procedures:**

3. 1 For Contracts Less Than £2,000 [Page 12](#)

3. 2 For Contracts Above £1,000 and Below £20,000 [Page 12](#)

3. 3 For Contracts Above £20,000 and Below £100,000 [Page 13](#)

3. 4 For Contracts Above £100,000 [Page 14](#)

### **Appendix A**

#### **The Tender Process: Procedures**

1. Invitation of Tenders: Steps to Follow [Page 19](#)

2. Pre-Approved Contractors (Works) [Page 19](#)

3. Absence of Pre Approved Contractor (Works) [Page 20](#)

4. Open Tender [Page 20](#)

5. Submission of Tenders: Steps to Follow [Page 21](#)

6. Opening & Accepting Tenders [Page 21](#)

7. Nominated Sub Contractors & Suppliers [Page 23](#)

8. Principles of Positive Action [Page 23](#)

## 1.1 Revision History

<b>Version</b>	<b>Date</b>	<b>Author</b>	<b>Description</b>
1.0	April 1994	Tom Forshaw	Original
2.1	17/10/2006	Chris Gay	Executive Approval
2.2	29/01/2010	Chris Gay	Updated EU Thresholds
3.0	14/07/2011	Chris Gay	Review of Constitution and e-tendering
4.0	17/09/2013	Chris Gay	Review of Constitution
5.0	10/04/2014	Chris Gay	Contractor pre-approval, New Thresholds
6.0	Nov 2015	Chris Gay	Council Reorganisation & minor amends
7.0	Dec 2016	Eric Dickinson	Sealing of documents
8.0	Feb 2017	Eric Dickinson	Council Reorganisation & Review
9.0	April 2018	Eric Dickinson	Amendments after Organisation Review
10.0	29/09/2021	Chris Gay	Introduction e-notification Service & contract sealing
11.0	22/02/23	Chris Gay	

For the purposes of this document Chief Officers are defined as including only the Chief Executive and the Chief Operating Officer.

## **2. 0 Standing Orders for Contracts: Context**

Local Authorities are required by law to maintain proper arrangements for the administration of financial matters. The following Standing Orders for Contracts (SOC) apply to the procurement of all supplies, services and works, and the disposal of assets on behalf of Burnley Borough Council. They provide the framework, with associated relevant policies<sup>1</sup>, to enable the Council to conduct financial matters to the highest standards of probity in a clear, visible and transparent way and ensure the fair selection of suppliers.

Equally important are the provisions of value for money through competition and the avoidance of practices which may restrict, prevent or distort competition. These Standing Orders facilitate delivery of value, competition and best practices.

Everyone involved in procurement and contracting on behalf of the Council, regardless of value, is required to comply with these Standing Orders. This includes any partnership or grant funded arrangements for which the Council is the accountable or host body.

Exceptions to these Standing Orders may be sought where expediency is required, for example in response to an emergency or due to the specialist nature of the supplies, services or works required. In such cases the use of 'emergency powers' as set out in the Council Constitution are to be followed.

Where these Standing Orders refer to action being taken by a Committee or Sub-Committee such action may require confirmation by the Executive or the Council unless authority has been delegated to that Committee or Sub-Committee.

The Council is committed to providing value for money in all it does; and recognises that this may involve following new and innovative ways of procurement. As such these standing orders will be kept under periodic review to ensure they remain fit for purpose and allow the flexibility to adopt new approaches.

NOTE: The word 'contract' includes any binding arrangement whether documented in a formal contract, an accepted order, or in correspondence. It also normally includes binding arrangements made verbally, however these Standing Orders prohibit the making of a verbal contract with a value greater than £2,000 .

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<sup>1</sup> Such policies will be clearly identified where relevant within SOC

## 2. 1 Contract Value Thresholds

<b>Threshold</b>	<b>Summary procurement method</b>	<b>Go To:</b>
<b>Less than £2,000</b>	Verbal agreement with written or electronic record; market testing undertaken appropriate to the need or value of the contract/ purchase	<a href="#">Page 12</a>
<b>Above £2,000 and Below £20,000</b>	Market testing undertaken by the method deemed most appropriate by the relevant Head of Service (3 competitive quotes) or use an available Framework Agreement or Dynamic Purchasing System (DPS)	<a href="#">Page 12</a>
<b>Above £20,00 and Below £125,000</b>	Three competitive quotes obtained. Supplier can be drawn from Open Tender or other procedures, Framework Agreement or DPS, Pre - Approved Suppliers/ Select list. Contracts Finder website used to advertise opportunities above £25,000	<a href="#">Page 13</a>
<b>Above £125,000</b>	Executive authority required. Tenders invited, public advertisement on Contracts Finder and Find a Tender (FTS). Supplier can be drawn from an Open Tender or other relevant procedures, a Framework Agreement or DPS, Pre - Approved Suppliers/ Select list. Compliance with UK e-notification Service ( <a href="#">PPN 10/20</a> ) is required for above public procurement threshold tenders	<a href="#">Page 14</a>

## 2. 2 Public Procurement Thresholds

<b>Contract</b>	<b>Threshold Net of VAT)</b>	<b>Treshold (Inc VAT)</b>	<b>For further Information:</b>
<b>Supplies*</b>	<b>£189,330</b>	<b>£213,477</b>	<b>VAT: See SOC 2i</b> <a href="https://www.gov.uk/guidance/public-sector-procurement">https://www.gov.uk/guidance/public-sector-procurement</a> *These thresholds will remain in place until 1 January 2024. .
<b>Services*</b>	<b>£189,330</b>	<b>£213,477</b>	
<b>Works*</b>	<b>£4,733,252</b>	<b>£5,336,937</b>	
<b>Concessions*</b>	<b>£4,733,252</b>	<b>£5,336,937</b>	

As a Public Body the Council is required by law to comply with the 2015 Public Contract Regulations. Standing Orders for Contracts identify these requirements and the subsequent actions needed as and when applicable.

In all cases where purchase or contract values are above applicable procurement thresholds the subsequent procurement activity must follow the prescribed procedures. Failure to comply with this may lead to a formal challenge of our procurement decisions that could result in severe penalties, including financial, being awarded against the Council.

## 2. 3 Contact Details for further information:

Governance Manager ☎ 01282 477163

Standard tender documentation is available via the Governance Manager/ SharePoint (Hub). To prepare and publish above threshold opportunities (see SOC 18i) the Council uses the Governments e-notification service Find a Tender Service (FTS). For further detail, contact the Governance Manager or [PPN 10/20](#).

## 3. 0 Standing Orders Applicable to all Contracts: General Matters



The following Standing Orders apply to all contracts and sales agreements or purchase orders:

### **SOC 1. Compliance with Contract Policies**

- i. Officers dealing with procurement and contracting must do so in accordance with Burnley Borough Council's Finance Procedure Rules and Guidance issued by the Head of Finance and Property Services for the operation of Procurement Systems, these Standing Orders for Contracts, and The Public Contract Regulation 2015 or successor regulations.
- ii. Unless specifically provided otherwise, they apply in the event of the Council or delegated officer acting as agent for another local or public authority or company or organisation. They also apply where the Council acts as the Accountable Body under any partnership or external funding arrangements
- iii. Chief Officers and Heads of Service must ensure that these Standing Orders are observed throughout the Service(s) under their control. They must ensure that appropriate staff are aware of and comply with these requirements.
- iv. That joint procurement contracts or purchasing framework agreements established through collaboration, or other similar arrangements, should be used when procuring supplies, services or works that are the subject of those arrangements
- v. The potential for collaboration with other public bodies must be considered when planning a procurement exercise or changes in service provision, including use of existing framework agreement opportunities
- vi. Once the need to procure supplies, services or works with a value of £20,000 or above has been established, the Council's Governance Manager must be contacted to establish if collaborative opportunities or existing Framework agreements are available to avoid unnecessary cost, duplication and mobilisation

### **SOC 2. Value Added Tax**

- i. Consideration must be given as to whether or not VAT will apply to relevant contracts and the relevant rate which might be applicable. Where VAT does apply, this must be included in the assessment of the contract value in order to determine whether or not the contract will exceed the relevant thresholds see 2.2.

### **SOC 3. Estimate of Costs (Market Testing and Request For Quotation)**

- i. A genuine estimated cost of supplies, services, works or income from sales should be obtained in line with the appropriate SOC thresholds prior to starting a procurement or asset disposal or contracting exercise (see also SOC 6 (ii) on whole life costs)
- ii. To stimulate competition approved e-procurement platforms (Including the Chest) may be used to advertise requests for quotation (RFQ) for purchases with an estimated value above £2,000 and up to £20,000
- iii. The RFQ must include a short-written specification detailing the Council's requirement; a clear pricing schedule and details of what other information is to be returned. It must set out the evaluation criteria to be used
- iv. Subject to legislative compliance, the evaluation may include factors which demonstrably aim to achieve the delivery of value for money and provide opportunities for local business
- v. In some cases, trading concessions may not match SOC threshold limits, in such cases consideration of value must be calculated as required by the Concessions Directive or successor legislation

### **SOC 4. Land Transactions**

- i. Land transactions are to be dealt with as set out in the Scheme of Delegation (Part 3 of the Council's Constitution). Where tenders are invited SOC 18, 20 and 21 will apply where legally possible, save that the highest bid will be accepted by the Head of Legal and Democratic Services or officer with delegated authority
- ii. The contract documentation in relation to land transactions shall be in such form as the Head of Legal and Democratic Services determines is sufficient to protect the Council's interests

### **SOC 5. Disposal of Assets**

- i. Assets with a collective value below £5,000 may be disposed of by any means determined by the relevant Head of Service
- ii. Assets valued at between £5,000 and up to £50,000 must be disposed of by a method chosen by the Head of Service and a written justification of the choice retained

- iii Land and property assets valued over £50,000 must be disposed of in accordance with SOC 4 and the Council's Financial Procedure Rules. Please seek advice from the Head of Legal and Democratic Services with regards to sale of other assets valued over £50,000. In any disposal of assets confirmation must be obtained that any personal data or information has been removed or destroyed in confirmation with the Council's Records Management and Information Security Policies
- v Written records must be maintained of all actions relating to the disposal of assets.

### **SOC 6. Splitting of Contracts**

- i. Contracts cannot be artificially split with a view to bringing their value below any SOC threshold or public procurement threshold
- ii. The principle of aggregation must be applied to arrive at a total contract value in relation to meeting requirements within SOC and Public Procurement thresholds i.e. the total contract value is the sum of the annual values for the contracting period. i.e. a five-year contract term at an annual value of £12,000 per annum, has a £60,000 total contract value etc.

### **SOC 7. Contracts to be in Writing and in Official Systems**

- i. All contracts over £2,000 shall be in writing in advance using appropriate procedures (tender or purchase order). Contracts under £2,000 may be made verbally with a written record kept of the details of the contract
- ii. Purchase orders must be raised on the Civica 'Radius' Purchasing system for all supplies, services and works. Petty cash and p-cards may also be used up to their appropriate limits
- iii. The officer should ensure that there are appropriate contract arrangements in place prior to the provision of supplies, services or works; further guidance on this should be sought from Legal Services as required

### **SOC 8. Capital Expenditure**

- i. Once allocated, capital expenditure will be included in the Capital Budget for approval and released by the Executive or Council.
- ii. Finance Procedure Rules provide further guidance and details on the requirements for Capital Expenditure

## **SOC 9. Conditions to be included in Contracts**

- i. Officers must seek guidance as appropriate to the purpose of the contract from the relevant service area including Legal Services as to any conditions that may need to be incorporated into contracts
- ii. Where possible all contracts must contain a clause on publication of payment and confidentiality terms highlighting the implications of Freedom of Information requests and publication of public spending information
- iii. Where contracts involve the handling of names and addresses or personal data of the public, service users, Councillors or employees of the Council or where confidential data is held or processed or where the contracting officer deems it appropriate, contractors shall be required to comply with UK Government Cyber Essentials scheme<sup>2</sup> or be part of the Public Service Network. Where personal data is special data then the supplier should be required to comply with UK Government Cyber Essentials Plus.
- iv. Appropriate registration documentation must be provided prior to transfer of any personal or confidential data

## **SOC 10. Sub-Contractors**

- i. Where a contractor permits a sub-contractor to be appointed the contract shall ensure that the sub-contractor enters into a contract with the main contractor
- ii. The contracting officer shall consider the requirement of the terms of the sub contract indemnifying the contractor and the Council against any breach of their own obligations, after a risk assessment of the liability and the approval of the relevant Head of Service
- iii. The term 'Sub-Contractor' shall include a contractor who is party to a contract with the Council in respect of which an internal or external contractor acts as main contractor
- iv. Tender responses received from a third party must be rejected i.e. where a contractor or supplier has been invited to tender and they subsequently pass on the tender in order for a third party to respond

## **SOC 11. Contract Variations**

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<sup>22</sup> [About Cyber Essentials - NCSC.GOV.UK](https://www.ncsc.gov.uk/about-cyber-essentials)

- i. All arrangements for variations to existing contracts shall be in writing and signed by the relevant Head of Service or by another responsible Officer as he or she may determine
- ii. Variations that would increase the contract cost in excess of an additional £50,000 shall not be made without the authority of the Executive, appropriate Council Committee or Sub-Committee or by use of emergency powers as appropriate and set out in the Council Constitution

## **SOC 12. Exemptions from Standing Orders**

- i. Where the contract is of an estimated value up to and including £125,000 exemptions can be made by the relevant Head of Service, with the approval of the Head of Legal and Democratic Services or the Head of Finance and Property. The reason for the exemption and the approval shall be recorded in writing and retained with the Council's copy of the contract
- ii. Where the contract is of an estimated value exceeding £125,000 exemptions from these Standing Orders can be made only by the Executive, the Council or the relevant Committee (determined by reference to Part 3 of the Constitution) and their reasons for making the exception shall be recorded in minutes
- iii. For the avoidance of doubt the provisions elsewhere in the Council's Constitution concerning Executive decision making by Individual Members of the Executive shall also apply to this part
- iv. Where expediency is required Officers should consider if they can comply with existing exemptions or if they need to invoke the use of urgency/ emergency powers provided for in the Council Constitution
- v. Approval of an exemption to waive Standing Orders must be specific as to which Standing Orders are being waived
- vi. No exemption can be made that would contravene any applicable Public Contract Regulations
- vii. Any contracts entered into through collaboration with other public bodies, where a competitive process has been followed, that complies with the contract procedure rules of the leading organisation, will be deemed to comply with SOC (13 to 20 and 22) and no exemption is required
- viii. Where the supplies, services or works to be procured are funded, partially or fully, by an external funding body the Council may use pre-

approved contractors not registered on Constructionline or any other pre approval organisations that the Council may choose to use from time to time, where the pre-approval process of the funding body has identified such contractors as meeting expected requirements of the funder and the Council; and where appropriate such requirements comply with Public Contract Regulations 2015.

### **SOC 13. Subsidy Control Act 2022**

- i. Under the Subsidy Control Act officers are required to consider if a contractual arrangement provides support to an organisation that gives them an economic advantage, meaning equivalent support could not have been obtained on commercial terms. This could include for example a below market rate loan or free, or below market value, use of office space.
- ii. The purpose of the subsidy control regime is to prevent public authorities from giving financial advantages to enterprises in a way that could distort competition.
- iii. If following the regime guidance<sup>3</sup>, you determine that a subsidy is or may be being provided then you must comply with the subsidy control principles and regime. For further information please contact the Governance Manager.

### **3. 1 For Contracts Less than £2,000**

#### **SOC 13. Letting Contracts less £2,000**

- i. Contracts or sales orders with a value below £2,000 may be made verbally, with a written or electronic record being kept within an official system i.e. purchasing system or p-card
- ii. Market testing may be carried out at the frequency and by the method deemed most appropriate by the relevant Head of Service, where this is undertaken a record of the method used must be kept

### **3. 2 For Contracts between £2,000 and £20,000**

#### **SOC 14. Letting Contracts Above £2,000 and up to £20,000**

- i. For contracts above £2,000 and up to £20,000 the contracting officer must ensure that market testing is carried out so that the Council attains value for money in procuring supplies, services and works

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<sup>3</sup> [Subsidy Control Regime Guidance](#)

- ii. Market testing should be carried out at the frequency and by the method deemed most appropriate by the relevant Head of Service, a record of the method used must be made
- iii. Recommended methods include:
  - At least three written competitive quotations or tenders should be invited from suppliers where practicable
  - E-tendering platforms such as “The Chest” may also be used to conduct the tender process electronically where practicable
- iv. Contracts Finder may be used to advertise opportunities below £25,000
- v. Pre-Approved contractors may be included in the market testing (see guidance at Appendix A)
- vi. If other than the lowest quotation is accepted the contracting officer shall record the reason in writing and that record must be kept with the Council copy of the contract or purchase order
- vi. Subject to legislative compliance due consideration must be given to the appropriateness of local suppliers being provided with the opportunity to compete; using the principles of positive action (see guidance in App. A8).

### **3. 3 For Contracts Above £20,000 and up to £125,000**

#### **SOC 15. Letting contracts above £20,000 and up to £125,000**

- i. The Governance Manager should be consulted to ascertain if the need can be met through existing collaborative procurement arrangements including a Framework Agreement or if there is an opportunity for joint procurement (See SOC 1.v)
- ii. Contracts estimated to be of a value above £20,000 and up to £125,000 must not be let unless a reasonable number of written competitive quotations or tenders have been received, usually between three and five
- iii. Quotes or tenders can be requested and obtained in writing or through an approved e-tendering platform, and the preferred method will be determined by the relevant Head of Service
- iv. The e-procurement portal Contracts Finder must be used to place a notice for all tenders or requests for competitive quotations for purchases above £25,000
- v. Pre-Approved contractors may also be used (see guidance in Appendix A)
- vi. Quote or tender documentation must state:

- A short specification detailing the Council's expectation and requirement
- A clear pricing schedule and details of what other information is to be returned
- The criteria which the Council will use to evaluate the quotations
- Subject to legislative compliance, factors which demonstrably aim to provide value for money and opportunities for local business to compete
- The last date and time by which the quotation should be returned
- The name of the Officer to whom they should be returned
- Any written quotations must be returned in plain sealed envelopes which besides the addressee details, should bear only the word 'Quotation or Tender' and the subject to which it relateAll electronic quotations must be submitted through an approved e-tendering platform or portal

**SOC 16. Receipt of Quotations: contracts above £20,000 and up to £125,000**

- I. No written quotations or tenders shall be considered unless contained in an envelope marked with the words 'quotation/ tender' that are received within the specified time
- II. Appropriate arrangements must be made to ensure quotations and tenders are kept secure until opening
- III. All written quotations or tenders must be opened by the Head of Service (or authorised Officer) and witnessed by an Officer other than the contracting Officer
- IV. Electronic quotations or tenders should be submitted through an approved e-tendering platform or portal; these will be into a secure designated e-mail address which will be accessible, at the designated opening time, only by the relevant Head of Service, Governance Manager or authorised Officer
- V. Once the submission deadline has passed a summary of quotations and tenders received shall be recorded and initialled by the Officers present
- VI. If any quotation or tender other than the lowest is accepted the reasons for doing so shall be recorded by the person with authority to accept, and details should remain available for inspection for the life of the contract or a period of six years, whichever the longer



- VII. An appropriate contract will be formed either by using the Civica Purchasing System to place an order or other appropriate methods to form a contract with the required terms; refer to Legal Services for further advice

### **3. 4 For Contracts Above £125,000**

#### **SOC 17. Authorisation of Contracts Above £125,000**

- i. No tenders or associated public notices (see SOC18) for:
- Carrying out work
  - Sale or supply of goods or materials or utilities
  - Sale or supply of services
  - Disposals of any interest in land or property, (as set out in Part 3 of the Constitution) subject to the application of the scheme of delegation

with an estimated cost in excess of £125, 000 shall be issued except by authority of the relevant Head of Service in consultation with the Head of Finance and Property Services and the relevant Executive portfolio Holder

- ii. Approval to accept a tender or quotation above £125,000 must be sought from the Executive. The Executive or delegated Officer has the power to accept a tender or quotation in accordance with these Standing Orders. Unless specified otherwise the default position is that the Executive accepts the tender. This is acceptance prior and subject to the formation of a formal contract

#### **SOC 18. Contracts above £125,000 require Public Notices**

- i. No contract which exceeds an estimated £125,000 in value shall be entered into unless a public notice has been issued for the given opportunity.
- ii. This MUST be done through publication of a contract notice as follows:
- On the Government Contracts Finder website and On both Contracts Finder and the e-notification service Find a Tender Service website where the contract value exceeds the appropriate Find a Tender Service public procurement threshold see 2.2 and updates
- iii. In addition to ii above a notice or advert may also be placed:
- In one or more newspaper circulating in the district
  - Electronically on the Council website
  - In a relevant journal where the Head of Service deems it appropriate

- iv. The notice shall invite tenders and shall state the last date and time for receipt of tenders (not normally less than fourteen days from the date of publication, and longer if above public procurement thresholds)
- v. The notice shall state that no tender will be considered unless it is in a plain sealed envelope or parcel addressed to the Head of Legal and Democratic Services and bearing the words 'Tender for [*name of tender*]' with no other identifying mark OR that it is submitted and received within the appropriate time scales through an approved e-tendering platform
- vi. Where a contract value exceeds £125,000 or applicable public procurement thresholds the Council may enter into an existing Framework Agreement or DPS; for example a framework set up by the Governments' Crown Commercial Service, without giving public notice or advertising on Find a Tender or Contracts Finder. This is providing that the Framework Agreement has been set up in compliance with The Public Procurement Regulations 2015 and directives, that the Council is able to access the Framework services etc.; and that the Council complies with any competition requirements required by the Framework as necessary
- vii. A notice of Contract Award must be published on Contracts Finder for all contracts between £25,000 and the Find a Tender procurement threshold.
- viii. A notice of contract award must be published on both Find a Tender and Contracts Finder for all contracts above relevant Find a Tender public procurement thresholds.

### **SOC 19. Contract Conditions for Contracts above £125,000**

- i. Every contract exceeding the value of £125,000 must state:
  - The work to be done or the services to be provided and/ or the materials to be supplied
  - The price and any discounts
  - The time within which the contract is to be carried out
  - Also, a determination should be made by the technical advisor through assessment of the relevant risks as to any requirements with regard to the provision and payment of liquidated damages where the contractor fails to meet the terms of the contract
- ii. That if the contract is not carried out properly or the time limit is not met, the Council can:
  - Cancel all or part of the contract
  - Complete the contract

- Recover from the contractor, or parent company or insurance, any additional costs in completing the contract
  - Take other legal action against the contractor
- iii. In every formal contract for the execution of work or provision of supplies and services, the following clauses or a clause to similar effect shall be inserted:
- Every contract must state that all supplies, services or works must comply with any relevant British Standards, British Code of Practice or European equivalent in force at the date of tender
  - Every contract must state that the Council can cancel the contract and recover any resulting losses if the contractor or their employees or agents, with or without his/ her knowledge:
    - a) Does anything improper to influence the Council to give them the contract OR
    - b) Commits an offence under the Bribery Act 2010 or under Section 117(2) of the Local Government Act 1972 and amendments or successor Acts
- iv. Where there are existing forms of contract available the contracting Officer should consider their use, subject to meeting the above minimum requirements
- v. Where a contractor goes into receivership during the contract, officers should ensure that the Council's is not exposed to unreasonable risk. This could take the form of performance bonding, or other arrangements to mitigate the costs of the loss of contractor.

### **SOC 20. Receipt of Tender for Contracts above £125,000**

- i. No tender above £125,000 shall be considered unless it is contained in an envelope or parcel and is received physically in the Head of Legal and Democratic Services's office OR received securely through an approved e-procurement platform or portal, as is described in Standing Order 16 iv, within the time specified in the public notice
- ii. All such tenders, however received, shall remain in the custody of the Head of Legal and Democratic Services until the time appointed for their opening
- iii. All such tenders shall be opened at the appointed time by a member of staff appointed by the Head of Legal and Democratic Services

- iv. Where a tender invitation provides for e-tendering, electronic tenders shall be opened at the appointed time by a member of staff appointed by the Head of Legal and Democratic Services for both paper and electronic tenders received a proforma should be completed identifying the tender name, tendering body and price offered. This record should be signed by those Officers present identifying their official capacity. This register will be maintained by Officers of Legal and Democratic Services. The tender shall be passed to the relevant Head of Service or such other Officer they may determine for evaluation and/ or the required pre-contract checks
- v. No person shall make public the contents of the tenders until the contract has been let. This shall not prevent the relevant Head of Service and Executive or Committee from seeking such legal, financial or technical advice on any tender, as they require for evaluation purposes

### **SOC 21. Signing and Sealing of contracts**

- i. Contracts over an estimated value of £125,000 shall be submitted to the Head of Legal and Democratic Services for approval and signature. They shall be accompanied by a certificate signed by the relevant Head of Service or such other senior officer as they may determine, stating that there is budget provision for the expenditure and that Standing Orders and appropriate The Public Procurement Regulations 2015 have been complied with
- ii. Such contracts may be sealed where the Head of Legal and Democratic Services considers it appropriate. Any two persons will attach the seal from the group consisting of the Council's Solicitors and Fellows of the Chartered Institute of Legal Executives and Licensed Conveyancers or by one of that group and the Chief Executive and the Chief Operating Officer
- iii. The appropriate Officer is responsible for ensuring that a signed contract or other appropriate contract arrangements are in place in advance of the supply of goods, services or works. Please refer to Legal Services for further advice

### **SOC 22. Acceptance of Tenders - Contracts above £125,000**

- i. The Head of Service or the Officer to which power to accept was delegated by the Executive shall select a tender after evaluation. If he or she selects other than the most advantageous tender that fact and the reasons for it shall be reported to the next meeting of the Executive, Council or relevant Committee and recorded in its minutes

- ii. Where the power to accept the contract still rests with the Executive, Council or Committee, the checked tenders shall be submitted to the Executive, Council or relevant Committee for evaluation and selection of the winning tender/contractor.
- iii. If the Executive, Council or Committee selects other than the most economically advantageous tender its reasons shall be recorded in the minutes.

### **SOC 23. Contract Register and Data Transparency**

- i. Details for all contracts above £5,000 should be maintained centrally within the Legal and Democratic Services office
- ii. Details of all contracts and expenditure above the limit defined in the Council's policy on Data Transparency should be available for publication as set out in the policy
- iii. The contract officer is responsible for informing the Head of Legal and Democratic Services of the details of the contract as required under the requirements on Data Transparency

## **Appendix A**

### **The Tender Process: Guidance to Maintain Compliance with Procurement Regulations**

#### **1. Invitation of Tenders: Steps to Follow**

The following sections identify steps that can be undertaken to invite a tender or quote, in all cases SOC and the Public Procurement Regulations 2015 and directives are applicable to local authorities must be followed. Tenders must be sought through, but are not limited to, the following procedures:

- Open Tender
- Restricted Tender
- Competitive Dialogue
- Competitive Dialogue with Negotiation
- Innovation Partnership
- Negotiated Procedure without Prior Publication

For further information please contact the Governance Manager

## **2. Pre-Approved Contractor (Works)**

2a The Council can select pre-approved contractors to be invited to tender or quote for construction related works below public procurement thresholds as follows:

- i. A list of approved contractors can be drawn up using companies currently registered with ConstructionLine  
<http://www.constructionline.co.uk>
- ii. An advert for the opportunity must also be placed on the Contracts Finder and if the contract value is above the public procurement threshold the Find a Tender Service websites and contractors selected through a two-stage process using the PAS 91 Selection Questionnaire. Those contractors selected to participate will then be included with those contractors identified through the Constructionline route
- iii. Where a contract is ABOVE the public procurement threshold for Works pre-approved contractors can be invited to tender as above BUT the procurement procedure used MUST comply with the Public Contract Regulations
- iv. Where a contract is BELOW the public procurement threshold for works between three and five contractors who are pre-approved through the above route to carry out contracts of the same type and up to the value for the contract which the Council proposes to enter into shall be invited to tender
- v. Where the works to be procured are funded, partially or fully, by an external funding body the Council may use pre-approved contractors not registered on Constructionline where the pre-approval process of the funding body has identified such contractors as meeting expected requirements of the funder and the Council; and where appropriate such requirements comply with Public Contract Regulations

2b. When selecting pre-approved contractors invitations must be sent to:

- i. Those contractors identified at 2a i & 2 iii above, to participate in the given opportunity
- ii. If less than three contractors are identified as being pre-approved for the given opportunity then alternative tender procedures as prescribed within SOC should be considered

### **3 Absence of Pre-Approved Contractor (Works)**

3a. Below the public procurement Works threshold and where there are no registered contractors for a particular category of works on Constructionline then a Select List may be drawn up. However, the Open Tender route should be considered first. Where a Select List is to be drawn up, this can only be for opportunities below the public procurement Works threshold as follows:

- i. The method used should be through an advert for expressions of interest and for contractors to be selected through a two-stage process using the PAS91 Selection Questionnaire
- ii. Expressions of interest for opportunities above £25,000 must be advertised on Contracts Finder; and may be advertised on the Council Website, appropriate local newspaper or commercial journal
- iii. Only those contractors selected through the PAS 91 Selection Questionnaire may be included on a Select List. In all cases there must be compliance to The Public Contract Regulations 2015.

### **4. Open Tender Procedure**

4a. The following requirements apply where Open tenders are sought. The advertisement for the tender opportunity must be published appropriate to the contract value as described in SOC. The advertisement must:

- i. Invite tenders to be submitted
- ii. State the nature and purpose of the contract
- iii. State where further details may be obtained
- iv. State the date and time by which tenders must be received. This must be at least 14 days after the publication of the advertisement. For tenders with an estimated value above public procurement thresholds this date must be in accordance with those procurement rules.

4b. Only in situations where the estimate is above public procurement thresholds can a more than one stage procurement be followed. The use of an Selection Questionnaire (SQ) can be used with an Invitation to Tender (ITT) or similar. The SQ template is available from the Governance Manager.

### **5. Submission of Tenders: Steps to Follow**

5a. Invitations to tender must state that no tender will be received unless it is enclosed in a plain addressed sealed envelope. The envelope must bear the word 'Tender for [*name of tender*]'. The envelope must not bear any numbers or markings that would identify the sender.

- i. All tender envelopes received will be marked with the time and date of receipt and kept securely until they are opened
- ii. Tenders received through e-tendering will be automatically time and date 'stamped' when received, and will only be made available by the system for opening at the appointed time
- iii. Any and all tenders received after the time and date specified will be classed as a late tender, and should not be opened as part of the tender opening process or considered as part of the tendering process
- iv. Late tenders should be opened independently so that appropriate steps may be taken to return tenders to the sender
- v. A record must be kept of actions taken to return tenders and this must be retained with a photo copy of the original tender envelope for two years after the end of the contract period
- vi. All envelopes received should be retained with the tender details

## **6. Opening and Acceptance of Tenders**

- i. Tenders must be opened only by those Officers or members authorised to do so, and who are not the contracting Officers of the tender in question
- ii. All tenders, which are received, must be recorded on a proforma that identifies tender name, tendering body and price (see SOC 20 v)
- iii. Contracts may be awarded based on price alone or based on price and/ or other criteria, usually quality. If a contract is to be awarded solely on the basis of price then the tender accepted must be the lowest price OR the highest if payment is to be made to the Council
- iv. This general rule does not apply if the Executive has received a report from the appropriate Officer recommending approval to the acceptance



of a different tender where applicable and not in contravention of appropriate Public Contract Regulations

- v. In some cases the lowest priced tender might not be the most acceptable to the Council because of other factors. An evaluation of additional criteria considered must be provided to either the responsible officer, the Executive or the Council. In such cases it is recommended that the principle of 'most economically advantageous' tender (MEAT) is considered
- vi. Where price is not the only consideration details of the evaluation used must be lodged with the Head of Legal and Democratic Services  
Tender sums, rates etc cannot be altered after receipt or during the evaluation process, unless all tenderers have been asked to reconsider and resubmit their tenders. Such action can only be taken with the prior agreement of the Head of Service. Where resubmission is sought, the rules covering the receipt of tenders will apply, this must be applied equally to all bidders as appropriate
- vii. Where a successful tender is subsequently found to be erroneous the supplier must accept the consequences of their error and honour the tender or withdraw from the tender process. Based upon the selection criteria the next nearest competitive tender would be acceptable. Withdrawal from the tendering process is not possible once the contract has been accepted by the Council
- viii. The power to accept a tender rests with the Head of service unless the contract value is above SOC 17 threshold where it rests with the Executive, Council or Scrutiny Committee, unless this has been delegated to an Executive Member, Head of Service or Officer. Without this delegation no tender above this threshold can be accepted without an appropriate committee report being prepared, considered, approved and recorded in minutes

## **7. Nominated Sub-Contractors and Suppliers**

- i. These rules apply where the Council has the power to nominate a sub-contractor or supplier to a main contractor
- ii. Tenders shall be invited for the nomination unless the contracting Officer records why it is not reasonably practicable to obtain

competitive tenders and the estimated value of the contract is below £125,000

- iii. If tenders are invited one of the procedures set out in A2 or A3 above must be followed and rules covering receipt of tenders will apply

## **8. Principles of Positive Action in Providing Opportunities for Local Suppliers**

8a. To support the raising of awareness of Council purchasing procedures and provide opportunity for local suppliers to bid for work, contracting officers should:

- i. Have knowledge of the local market place for procurement
- ii. Make local suppliers aware of Council procurement procedures and contract opportunities
- iii. Suppliers/ bidders shall not be restricted by reference, in tender or quotation documentation, to geographical location
- iv. Evaluation must not be weighted in such a way as to give unfair advantage to local suppliers
- v. Officers cannot discriminate, but should ensure that they have taken reasonable steps to consider the local market place when procuring as well as the most economically advantageous tender

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### **References:**

#### **Contracts Finder**

<https://www.gov.uk/contracts-finder>

#### **Find a Tender Services**

<https://www.find-tender.service.gov.uk/Search>

#### **Public Procurement Tresholds**

<https://www.gov.uk/guidance/public-sector-procurement>

#### **Procurement Policy Notices (PPN)**

<https://www.gov.uk/government/collections/procurement-policy-notes>

**Crown Commercial Services:**

<http://ccs.cabinetoffice.gov.uk/i-am-buyer/find-a-product-or-service/framework-summary-list>

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# **PROCUREMENT STRATEGY**

**2023 – 2028**

DRAFT

Section	Topic heading	Page
1.0	Strategy introduction and aims	2
2.0	Stakeholders - who is the strategy for?	4
3.0	Background	4
<b>APPENDIX 1. Actions required under this Strategy</b>		6
4.0	<b>FOCUS</b> – The focus and aim of council procurement	6
5.0	<b>FOCUS</b> – Contribution to Strategic objectives and policy	6
6.0	<b>FOCUS</b> – Delivering value for money	7
7.0	<b>FOCUS</b> – Governance & Ethics Statement	8
8.0	<b>PLAN &amp; DO</b> - Strategy delivery	9
9.0	<b>PLAN &amp; DO</b> – Sustainable procurement	10
10.0	<b>PLAN &amp; DO</b> – Creating social value & the local economy	12
11.0	<b>PLAN &amp; DO</b> – Equality & Diversity in procurement	12
12.0	<b>REVIEW</b> – Impacts & benefits realisation	13
<b>APPENDIX 2. Reference &amp; Guidance - links</b>		15

## 1. INTRODUCTION & AIMS

1.1 All public procurement<sup>1</sup> is governed by a legal and regulatory regime of responsibilities promoting economic competition, transparency, equal treatment, and non-discrimination. It should, where relevant, have regard for the national procurement priority outcomes.

1.2 This Procurement Strategy aims to deliver these responsibilities by continuing to mature a clear framework for procurement across the organisation whilst also promoting and supporting the council's own Strategic Plan priorities to help realise its vision for the borough. There is also alignment between our strategic priorities and national procurement priority outcomes.

1.3 This strategy applies to all council expenditure on goods, services, works and utilities or the award of a concession. It meets the necessary National Procurement Strategy aims to:

- Show leadership in procurement,
- Behave commercially and;
- Achieve community benefits.

Compliance with this strategy will support our duty to deliver best value for money; particularly where new service delivery models and efficiencies are required.

1.4 All procurement activity must comply with council Financial Procedure Rules, Standing Orders, and relevant and applicable legislation including the Public Contract Regulations 2015 (see Appendix 1 & 2 for links to further information)

1.5 The impact of procurement is far greater than a simple definition of a process. The principles set out in this strategy illustrate the positive effect that compliant and efficient procurement makes to the community we serve, considering the socio-economic issues such as equality and diversity, local economy, community benefit and reducing environmental impacts.

1.6 Procurement represents a significant interface with the economic community on a local, regional, and national level. Effective procurement to support front line service provision is vital in order for the council to meet its strategic objectives. Our vision for procurement is to:

*'Continuously improve and adapt how we procure services and goods to meet the changing needs of our customers and our organisation through strong leadership. in cost effective, innovative, responsible, and commercial ways'*

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<sup>1</sup> the responsible and efficient acquisition of appropriate goods, services, works and utilities providing the best possible value, taking into account quality factors (including environmental) and cost considerations spanning the whole life cycle from identification of the requirement through to the end of useful life.

## 2. STAKEHOLDERS – who is this strategy for?

- **Elected Members** To understand the priorities and arrangements for procuring goods, services and works. In performing their roles effectively councillors benefit from good procurement and commercial knowledge.
- **Executive Members** Setting strategic and commercial priorities and direction. The portfolio holder for Resources & Performance acts as champion for this strategy
- **Management Team** To ensure procurement and commercial decisions are aligned to corporate and service strategies.
- **Chief Operating Officer** Sponsor for maintaining good governance, and sound risk & project management routines in procurement.
- **Head of Legal & Democratic Services** Lead officer responsible for strategy implementation, management and review and providing legal advice on procurement and contracting.
- **Heads of Service & Officers** (*the 'buyers'*) Implementing the strategy; particularly when delivering major procurement exercises. Complying with regulations and procurement policy guidance (i.e. relating to community benefit, sustainability etc.).
- **Council Partners** Providing guidance and support when procuring on behalf of the Council.
- **The public and external organisations** To understand how the council spends public money.

2.1 We recognise the strategic importance of procurement and will effectively promote and engage with all stakeholders on procurement and commercial issues and priorities, working collaboratively across the organisation, and with stakeholders inc. external partners, on procurement decisions and projects.

## 3. BACKGROUND

3.1 In 2021 council expenditure on goods, services, works and utilities was £16m (revenue & capital). We use a variety of contracts, from simple purchase orders to long term partnership agreements, and call off contracts from purchasing frameworks.

3.2 This strategy builds on achievements under our previous procurement strategies and plans that have established best practice principles into the organisation through the introduction of:

- Central procurement capacity supporting service units



- Rationalisation of our supplier base
- Introduction of an electronic purchasing system and collaborative procurement with regional & sub-regional partners
- Efficient and cost-effective procurement using framework agreements, e-tendering, and e-purchasing cards.
- Developing appropriate tender specification and evaluation models to procure responsibly (sustainability, social value etc)
- Maintenance of standardised tender and contract documentation, terms and conditions, procedures and guidance

3.3 We have made significant improvements in the way we deliver services using effective procurement, helping contribute to the council vision for the borough; for example, our strategic partnerships with Liberata and Urbaser, contracts for environmental enforcement, the Pioneer Place development partner and the acquisition of Charter Walk Shopping Centre and the procurement of ancillary services.

3.4 The actions and steps required under this strategy are set out in Appendix 1, with links to further guidance and information in Appendix 2.

3.5 Deadlines are not set against these actions. All appropriate governance actions and those to address equality and diversity must be applied in each procurement or tender exercise.

3.6 Actions to address sustainability and social value should be considered and acted upon relative to the requirement and scope of individual procurement or tender exercises.

3.7 In all cases, and after consulting this strategy, if you have any further procurement related questions - in the first instance contact the Governance Manager.

## **APPENDIX 1. Actions required under this Strategy.**

### **4. THE FOCUS & AIM OF COUNCIL PROCUREMENT**

4.1 Our focus and aims are to use procurement to deliver consistently good quality, cost effective services that meet customer and organisational needs.

4.2 We will do this using a mixed economy of service delivery through in-house provision, collaboration with strategic partners and commissioning local and national providers, complying with all appropriate legislation and best practices, and by strengthening organisational procurement skills and capacity. Sections 6 to 12 set out under the relevant topic headings how we will do this.

### **5. CONTRIBUTION TO STRATEGIC OBJECTIVES AND POLICY**

5.1 This strategy has a key role in helping deliver the council's vision and strategic objectives around:

- **PEOPLE** creating flourishing, healthy and confident communities
- **PLACES** making the borough a place of choice
- **PROSPERITY** promoting transformational economic change
- **PERFORMANCE** ensuring a continuous focus on improvement in all aspects of council performance

5.2 Compliance with strategy actions set out in this appendix will help contribute. They will also demonstrate application of the National Procurement Strategy 2022 (NPS) aims:

- **Leadership** recognise & promote procurement, work collaboratively, engage with suppliers & marketplace, simplify procedures & access, remain updated on policy & legislation, and ensure compliance
- **Behaving commercially** using e-procurement and project & risk management routines, maintain contracts register, publish transparency data, apply cost effective controls, engage proactively with the marketplace & stakeholders
- **Achieving community benefits** Remove barriers for SMEs & voluntary sectors, minimise environmental impacts, champion innovation, balance and maximise delivery of social and environmental factors and benefits

5.3 Compliance will also help support the NPS priority outcomes of:

- **Tackling climate change & reducing waste**
- **Helping create new businesses, new jobs, and new skills**

- **Improving supplier diversity, innovation, and resilience**

5.4 And finally demonstrate compliance where required with:

- **Subsidy Control Act 2022**
- **Public Contract Regulations 2015**
- **Public Services (Social Value) Act 2012**
- **Equality Act 2010**
- **Fraud Act 2006**

## 6. DELIVERING VALUE FOR MONEY (VFM)

6.1 Procurement activity should focus on enabling the achievement of VFM in terms of both quality and cost. Whole life costing methodologies should be used when appropriate i.e., the consideration of the life cycle cost associated with any purchase. VFM is not about simply minimising upfront prices, it is getting the maximum value for every pound spent. **This is how:**

**Table 1.**

<b>Core Principles for VFM &amp; efficiency - <i>fundamental to how we procure</i></b>
<ul style="list-style-type: none"> <li>• Ensure procurement opportunities align with council strategic objectives and vision – think how procurement will best achieve that</li> </ul>
<ul style="list-style-type: none"> <li>• Maintain consistent approaches and processes to how we procure</li> </ul>
<ul style="list-style-type: none"> <li>• Undertake early market engagement where appropriate and commensurate with the identified requirement</li> </ul>
<ul style="list-style-type: none"> <li>• Use collaboration &amp; economies of scale to secure favourable pricing/ fees</li> </ul>
<ul style="list-style-type: none"> <li>• Develop outcome based tender specifications - specify the outcome NOT the solution</li> </ul>
<ul style="list-style-type: none"> <li>• Seek out innovation (new ways of doing things) in how outcomes are delivered - challenge suppliers to be innovative</li> </ul>
<ul style="list-style-type: none"> <li>• Consider contract performance standards and penalties where appropriate – hold suppliers to account</li> </ul>
<ul style="list-style-type: none"> <li>• Consider open book accounting/ profit share in larger contracts i.e. service outsourcing or strategic delivery partnerships</li> </ul>
<ul style="list-style-type: none"> <li>• Take suppliers previous performance into account and use selection questionnaires (where able) - see PPN 04/15 &amp; 08/16. Evaluate reference</li> </ul>

<ul style="list-style-type: none"> <li>• Use model terms and conditions of contract</li> </ul>
<ul style="list-style-type: none"> <li>• Maintain good contract management/ dialogue/ feedback with suppliers to bring about flexibilities in service delivery and budget reductions</li> </ul>
<ul style="list-style-type: none"> <li>• Monitor contract expenditure &amp; volumes etc. and identify savings and efficiency opportunities</li> </ul>
<ul style="list-style-type: none"> <li>• Engage proactively with strategic partners to improve performance, reduce costs, manage, and mitigate risks, create innovation, and exploit commercial opportunities including income generation</li> </ul>

## 7. GOVERNANCE & ETHICS STATEMENT

7.1 In all aspects of procurement, we will act with integrity. Our procurement activity must comply with The Public Contract Regulations 2015 (PCRs), and these 'rules' are incorporated into the Council's Financial Procedure Rules (FPRs) and Standing Orders for Contracts (SOC).

7.2 We are also subject to the TUPE Regulations in relation to staff transfers. We will keep up to date and share legislative changes, procurement case law and best practices to maintain our knowledge and skills.

7.3 We ensure that no one individual can authorise all stages of a purchase order or procurement exercise. The authority to raise orders and to tender for contracts is governed by FPRs and SOC and purchasing parameters are implemented through controls in the Civica/ Radius purchasing system. Audit records are kept of all transactions.

7.4 Officer probity and code of conduct requirements are set out in FPRs. SOC set out the appropriate contract value 'thresholds' above which specific steps and tasks are mandated. For example; all tender opportunities valued above £25,000 must be advertised on the Governments' Contracts Finder (CF) portal [LINK](#).

7.5 The Find a Tender (FTS) portal, as well as CF, must be used to advertise contracts valued above the public procurement/ FTS threshold, currently £189,300 for goods & services and £4,733,252 for works. When calculating the estimated contract value, to determine whether the regulations apply, the estimate should be inclusive of VAT.

7.6 The Chest e-procurement portal is used to run tender exercises electronically providing security and efficiency with ease.

7.7 Typically, the greater the procurement complexity, cost and risk, and the more important a project/ programme will be, then the more robust and rigorous a process is required to successfully plan, tender for and manage it.

7.8 The Authority’s procurement processes promote fair and transparent competition, minimise exposure to fraud and collusion by effectively managing commercial risk. It must also consider the UK Subsidy Control rules where appropriate to ensure economic advantage is not conferred on one or more enterprises (see the links in Appendix 2 for further information on this and all our responsibilities).

7.9 Good procurement governance is also supported by building and maintaining capacity. It is essential that officers involved in purchasing and procurement have the skills required to deliver their responsibilities effectively.

7.10 Ethical procurement is about promoting activities that result in economic, social, and environmental benefits for our communities and society as a whole (see sections 9, 10, 11). We also require the highest standards of professional behavior from all employees in their dealings with colleagues, customers, and suppliers.

7.11 We will act with integrity and, wherever possible, openness when we undertake procurement; and our decisions will be communicated clearly. In all of our dealings with our suppliers we will act fairly. We will pay our suppliers promptly, and in accordance with agreed terms.

7.12 Modern slavery is a criminal offence under the Modern Slavery Act 2015 and can occur in various forms, including servitude, forced or compulsory labour and human trafficking. It involves the deprivation of a person’s liberty by another in order to exploit them for personal or commercial gain. The council must act ethically and with integrity with a zero- tolerance approach to these issues.

## 8. PLAN & DO PROCUREMENT - DELIEVRY OF (or living) THE STRATEGY

8.1 Our procurement activity must be efficient, effective and deliver value for money whilst contributing to the council’s vision and strategic priorities. **This is how:**

*Table 2.*

<b>General Tasks &amp; Principles - to apply when planning a procurement</b>
<ul style="list-style-type: none"> <li>• Minimise administrative processes and unnecessary bureaucracy</li> </ul>
<ul style="list-style-type: none"> <li>• Ensure routine purchasing transactions are efficient and timely</li> </ul>
<ul style="list-style-type: none"> <li>• Consider all options to obtain the most appropriate outcomes</li> </ul>
<ul style="list-style-type: none"> <li>• Challenge the status quo, identify &amp; develop new service delivery models in response to our needs</li> </ul>
<ul style="list-style-type: none"> <li>• Ensure that the procurement route chosen is on the basis of the degree to which it fulfils the Council’s strategic objectives and service needs</li> </ul>

<ul style="list-style-type: none"> <li>• Seek to optimise service delivery to customers with additional benefits</li> </ul>
<ul style="list-style-type: none"> <li>• Require innovation from suppliers through creativity in tender specification and evaluation models</li> </ul>
<ul style="list-style-type: none"> <li>• Follow project &amp; risk management routines and complete community impact assessments as appropriate to deliver effective tender/ contract management, risk mitigation, manage delivery of priority outcomes, competitiveness and cost effective cost controls during the full contract life</li> </ul>
<ul style="list-style-type: none"> <li>• Use competition to drive and obtain VFM &amp; seek innovation</li> </ul>
<ul style="list-style-type: none"> <li>• Pragmatically evaluate contract/ tender cost versus community benefit</li> </ul>
<ul style="list-style-type: none"> <li>• Require &amp; task suppliers to work with us to reduce costs over the contract life cycle</li> </ul>
<ul style="list-style-type: none"> <li>• Develop competitive markets where they do not exist</li> </ul>
<ul style="list-style-type: none"> <li>• Call off from established framework agreements and use collaborative opportunities where they offer best value, efficiencies, reduced timescales and minimise duplication</li> </ul>

## 9. SUSTAINABLE PROCUREMENT

9.1 Sustainable procurement is not simply about purchasing environmentally friendly products. It is an approach whereby organisations routinely meet their needs for goods, services, works and utilities in a way that achieves VFM on a whole life basis - in terms of generating societal and economic benefits, whilst removing or minimising damage to the environment.

9.2 In 2019 the council declared a climate emergency. Through its Climate Change Strategy, it recognises and seeks to urgently address sustainability and climate change issues in its plans and strategies (in its operations) by ensuring it is doing everything practically possible to limit its contribution to global climate change and adapt to its effects. This Procurement Strategy has a vital role to play in the council's commitment.

9.3 The principles of innovation, waste reduction, re-cycling and the use of environmentally acceptable alternatives must be at the forefront of our thinking when specifying new goods, service, works or utilities or when re-procuring existing arrangements.

9.4 We will also ensure that procurement activities comply with sustainable development principles and promote practices that will contribute to positively addressing climate change, **this is how:**

**Table 3.**

<p><b>Communicate - raise organisational awareness on sustainability</b></p>
<ul style="list-style-type: none"> <li>• Communicate the Procurement Strategy to all staff and councillors</li> <li>• Educate and encourage council 'buyers' to review procurement practices (particularly consumable products) aiming to reduced unnecessary use and adopt alternative and more sustainable products</li> <li>• Minimise wastage by encouraging staff to consider whether a product or service is required before its purchased or renewed</li> </ul>
<p><b>Policy and strategy principles – general principles to apply when procuring</b></p>
<ul style="list-style-type: none"> <li>• Specify, wherever possible, practicable and beneficial the use of sustainable products and alternatives</li> <li>• Seek to increase the proportion of renewable energy procured</li> <li>• Where possible incorporate new energy technologies into projects</li> <li>• Seek to replace the council fleet with electric vehicles and machinery with electric alternatives where possible</li> <li>• Utilise more renewable, recycled and low embodied energy products and materials and limit waste going to landfill</li> <li>• Use the least environmentally damaging goods and services</li> <li>• Using whole life cost approaches when specifying and managing contracts</li> </ul>
<p><b>Procurement process – how we procure in a sustainable way</b></p>
<ul style="list-style-type: none"> <li>• Use environmental selection criteria in the evaluation and award of contracts - challenge suppliers to be innovative</li> <li>• Evaluate whole life costs inc. maintenance, re-use and disposal etc.</li> <li>• As appropriate (practical &amp; legally) require and evaluate suppliers' environmental credentials</li> <li>• Require suppliers to submit offers for sustainable products or utilise renewable or recycled materials in their production.</li> <li>• Consider evaluating reduction of CO2 and greenhouse gases emissions in products and the supply chain (production operations, transport etc.)</li> <li>• Address barriers to entry in order that SME, local suppliers and the third sector are encouraged to bid for opportunities</li> <li>• Require a carbon reduction statement from suppliers in all tenders for works above £5,000 value</li> <li>• Include a condition of lease for retail outlets on council sites for use of biodegradable containers and cutlery etc.</li> </ul>
<p><b>Engaging suppliers &amp; marketplace – collaborating to improve sustainability</b></p>

- Educate suppliers on our sustainability & climate change strategy and objectives
- Actively encourage local suppliers, SMEs, and the voluntary sector to bid for appropriate contracts
- Influence suppliers to adopt and embed practices that minimise their environmental impact and deliver community benefits in relation to supply of products, their own operations and supply chains

## 10. CREATING SOCIAL VALUE & THE LOCAL ECONOMY

10.1 There is a mandatory requirement for all councils to comply with the Social Value Act 2012. Social Value (SV) is about improving economic, social and environmental wellbeing from public sector contracts over and above the delivery of the services directly required with no or little extra cost.

10.2 Public procurement should be leveraged to support both local and national (SV) priorities for the benefit of the local community and wider public. The council must have regard through its procurement activity, where it is relevant to the subject matter of a contract and it is proportionate to do so, to national priority outcomes alongside local strategic priorities.

10.3 In a local context SV can be delivered as an example through the following activities:

- **Social** - community volunteering opportunities, supporting disadvantaged individuals and minority groups, hosting events
- **Economic** – creating new jobs employing local people, creating apprenticeships, work placements, purchasing from local suppliers/ marketplace, providing mentoring and career advice
- **Environmental** - reducing energy and utility use and reducing carbon emissions, using sustainable or recycled materials and products, supporting or delivering improvements to public spaces

10.4 As a starting point when planning a procurement exercise we should consider the points in 10.3 above and ask ourselves the questions below; building into our tender specification and evaluation such requirements or actions that would deliver SV.

1. What is important to our local communities?
2. How can we deliver services differently in a way that will impact positively on the local community and the environment?
3. How can we support local businesses?
4. How can we work better together to engage hard to reach groups?
5. Are there local issues that could be better resolved by working together with our communities?



**To provide social value, where appropriate we will:**

*Table 4.*

<ul style="list-style-type: none"> <li>• Apply the national themes, outputs and measures (TOMs) from the National Social Value Portal, as the basis for creating social value through procurement <a href="#">LINK</a></li> </ul>
<ul style="list-style-type: none"> <li>• Use criteria involving SV considerations as part of tender evaluation – challenge suppliers to be innovative in delivering added community benefits.</li> </ul>
<ul style="list-style-type: none"> <li>• Maximise local employment opportunities</li> </ul>
<ul style="list-style-type: none"> <li>• Help raise skills in the local workforce/ communities</li> </ul>
<ul style="list-style-type: none"> <li>• Influence suppliers to pay the Foundation Living Wage as a minimum</li> </ul>
<ul style="list-style-type: none"> <li>• Make tender opportunities accessible and attractive (without directly favouring them) to local SMEs &amp; the voluntary and faith sectors</li> </ul>
<ul style="list-style-type: none"> <li>• Remove barriers - engage with the local marketplace to promote understanding of our procurement processes, support and train them in how to comply with council tendering requirements</li> </ul>
<ul style="list-style-type: none"> <li>• Engage with local suppliers, partners and communities to access diverse groups or individuals, including those that are vulnerable and traditionally hard to reach to understand what benefits could be offered and what skills are available to us</li> </ul>
<ul style="list-style-type: none"> <li>• Develop and consult upon an annual/ bi-annual social value outcome update for councillors</li> </ul>

## **11. EQUALITY & DIVERSITY**

11.1 We have a mandatory legal duty through the 2010 Equality Act to actively tackle discrimination and promote equality and diversity through equality of opportunity, good relations and positive attitudes; and eliminating harassment and unlawful discrimination. We will ensure that the promotion of equality of opportunity is incorporated into our evaluation and decision-making processes.

11.2 Continuing to promote equality and diversity throughout the procurement process and supply chain is an essential activity for us. Combined with all the actions set out above it will maintain and strengthen not only the council as a responsible procurer, but also maintain a positive reputation for the council through its actions. **This is how:**

**Table 5.**

By evidencing in all procurement decisions and tender exercises that we always have been: <ul style="list-style-type: none"><li>• Fair</li><li>• Transparent</li><li>• Honest</li><li>• Impartial</li><li>• Objective</li><li>• Acting with integrity</li></ul>
By ensuring that we and our suppliers and supply chain consider, follow best practices, and adhere to the principles of no discrimination in regard to: <ul style="list-style-type: none"><li>• Age</li><li>• Disability</li><li>• Gender reassignment</li><li>• Marriage and civil partnership</li><li>• Pregnancy and maternity</li><li>• Race</li><li>• Religion or belief</li><li>• Sex or sexual orientation</li></ul>

## **12. REVIEW - IMPACTS AND BENEFITS REALISATION**

12.1 The successful delivery of this Procurement Strategy will be supported through the pragmatic application of the actions, programme & project management skills and tools across the Council as set out above.

12.2 Through evaluation of expected outcomes, we can learn the lessons on what we might need to do to improve; and what aspects we might wish to redeploy in future procurement exercises. It is important that we can identify clear impacts and the resulting procurement benefits. **This is how:**

**Table 6.**

<b>REVIEW ACTIONS</b> - learn from experience, continually monitor and implement new legislation and guidance, minimize any gaps between established and emerging best practices
<ul style="list-style-type: none"><li>• Routinely carry out post tender award reviews 'wash ups' to capture lessons learnt - what went well, and what we can be improved upon</li></ul>

<ul style="list-style-type: none"> <li>• Further develop and maintain the council contracts register as a central repository to inform procurement plans and support transparency</li> </ul>
<ul style="list-style-type: none"> <li>• Undertake procurement and key contract spend analysis to inform contract management routines and future procurements</li> </ul>
<ul style="list-style-type: none"> <li>• Develop and monitor performance measures and benefits tracking</li> </ul>
<ul style="list-style-type: none"> <li>• Carry out benchmarking - ensure new there are no technology 'lags' in how we procure or where service or product offers, and cost models evolve</li> </ul>
<ul style="list-style-type: none"> <li>• Implement an annual procurement project plan – to ensure procurement is concurrent with contract end dates</li> </ul>
<ul style="list-style-type: none"> <li>• Apply NPS 2022 'toolkit' to test council maturity levels in key areas and to assess progress against objectives – update or amend strategy and plans accordingly</li> </ul>
<ul style="list-style-type: none"> <li>• Maintain procurement networks – continue to share and learn best practices from across all service units and with partners</li> </ul>
<ul style="list-style-type: none"> <li>• Undertake staff procurement skills assessments to inform training plans</li> </ul>

## Appendix 2. References and Guidance links

The most useful link will be that to Standing Orders for Contracts; this is the starting point on what you need to do when procuring. The other links will be useful dependent upon what your procurement need is. Contact the Governance Manager where you have any further questions. Thank you.

### Procurement Legislation

- **Public Contract Regulations 2015** (PCRs). Procurement law! [LINK](#)
- **Procurement Policy Notes**. Best practice for public sector procurement, regularly updated [LINK](#)
- **National Procurement Strategy 2022** (NPC) [LINK](#)
- **National Procurement Strategy Toolkit**. Support in setting procurement maturity objectives and progress. [LINK](#)
- **Utilities Contracts Regulations 2016** [LINK](#)
- **Concession Contracts Regulations 2016** [LINK](#)
- **HM Treasury Green Book 2022**. Guidance on appraisal and evaluation. [LINK](#)

## **Council Guidance**

Setting out our obligations, reflecting legislation and governance requirements.

- **Council Financial Procedure Rules (FPRs)**. Setting out council financial governance procedures. [LINK](#)
- **Standing Orders for Contracts (SOC)**. Setting out council procurement procedures in line with PCR and FPRs. [LINK](#)
- **How to Tender Guidance**. Council 'route map' from identifying a need to successfully procuring it. [LINK](#)

## **Relevant Supporting Legislation**

- **Subsidy Control Act 2022** [LINK](#). Useful guidance [LINK](#)
- **Modern Slavery Act (2015)** Section 54 [LINK](#)
- **The Transparency Regulations 2015** [LINK](#). Useful guidance [LINK](#)
- **Public Services (Social Value) Act 2012** [LINK](#)
- **Equality Act 2010** (General Equality Duty) [LINK](#)
- **Transfer of Undertakings (Protection of Employment) Regulation 2006** (TUPE). When staff transfer from one provider to another under a procurement exercise. [LINK](#)
- **Local Government Act 2003** Best Value Duty [LINK](#)

## **Sustainability**

- **Sustainable Procurement Guidance** [LINK](#)
- **BREEAM** Construction Standards. [LINK](#)

| [180123-220223](#)

BURNLEY BOROUGH COUNCIL

## **PART 3**

# **SCHEME OF DELEGATION**

## **CONTENTS**

1

**A. DELEGATIONS –COMMITTEES AND OFFICERS**

**1. Council Functions**

- a) **Development Control Committee**
  - Legal and Democratic Services (LDS)
  - Housing & Development Control
  - Streetscene
  - Economy and Growth
- b) **Licensing Committee**
  - Licensing Sub Committees
  - Legal and Democratic Services
  - Housing & Development Control
- c) **Audit and Standards Committee**
  - Monitoring Officer
- d) **Appeals Committee**
- e) **Chief Executive**
- f) **Section 151 Officer**
- g) **Legal and Democratic Services**
- h) **Chief Operating Officer (COO)**
- i) **Head of People and Development**

**2. Executive functions:**

- a) **Executive – Leader- Executive Members**
- b) **Chief Executive**
  - Economy and Growth
- c) **Chief Operating Officer**
  - Legal and Democratic Services
  - Senior Solicitor -removed from 190321
  - Senior HR Manager
  - Finance and Property
    - Principal Accountant
    - Internal Audit Manager
    - Property Services Manager
    - Principal Development Surveyor
  - Green Spaces and Amenities
  - Streetscene
  - Housing and Development Control

## **B) TERMS OF REFERENCE OF COMMITTEES, PANELS AND WORKING GROUPS**

### **1. Council Functions**

- (a) Development Control Committee
- (b) Licensing Committee
- (c) Appeals Committee (JNC)
- (d) Appeals Panel
- (e) Redundancy Appeal Panel
- (f) Audit and Standards
- (g) Member Structures and Support Working Group
- (h) Joint Consultative Panel

### **2. Executive Functions**

- (a) Scrutiny Committee (including Budget Scrutiny)
- (b) Traffic Regulation Order Sub Committee
- (c) Parking and Traffic Regulation Outside London (PATROL) Adjudication Joint Committee
- (d) Pennine Lancashire Building Control Joint Committee
- (e) Pennine Lancashire Leaders and Chief Executives Joint Committee
- (f) Three Tier Forum
- (g) Assets of Community Value

## 1.COUNCIL FUNCTIONS

### a) Development Control Committee

1.	<b>Planning and conservation</b> - functions relating to town and country planning and development control as specified in Schedule 1 to the Local Authorities (functions and responsibilities) (England) Regulations 2000 (the functions regulations) (and any miscellaneous functions in that Schedule related or ancillary to town and country planning ) and the Planning and Compulsory Purchase Act 2004 and relevant schedules and regulations
2.	<b>Commons registration</b> - The registration of common land or town and village greens and to register the variation of rights of common as set out in Schedule 1 to the Functions Regulations
3.	<p>To determine all matters as Local Planning Authority, except:</p> <ul style="list-style-type: none"> <li>• decisions which would be substantially contrary to Burnley Local Plan and the Local Development Framework or any other clearly stated Council Policy;</li> <li>• decisions which would give rise to substantial claims for compensation</li> </ul> <p>On a planning matter where the Head of Housing and Development Control/Legal Officer has advised before the vote is taken that the decision that the Development Control Committee is minded to take would represent:</p> <p>(a) decisions which would be substantially contrary to Burnley's Local Plan or any clearly stated Council policy ;or</p> <p>(b) decisions which would give rise to substantial claims for compensation</p> <p>and the Head of Legal and Democratic Services (having also consulted the Chairman (or in his or her absence the Vice Chairman) of the Development Control Committee) has confirmed in writing that he/she agrees with that view no later than 5 working days after the day of the relevant Development Control Committee, whether it is a decision relating to enforcement action or the determination of a planning application, then the matter will be determined by the Full Council.</p>
4.	To consider Local Impact Reports prepared by officers in respect of Nationally Significant Infrastructure Projects, and determine whether or not the LIR represents the position of Burnley Council in respect of the proposal.

### **Head of Legal and Democratic Services**



1.	To sign and serve statutory notices except as are delegated to the Head of Housing and Development Control.
2.	To serve, where appropriate, Stop Notices.
3.	To take enforcement action, including Court proceedings, where there has been a breach of planning control
4.	To confirm unopposed Orders for the diversion or stopping up of footpaths and bridleways.
5.	To serve a Building Preservation Notice, Hedgerow Retention Notice or a Tree Preservation Order in cases where emergency action is necessary.
6.	To confirm unopposed Tree Preservation Orders.
7.	To execute all documents necessary to give effect to Council decisions
<b>Head of Housing &amp; Development Control</b>	
1.	To have responsibility for the conduct of planning appeals.
2.	<p>To exercise the Council's statutory duties and responsibilities under the Town and Country Planning Act 1990, the Planning and Compulsory Purchase Act 2004, the Planning (Listed Buildings and Conservation Areas) Act 1990, the Planning (Hazardous Substances) Act 1990 and the Environment Act 1995 and as might subsequently be amended in respect of:</p> <p>(i) determinations as to whether or not an application to the Local Planning Authority is required;</p> <p>(ii) all approvals to lop or fell trees covered by Tree Preservation Orders or in Conservation Areas and Hedgerow Retention Notices, except where the application has been submitted by a Member of the Council, Officer of the Council or their partners; and</p> <p>(iii) all decisions on applications for consent to display advertisements, except where the application has been submitted by a Member of the Council, Officer of the Council or their partners or where three Members have indicated that they wish the application to be considered by Development Control Committee - Members wishing for this to happen must notify the Head of Housing &amp; Development Control, or deputy, no later than the 'consultation expiry date' shown in the planning application record on the Council's website and must give material planning reasons for their request. The Head of Housing &amp; Development Control will determine whether these reasons are material and</p>

	arrange for the application be placed on the agenda for Development Control Committee. .
3.	<p>The approval of all other applications, apart from those in Paragraph 2, except:</p> <ul style="list-style-type: none"> <li>(i) where in the opinion of the Head of Housing &amp; Development Control the decision is likely to be contentious;</li> <li>(ii) where the application has been submitted by a Member of the Council, Officer of the Council or their partners;</li> <li>(iii) Proposals for the Council's own development which must not be treated under delegated powers and must be reported to Development Control Committee and identified as the Council's own development in the written report to Committee;</li> <li>(iv) where the decision is not in accordance with a stated Council policy e.g. Local Plan;</li> <li>(v) where three or more material planning objections have been received; (from 28.09.22) or</li> <li>(vi) Where three Members have indicated that they wish the application to be considered by Development Control Committee - Members wishing for this to happen must notify the Head of Housing &amp; Development Control, or deputy, no later than the 'consultation expiry date' shown in the planning application record on the Council's website and must give planning reasons for their request. The Head of Housing &amp; Development Control will determine whether these reasons are material and arrange for the application be placed on the agenda for Development Control Committee.</li> </ul>
4.	<p>The refusal of applications which are contrary to a clearly-stated Council policy, except;</p> <ul style="list-style-type: none"> <li>(i) where the refusal could give rise to a claim for compensation;</li> <li>(ii) where the application has been submitted by a Member of the Council, Officer of the Council or their partners; and</li> <li>(iii) Proposals for the Council's own development which must not be treated under delegated powers and must be reported to Development Control Committee and identified as the Council's own development in the written report to Committee.</li> </ul>
5.	All decisions relating to the approval of reserved matters;
6.	<u>In consultation with the Chair of Development Control Committee (or Vice-Chair if the Chair is not available) to decline to determine applications pursuant to s.70A or s.70C of the Town and Country Planning Act 1990.</u>

**Commented [LP1]:** s70A - provides the LA with (inter alia) the power to decline applications that are similar to an application previously refused or where an appeal has been dismissed in the preceding two years.

s70C - aims to avoid delay in enforcement by ensuring that the merits of unauthorised development are only considered once, in an appeal against the enforcement notice under section 174(2)(a).

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<del>6-7.</del>	To secure publicity by site notices, publicising development, and notifying interested parties for the following categories of application, over and above the statutory classes: <ul style="list-style-type: none"> <li>• applications which significantly affect the character of the neighbourhood;</li> <li>• applications which significantly affect the amenities enjoyed by the local population; and</li> <li>• applications which would have wide scale implications on the Borough or its population</li> </ul>
<del>7-8.</del>	To obtain information in connection with alleged breaches of planning control;
<del>8-9.</del>	To determine all applications for Certificates of Lawful Development;
<del>9-10.</del>	To respond to neighbouring Local Planning Authority consultations and County Matters applications, subject to the exceptions outlined in (4) above;
<del>10-11.</del>	To determine all applications for Prior Approval.
<del>11-12.</del>	In consultation with the Chair of the Development Control Committee, will be responsible for determining the scale and scope of consultation in relation to any Nationally Significant Infrastructure Project located wholly or partly within the borough boundary, and in any adjoining local authority area, or otherwise having an impact on the borough.
<del>12-13.</del>	To serve a notice under Section 215 of the Town and Country Planning Act 1990 on residential properties where the condition of the property or part of it is adversely affecting the surrounding neighbourhood
<del>13-14.</del>	In consultation with the Chair of Development Control Committee (or Vice-Chair if the Chair is not available) to revoke planning permission where such revocation would be unlikely to rise to a substantial claim for compensation. <del>(from 28.09.22)</del>
<b>Head of Streetscene</b>	
1.	To serve a notice under Section 215 of the Town and Country Planning Act 1990 relating to the condition of land due to cleansing issues where the condition of the land or part of it is adversely affecting the surrounding neighbourhood.
2.	To deal with all matters relating to excavations, erections, deposits, markings, plantings, in or on the highway.

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### Strategic Head of Economy and Growth

1.	To serve a notice under Section 215 of the Town and Country Planning Act 1990 on non-residential properties where the condition of the property or part of it is adversely affecting the surrounding neighbourhood.
<u>2.</u>	<u>In consultation with the Executive Member for Economy and Growth and the Executive Member for Resources and Performance Management, to serve Urgent Works Notices under S54 of the Planning (Listed Buildings and Conservation Areas) Act 1990 and also to serve notice under Section 55 of the Planning (Listed Buildings and Conservation Areas) Act 1990 to authorise recovery of costs incurred by the Council.</u>

**Commented [LP2]:** To protect buildings and structures with a listed status and preserve the boroughs heritage when urgent action is required.

| [180123-220223](#)

## **b) Licensing Committee**

1.	<b>Taxi, gaming, entertainment, food and miscellaneous licensing</b> - Functions relating to licensing and registration as set out in Schedule 1 to the Functions Regulations, the Licensing Act 2003 and the Gambling Act 2005
2.	<b>Health and safety</b> - Functions relating to health and safety under any relevant statutory provision within the meaning of Part 1 of the Health and Safety at Work Act 1974, to the extent that those functions are discharged otherwise than in the Council's capacity as an employer
3.	<p>Functions relating to licensing and registration as set out in Schedule 1 to the Functions Regulations</p> <ul style="list-style-type: none"> <li>• The setting of fees for Hackney Carriages or Private Hire Vehicles</li> <li>• Functions relating to entertainments and alcohol licensing under the Licensing Act 2003</li> <li>• The setting of fees in relation to the Gambling Act 2005</li> <li>• Functions relating to the Gambling Act 2005.</li> <li>• Functions relating to scrap metal dealers under the Scrap Metal Dealers Act 2011- this will involve the hearing of representations and the determination of applications for a licence of a scrap metal dealer, under the Scrap Metal Dealers Act 2013, where the Head of Streetscene proposes to refuse or to cancel a licence or to vary a licence under section 4 of the Act and the applicant has given notice to the authority, within the prescribed time, that they require the opportunity to make representations about that proposal.</li> </ul>
4.	Functions relating to Schedule 3 of the Local Government (Miscellaneous Provisions ) Act 1982 made by Section 27 of the Policing and Crime Act 2009, regarding Sex Entertainment Venues.

## **Licensing Sub Committees**

5.	That the provisions with respect to taxis, set out in Part 3 of the Constitution and vested in the Licensing Committee, be delegated to the Licensing Sub Committee, consisting of 7 Members, subject to the usual quoracy provisions i.e. one third of the Members of the Sub Committee.
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6.	That the provisions with respect to Licensing Act (LA) 2003, as set out in Part 3 of the constitution and vested in the Licensing Committee, be delegated to the LA 2003 Licensing Sub Committee with its functions as set out in Appx A Exercise and Delegation of Functions to the Council's LA 2003 Statement of Licensing Policy and including carrying out a s20 determination of a film classification.
<b>Head of Streetscene</b>	
1.	<p>To be the authorised Officer in respect of the following legislation and to appoint Officers to undertake, where appropriate, the licensing duties vested in the authority by the legislation. To institute proceedings, keep public registers, issue notices, make orders, and determine applications for licences (subject to the paragraphs below), approvals, registrations and consents in respect of the legislation.</p> <ul style="list-style-type: none"> <li>• The Food Safety Act 1990 (and associated regulations) - in so far as Burnley BC is the enforcing authority as detailed at Sections 5 and 6</li> <li>• The Local Government (Miscellaneous Provisions) Act 1982 - Part VIII, Part XI, Schedule 3 and Schedule 4</li> <li>• Animal Welfare Act 2006- The Animal Welfare (Licensing of Activities Involving Animals) (England) Regs 2018</li> </ul> <p>The Noise and Statutory Nuisance Act 1997 – The whole of the Act excluding those items specified as Local Choice functions under Schedule 2 of the Functions Regulations</p> <ul style="list-style-type: none"> <li>• Town and Police Clauses Act 1847</li> <li>• The Local Government (Miscellaneous Provisions) Act 1976</li> <li>•</li> <li>• Vehicle Crime Act 2001</li> <li>• Food and Environmental Protection Act 1985</li> <li>• Criminal Justice and Police Act 2001;</li> <li>• Cooling Towers and Evaporative Condensers Regulations 2002</li> <li>• Licensing Act 2003</li> <li>• Public Health Control of Disease Act 1984</li> <li>• Gambling Act 2005</li> <li>• The Health and Safety at Work Act 1974</li> <li>• Health Act 2006</li> <li>• County of Lancashire Act 1984</li> <li>• Scrap Metal Dealers Act 2013</li> </ul>
2.	<p>To undertake the following functions in relation to entertainment and alcohol licensing in accordance with the Licensing Act 2003:</p> <ul style="list-style-type: none"> <li>• To determine applications for personal licences where no objections have been made</li> <li>• To determine Application for premises licences where no representations have been made</li> <li>• To determine Application for provisional statement where no representations have been made</li> </ul>

	<ul style="list-style-type: none"> <li>• To determine applications to vary premises licence / club premises certificate where no representations have been made</li> <li>• To determine applications to vary Designated Premises Supervisor (DPS) where no police objections have been made</li> <li>• To deal with requests to be removed as Designated Premises Supervisor</li> <li>• To determine applications for the transfer of a premises licence where no police objections have been made</li> <li>• To determine applications for interim authority where no police objections have been made</li> <li>• To refuse an application for premises licence review which is irrelevant repetitious, vexatious or frivolous</li> <li>• To determine applications for sexual encounter venues</li> <li>• To determine an application for a minor variation</li> <li>• To disapply the s19 requirement for a DPS at community premises</li> </ul>
3.	<p>To undertake the following functions in relation to the Gambling Act 2005</p> <ul style="list-style-type: none"> <li>• To determine applications for premises licences where no representations have been made</li> <li>• To determine applications for the transfer of licences where no representations have been received from the Commission</li> <li>• To determine applications for provisional statements where no representations have been made</li> <li>• To determine applications for club gaming/club machine permits where no representations have been made</li> <li>• To determine applications for other permits</li> <li>• To determine the cancellation of licensed premises gaming machine permits</li> <li>• To determine requests for temporary use notices</li> <li>• To determine applications for variation of premises licences where no representations have been made</li> </ul>
4.	<p>To undertake the following functions in relation to the Scrap Metal Dealers Act 2013</p> <ul style="list-style-type: none"> <li>• To determine applications for site and collectors' licences where no representations have been made</li> <li>• To determine applications for variation of site and collectors' licences where no representations have been made</li> </ul>
5.	<p>To undertake the following functions in relation to the Business and Planning Act 2020</p> <ul style="list-style-type: none"> <li>• To issue guidance for pavement licences</li> </ul>



	<ul style="list-style-type: none"> <li>• To set conditions (both standard and bespoke) to be attached to pavement licences</li> <li>• To grant in whole or in part any application for a pavement licence (with or without conditions) or to refuse any application for a licence</li> <li>• To revoke a licence.</li> <li>• Issue notices to remedy any breaches of a pavement licence.</li> </ul>
6.	<p>To undertake the following functions:</p> <p>(i) To make representations in relation to any matter for which the Council is a responsible authority in respect of that matter under the Licensing Act 2003;</p> <p>(ii) To apply for a review of a premises licence (including an off-sales review of a premises licence) or a club premises certificate;</p> <p>(iii) To apply for an extension of the time allowed for the carrying out of an entry and inspection under section 96 of the Licensing Act 2003.</p>
7.	To execute all documents necessary to give effect to Council decisions

### **Head of Legal and Democratic Services**

1.	<p>To undertake the following functions in relation to Hackney Carriage vehicle and driver licensing and Private Hire vehicle and driver licensing and Private Hire Operator licensing as follows.</p> <p>(a) To be responsible for determining applications for Hackney Carriage vehicle and driver licences, Private Hire vehicle and driver licences and Private Hire Operators' licences, and for applications for the renewal of existing licences.</p> <p>(b) Where, in the opinion of the Head of Legal and Democratic Services, and in consultation with the Chair of the Licensing Committee, an application is controversial the matter be referred to the Licensing Committee for their determination</p> <p>(c) In all cases the Council's Guidelines for determining applications be considered and only departed from when, in the opinion of the Head of Legal and Democratic Services or his duly authorised representative, it is appropriate to do so.</p> <p>(d) In relation to the suspension and revocation of licences, the Licensing Committee be responsible for suspending or revoking Hackney Carriage and Private Hire Drivers' licences and Private Hire Operators' licences. However the Council delegates to the Head of Legal and Democratic Services (or in their absence the Environmental</p>
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	<p>Health and Licensing Manager, and in their absence the Council's Principal Legal Officer (Litigation and Regulation i.e.from 190321) in consultation with the Chair (or in their absence Vice Chair) of the Licensing Committee, the power to suspend or revoke a Hackney Carriage/Private Hire Driver's licence with immediate effect in the interests of public safety. Such action will be reserved only for the most serious situations. All other matters falling under section 61(1) of the Local Government (Miscellaneous Provisions) Act 1976 where public safety is not a factor will continue to be referred to the Committee for decision.</p> <p>(e) To be responsible for the suspension and revocation of Hackney Carriage vehicle licences and Private Hire vehicle licences.</p>
2.	<p>In the event that an applicant or licence-holder fails to successfully complete any training required by the Council the Head of Legal and Democratic Services is given delegated powers to suspend or refuse to renew, as appropriate, the Hackney Carriage and/or Private Hire Driver's licence and/ or Operators' Licence. The applicant/licence holder will be offered the opportunity to put forward any exceptional circumstances to show why the licence should not be suspended, refused or why it should not be renewed.</p> <p>The suspension of any licence would continue until such time as a driver/operator is able to complete the training.</p>
3.	<p>To execute all documents necessary to give effect to Council decisions</p>
4.	<p>To appoint officers to undertake, where appropriate, the licensing duties vested in the authority by the Town Police Clauses Act 1847 or Part II of the Local Government (Miscellaneous Provisions) Act 1976.</p>
5.	<p>That the Licensing Committee delegates to the Head of Legal &amp; Democratic Services, in consultation with the Chair of Licensing, the power to make necessary changes to the Taxi Licensing - Policy Guidelines in response to any national review of road traffic legislation which results in an offence being awarded more or fewer penalty points, by re-categorising such offence as major/ minor or hybrid within the Policy guidelines</p>
<p><b>Head of Housing and Development Control</b></p>	

1. The Head of Housing and Development Control to take any or all steps necessary to discharge the Council's powers, functions or obligations under the Caravan Sites and Control of Development Act 1960 Part 3 (3)

### **Strategic Head of Economy & Growth**

1. In the absence of the Head of Streetscene, to undertake the following functions in relation to the Business and Planning Act 2020

- To issue guidance for pavement licences
- To set conditions (both standard and bespoke) to be attached to Pavement Licences
- To grant in whole or in part any application for a pavement licence (with or without conditions) or to refuse any application for a licence
- To revoke a licence.
- Issue Notices to remedy any breaches of a pavement licence

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### **c ) Audit Committee and Standards Committee**

1. **The promotion and maintenance of high standards of conduct within the Council -** To advise the Council on the adoption or revision of its code of conduct. To monitor and advise the Council about the operation of its code of conduct in the light of best practice, changes in the law,

2. **Assistance to members and co-opted members of the authority -** To ensure that all members of the Council have access to training in all aspects of the member code of conduct, that this training is actively promoted, and that members are aware of the standards expected of local councillors under the code

3. **Other functions -** Functions relating to standards of conduct of members under any provision of, or regulations made under the Local Government Act 2000 or Localism Act 2011.

4. **To consider audit activity, the regulatory framework, and accounts.**

<b>Monitoring Officer</b>	
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| 1. | To grant dispensations under the Localism Act 2011 in consultation with the Chair of the Audit and Standards Committee. |
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<b><u>d) Appeals Committee</u></b>	
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| 1. | To consider appeals against dismissal, other disciplinary action, grading and grievances by employees of the Council   |
| 2. | To determine all appeals falling within the remit of the Appeals Committee except where the Committee's decision would contravene an established Council policy. |

<b>e) Chief Executive</b>	
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| 1. | To deal with urgent items of business which cannot reasonably await the next meeting of the Council, and Regulatory Committees after consultation with the relevant Chair i.e. Mayor for Council business or Chair of relevant Regulatory Committee. |
| 2. | To deal with urgent items of business which cannot reasonably await the next meeting of the Council, and Regulatory Committees in the absence of the Chair i.e. Mayor for Council business or Chair of relevant Regulatory Committee                 |
| 3. | To make minor amendments to personnel policies which affect staff terms and conditions, and to make other amendments to those policies in consultation with Group Leaders and the Executive Member for Resources                                     |
| 4. | To approve new personnel policies which affect staff terms and conditions and which are not significant, in consultation with Group Leaders and the Executive Member for Resources and Performance Management  |
| 5. | To make, in exceptional circumstances between polling district reviews, temporary alterations to the designation of polling places in consultation with Group Leaders.<br><a href="#">FC-161220</a>  |
| 6. | To carry out a Community Governance Review on receipt of a valid application.<br><a href="#">FC-280922</a>   |

**f) Section 151 Officer**

The exercise of all powers, relating to and incidental to the administration of the financial affairs of the Council by the Section 151 Officer.

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| 1. | To determine prior to the start of each financial year in consultation with the Executive Member for Resources & Performance Management:<br><br>(a) The Council Tax base.<br>(b). The estimated business rates to be collected as set out in the NNDR1 return. |
| 2. | To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules.                       |

**g) Head of Legal and Democratic Services**

1.	To make minor amendments to the list of appointments to outside bodies, in consultation with Group Leaders.
<del>2.</del>	<del>To make any in year appointments to Committees and Working Groups according to the political balance calculation, in consultation with relevant Group Leaders, to the extent not precluded by law</del>
<del>23.</del>	To deal with appeals at the first stage of the Pensions Disputes Resolution Procedure.
<del>34.</del>	To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules

**Commented [LP3]:** It is considered unlikely that this delegation would be used in view of the Gladbaum dictum and it is proposed it should be deleted. In a nutshell, it is considered proper for the parent body to effect a change to committee appointments i.e. Full Council rather than it being delegated to an officer.

**h) Chief Operating Officer**

1.	To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules.
2.	As Monitoring Officer authority to make minor amendments to the Council's constitution, and also to make minor amendments to the Council's policies and procedures.
3.	To determine as part of the Council's Managing Attendance at Work Policy relating to Permanent Ill Health Retirement (Paragraph 9) which tier of ill health benefits is to be paid in consultation with the Executive Member for Resources and performance, and if an ill health certificate is issued to authorise it.
<del>4.</del>	<del>To discharge delegations and functions afforded to a Head of Service in the Constitution and Standing Orders in the absence of the relevant Head of Service, excluding those finance functions afforded to the Section 151 Officer</del>
<del>5.</del>	<del>To agree the release of Frozen Pension Benefits on Compassionate Grounds in consultation with the Section 151 Officer</del>

**Commented [LP4]:** As per delegation provided at Full Council on 26th January 2023.

**Commented [LP5]:** This delegation transferred to the COO when the Head of People and Development Post was dis-established.

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**~~i) Head of People and Development~~**

<del>1.</del>	<del>To agree the release of Frozen Pension Benefits on Compassionate Grounds in consultation with the Section 151 Officer</del>
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## **2.EXECUTIVE FUNCTIONS**

## 2.EXECUTIVE FUNCTIONS

### Executive

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| 1. | To have full powers to make decisions within the remit of the Council's Executive.   |
| 2. | Functions relating to scrap metal dealers under the Scrap Metal Dealers Act 2013 shall be delegated to a Sub Committee of the Executive consisting of any 3 Executive Members (a minimum of 2 Members must attend) for the hearing of representations and the determination of applications for a licence of a scrap metal dealer, under the Scrap Metal Dealers Act 2013, where the Head of Streetscene proposes to refuse or to cancel a licence or to vary a licence under section 4 of the Act and the applicant has given notice to the authority, within the prescribed time, that they require the opportunity to make representations about that proposal. |

### Leader

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| 1. | From the Appointments Council in May 2011 the Leader of the Council may determine to exercise any of the "executive" functions of the Council personally, or may arrange for the exercise of any of the Council's "executive" functions by:<br>(i) the Executive; or<br>(ii) by another member of the Executive; or<br>(iii) by a committee of the Executive; or<br>(iv) by an officer of the Council |
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### Executive Members

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| 1. | Individual Executive Members may make decisions provided they clearly relate to functions falling within their portfolio and; in case of doubt the Leader will determine which Member will deal with the issue. This would not exclude consultation with other Executive Members by the Executive Member making the decision.<br><br><a href="#">Appendix- Exec Portfolios</a> |
| 2. | They are not 'key decisions'   |
| 3. | They are not decisions, which the Constitution or the Leader has determined should be made by the Full Executive.  |
| 4. | They have not been delegated to an Officer to make. This does not preclude consultation between the relevant Executive Member and Officer about a proposed decision or the possibility of wider discussion with the Leader and other Executive Members for example if the proposed decision is thought to have particularly significant implications.                          |



5.	No decision can be taken unless and until the Executive Member has been provided with, and has considered, a written report from the relevant Officer of the Council considering all the relevant issues including legal and financial implications as would be the case with a report to the full Executive.
6.	<p>The decision may be taken in the presence of the report author or other appropriate representative of the Service Unit concerned and must be taken in the presence of a member of staff from the Democracy Team.</p> <p>However the decision could also be taken without the presence of Officers, including but not exclusively by electronic means, but under the supervision of a member of staff from the Democracy Team.</p> <p>None of these arrangements will constitute a “meeting” and will not involve attendance of press and public</p>
EXECUTIVE MEMBER FOR RESOURCES AND PERFORMANCE MANAGEMENT	
1.	<p>To determine Discretionary Relief Appeals for the following reliefs;</p> <ul style="list-style-type: none"> <li>• Charity/Not for profit discretionary</li> <li>• Hardship</li> <li>• Discretionary Localism</li> <li>• Part Occupied</li> </ul>

### **Chief Executive**

1.	The Chief Executive, Chief Operating Officer, and Heads of Service shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office.
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1,000 subject to budgetary restrictions.
6.	To deal with urgent items of business which cannot reasonably await the next meeting of the Executive and Scrutiny Committee after consultation with the relevant Executive Member(s) or Chair i.e. Chair of Scrutiny Committee.
7.	To deal with urgent items of business which cannot reasonably await the next meeting of the Executive and Scrutiny Committee in the absence of the relevant Executive Member(s) or Chair i.e. Chair of Scrutiny Committee.
8.	Where the Leader and Executive Members are not in office, to deal with urgent items of business falling within the remit of the Executive.
9.	Where the Leader and Executive Members are not in office, to undertake the role of consultee for all items within the Constitution, which require consultation with the Leader or Executive Members.
10.	To carry out Emergency Planning functions as defined in the Council's Emergency Plan

11.	The Chief Executive, Chief Operating Officer, Head of Legal and Democratic Services, Head of Finance and Property, and Head of Streetscene to issue authorisations under the Regulation of Investigatory Powers Act 2000.
12.	To allow the Chief Executive and the Chief Operating Officer, in consultation with the Executive Portfolio Members and the Head of Finance and Property, to amend fees and charges periodically in their own area on the basis that overall income in their portfolio income remains the same or increases.
13.	To make minor amendments to personnel policies which do not affect staff terms and conditions, and to make other amendments to those policies in consultation with the Executive Member for Resources and Performance Management.
14.	To approve new personnel policies which do not affect staff terms and conditions and which are not key decisions, in consultation with Group Leaders and the Executive Member for Resources and Performance Management
15.	To deal, including with the approval of the Strategic Head of Economy and Growth, with grant applications for a value of above £20,000 and upto and including £50,000.
16.	<p>To deal with grant applications above the value of £50,000 in consultation with the Executive Member for Economy and Growth</p> <p>All grant offers of a value of £10,000 or more to be signed by the Section 151 Officer or other delegated financial responsible person together with the Executive Member for Economy and Growth</p>

### **Strategic Head of Economy and Growth**

1.	The Chief Executive, Chief Operating Officer and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's Financial rules.
7.	Authority to Heads of Services to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive or Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.
9.	To approve the submission of bids for Economy and Growth resources following consultation with the appropriate Executive Member and where insufficient time is available for consultation with the Executive in accordance with the bid timetable. Any action taken to be subject to a report back to the next appropriate meeting of the Executive.

10.	After consultation with the Chief Executive, to deal with and determine applications for all other grant assistance of £40, 000 or less
11.	Delegation to the Head of Legal and Democratic Services/ Head of Housing & Development Control/Strategic Head of Economy and Growth / Head of Streetscene and Head of Green Spaces & Amenities to appoint any appropriate qualified Officer of their Service Units as an authorised Officer where any enactment requires a function of the Council or a matter ancillary to it be discharged by an authorised Officer, and to authorise where appropriate such an Officer to seek any warrant to enter or inspect premises in connection therewith
<u>Grant procedures</u>	
12.	To deal with grant applications of a value up to and including £20,000.
13.	To deal, including with the approval of the Chief Operating Officer, with grant applications for a value of above £20,000 and upto and including £50,000.
14.	<b>POLICY AND ENVIRONMENT</b>  To make any alterations required to the Local Development Scheme, Local Development Framework and Local Development Documents following negotiations during the Examination in public period.
15.	Responsibility for ensuring the Borough has an up to date Local Development Scheme and Local Development Framework
16.	To ensure that the Local Development Scheme Annual Monitoring Report is adopted every year
17.	The Wildlife and Countryside Act 1981 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part I of the Act
18.	To determine neighbourhood area applications as follows; i) where public consultation is not required by regulation, and where the area to be designated is coterminous with the area of a civil parish; or ii) where no representations objecting to the proposal have been received to a public consultation. Any such decisions made are to be reported for information to the Executive Member for Economy and Growth.
19.	<b>TOWN CENTRE (From 170914)</b>  To approve applications for 'Car Boot/Table Top Sales where the sole purpose is to fundraise for non- commercial gain.

20.	To determine applications for 'Car boot' operating licences and to set fees relating to such activities, in consultation with the Executive Member and the Chief Operating Officer.
21.	To obtain premises licenses under the Licensing Act 2003 on an annual basis in order to enable street entertainment to be carried out in the premises detailed below and to authorise other parties wishing to carry out such regulated entertainment activities at any of the premises in Burnley as detailed below:- Standish Street, Barnes Street, Parker Street, Standish Street Public Car Park, The Mall, Fleet Walk, Howe Walk, Chancery Walk, Market Square, Charter Walk Car Park, Curzon Street, St James Street.
22.	To grant licences for use of designated pitches on St James Street and Curzon Street with a determined level of fees set that are reviewed annually and where multiple lettings are obtained, to allow a multiple use incentive to be applied in order to secure additional income to the Council.
23.	(From 150920) The management of the Council's Student Accommodation at Sandygate which shall include (without limitation) the letting of rooms to students provided that the rent reserved is not below market rate.

24.	<b>MARKETS</b> To offer and approve new leases for varying periods of time ranging from three months up to three years with only leases granted above 12 months in term being granted with Landlord and Tenant Act protection.
25.	To deal with additions to the user clause of the leases for the Market Hall Stalls.
26.	To deal with the introduction of co-terminus leases where felt commercially justifiable by the Strategic Head of Economy and Growth
27.	To deal with transfers between leaseholders of units within the Market Hall, and in doing so be concurrent with the period of the original lease, but only where the Council's financial position is not worsened through this transaction.
28.	To approve assignments, including those before three years of lease has been served, where felt commercially justifiable.
29.	To determine on each occasion whether advance rents or bonds or bank references are required in order to obtain a balance between risk of non- payment of rent against the need to generate future rents of vacant units.
30.	To be authorised to sign Section 25 notices (Tenancy renewal notices).
31.	To consider favourably, requests for multiple occupation of units by one leaseholder whether by Virtue of existing Tenants seeking to expand to a maximum of 6 units; or new Tenants/Assignees who wish to contract for up to 6 units. Both to be subject to satisfactory financial references.
32.	To deal with referrals to the Executive or Executive Member for responsibility for Markets for individual decision approval of any request that may exceed 6 units in total to one individual leaseholder.
33.	To agree incentives for new tenants with new products not represented in the Market Hall, and to agree incentives for existing tenants to expand their representation in the Market Hall, with such level of incentive approved in consultation with the Executive Member with responsibility for Markets and the Chief Operating Officer and s151 Officer to be in the commercial interests of the Council to do so.
34.	To invest in upgrading units in the Market Hall within an approved budget subject to such costs being covered by first year's rental income obtained.
35.	To initiate action for recovery of arrears and where such action is subject to court direction, to agree extended repayment arrangements and where not adhered to, to instruct further actions for recovery as deemed fit relative to the likelihood of recovery of arrears.

36.	In consultation with the Executive Member for Resources and Performance Management and Chief Operating Officer to adjust fees and charges in relation to the Markets service from time to time to reflect current trading conditions and the overall position of the market.
37.	<b>GENERAL</b>  In consultation with the Head of Finance and Property to agree terms and grant leases for 10 years or less for units at Vision Park provided that the rent agreed with the tenant is market rent and the terms reserved by the leases are comparable to those available on the open market



### Chief Operating Officer

1.	The Chief Executive, Chief Operating Officer, and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To deal with urgent items of business, in relation to matters which are within their current areas of responsibility, which cannot reasonably await the next meeting of the Council, the Executive, Scrutiny and Regulatory Committees after consultation with the relevant Executive member(s) or Chair
7.	The Chief Executive, Chief Operating Officer, Head of Legal and Democratic Services , Head of Finance and Property, and Head of Streetscene to issue authorisations under the Regulation of Investigatory Powers Act 2000.
8.	To allow the Chief Executive and the Chief Operating Officer, in consultation with the Executive Portfolio Members and the Head of Finance and Property to amend fees and charges periodically in their own area on the basis that overall income in their portfolio income remains the same or increases
9.	To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules.

10.	<p>To submit bids and accept funding for external funding where there is no requirement for funding from the Council up to a maximum of £100,000, and if there is a requirement for funding from the Council then up to a maximum of £50,000 in consultation with the Executive Member for Resources and Performance Management.</p> <p>Any submission of bids for external funding, where there is no requirement for funding from the Council, over £100,000 to be in consultation with the Executive Member for Resources and Performance Management.</p> <p>Any expressions of interest may be submitted, without consultation with the Executive Member for Resources and Performance Management.</p>
11.	<p>Appointed as the Council's Monitoring Officer with authority to make minor amendments to the Council's constitution.</p>
12.	<p><u>Transferred from Head of People and Development - Effective on 1st April 2019</u></p> <p>To manage their individual Service Unit Budgets in accordance with the Council's financial rules.</p>
13.	<p>Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive or Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee</p>
14.	<p>To approve the extension of sick pay at the rate of half-pay for up to 3 months where budget provision exists.</p>
15.	<p>To agree new occupational health arrangements, including the provision of a suitably qualified Occupational Health Physician, in consultation with the Chief Operating Officer as long as it is within the existing budget provision.</p>
16.	<p>To discharge delegations afforded to a Head of Service in the absence of the relevant Head of Service apart from those relating to finance functions afforded to the Head of Finance and Property (s151 officer). (from 17.01.23)</p>

## **Head of Legal and Democratic Services**

1.	The Chief Executive, Chief Operating Officer and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's financial rules.
7.	Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive or Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee.
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.
9.	The Chief Executive, Chief Operating Officer, Head of Legal and Democratic Services, Head of Finance & Property, and Head of Streetscene to issue authorisations under the Regulation of Investigatory Powers Act 2000.
10.	To be the Senior Responsible Officer in relation to the Regulation of Investigatory Powers Act 2000 ("RIPA") and, in particular, to be responsible for:

	(i) the integrity of the Council's procedures under RIPA relating to the authorisation of directed surveillance or the use of a covert human intelligence source; (ii) Ensuring compliance with RIPA and any relevant Codes of Practice; (iii) Engaging with Commissioners and Inspectors of the Office of Surveillance Commissioners; (iv) Overseeing the implementation of any post-inspection action plans recommended or approved by any such Commissioner; and (v) Setting the terms of the Council's Corporate RIPA Policy (and modifying, amending or otherwise updating the Policy), in consultation with the Leader.
11.	To deal with all other insurance matters in accordance with Financial rules.
12.	To deal with urgent items of business which cannot reasonably await the next meeting of the Executive after consultation with the relevant Executive Member(s).
13.	To make applications to the Home Secretary for consent to make Orders under the Public Order Act 1986 upon such terms as the Head of Legal and Democratic Services considers appropriate having regard to any application of the Chief Constable and in consultation with the Leader and Emergency Planning Officer or his Deputy if unavailable and consideration of any provision of the Human Rights Act 1998 and any other legislative or legal provision the Head of Legal and Democratic Services deems appropriate. The authorisation includes the making of any appropriate Orders following the receipt of any consent of the Home Secretary.
14.	To be the Council's Proper Officer for the maintenance of a list of politically restricted posts.
15.	To confirm unopposed compulsory purchase orders which are referred to the Council for confirmation by the Secretary of State for Housing, Communities and Local Government.
16.	To agree the terms of an indemnity agreement required by any external partner for any grant funding in connection with their financial role including Accountable Body in consultation with the Chief Executive (provided that the subject matter of the indemnity has previously been given Council approval)
17.	To institute and defend and to be responsible for the conduct of any proceedings in any civil or criminal court of public inquiry or tribunal on behalf of and in the name of the Council
18.	To discontinue any proceedings brought by the Council and to compromise or settle any claim or appeal or proceedings made by or against the Council arising out of or in the course of or in contemplation of legal proceedings.
19.	To determine if and to what extent ex-gratia payments should in any particular case be made by the Council.

20.	To issue instructions to Head of Services in respect of the manner and the extent to which they may in any particular case exercise or generally continue to exercise the matters delegated to them elsewhere in this Scheme of Delegation including the service of notices or the institution of proceedings
21.	To make, issue or serve any statutory or other notice or order or to give any consent on behalf of the Council or to lodge any objection to another body where the Council is entitled to object to a matter to be determined by the other body, particularly in cases of urgency and notwithstanding any delegation (elsewhere in this Scheme of Delegation) to another Officer or Committee.
22.	Delegation to the Head of Legal and Democratic Services/ Head of Housing & Development Control/Strategic Head of Economy and Growth / Head of Streetscene and Head of Green Spaces & Amenities to appoint any appropriate qualified Officer of their Service Units as an authorised Officer where any enactment requires a function of the Council or a matter ancillary to it be discharged by an authorised Officer, and to authorise where appropriate such an Officer to seek any warrant to enter or inspect premises in connection therewith.
23.	To be designated as the Information Governance Manager.
24.	To take such actions in relation to the management, affairs and administration of any company in which the Council has a legal or equitable interest including, but not limited to, the taking of any action and/or proceedings relating to the liquidation/dissolution of any such company.
25.	To execute all documents necessary to give effect to Executive decisions.

26.	Allocation of Seating in the Council Chamber - To determine the seating arrangements in the Council Chamber for all Council meetings where agreement has not been reached.
27.	Use of Burnley Town Hall - To determine applications for use in accordance with Council policy
28.	Borough Coat of Arms - To determine applications for use in accordance with Council policy.
29.	Attendance of Members at Unscheduled Meetings, Conferences, Seminars, Training Courses etc. - After consultation with the Executive, or all Group Leaders in an emergency, to determine in any particular case:- <ul style="list-style-type: none"> <li>➤ Whether attendance is desirable;</li> <li>➤ Who the representative(s) shall be;</li> </ul>
30.	Replacement of Mayor's Car - In consultation with the Executive member to deal with the replacement of the Mayor's car
31.	Corporate Hospitality Budget - To control the Corporate Hospitality budget in consultation with the Executive member.
32.	Authority to deal with invitations for the appointment of the Deputy Mayor/Mayor elect each year in accordance with the Council's normal policy and report the outcome at a future meeting of the Council.
33.	To make minor amendments to the list of appointments to outside bodies, in consultation with Group Leaders
34.	To make any subsequent adjustment of Executive qualifications for Outside Bodies in line with Executive portfolios specified by the Leader.
35.	To make any in year appointments to Committees and Working Groups according to the political balance calculation, in consultation with relevant Group Leaders, to the extent not precluded by law.
36.	Power to authorise officers: <p>(a) under Section 223 of the Local Government Act 1972 and Section 60 of the County Courts Act 1984, to appear on behalf of the Council in proceedings before the Magistrates' Courts and the County Courts; and</p> <p>(b) to issue and serve Statutory Demands under the Insolvency Act 1986.</p>

	This power to be used for the purposes of recovering Council Tax, National Non Domestic Rates, Housing Benefit overpayments and/or sundry debts and to levy distress
37.	Power to authorise contractors to undertake functions pursuant to The Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996
38.	Licensing <ul style="list-style-type: none"> <li>• Town &amp; Police Clauses Act 1847</li> <li>• Local Government (Miscellaneous Provisions) Act 1976 Part II</li> </ul>
39.	To exercise termination rights contained in contracts, in consultation with the relevant Executive Member.
40.	To act as the appeals officer for the Assets of Community Value Panel in the event of a review of a decision being requested (from 190321).

<b><u>Senior Solicitor -previous delegations as per paras 36 and 37 of HLDS removed from 190321</u></b>
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### **Strategic HR Manager (SHRM)**

1.	<p><u>Transferred from Head of People and Development - Effective on 1st April 2019</u></p> <p>To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.</p>
2.	To approve temporary cover for increased workloads, and sickness for a period of up to 6 months and maternity leave for the duration of the leave, where budget provision exists.
3..	<p>To agree requests for secondments internally within the Council -or to or from external organisations in consultation with the relevant Head of Service unless this relates to a Chief Officer when consultation will be required to be undertaken with the relevant Executive Member(s) and the:</p> <ul style="list-style-type: none"> <li>• Chief Operating Officer for secondments relating to Heads of Service</li> <li>• Chief Executive for secondments relating to the Chief Operating Officer</li> </ul>
4.	To agree or otherwise the availability of suitable alternative employment, when dealing with medical retirements.
5.	To authorise all honoraria payments, in consultation with the relevant Head of Service or Chief Executive or Chief Operating Officer as relevant
6.	To make decisions on the acceleration of increments within grades in consultation with the s151 Officer and Chief Operating Officer
7.	Agree the regrading and redesignation of posts in consultation with the s151 Officer and Chief Operating Officer where this can be achieved within existing budget provision.



8.	The establishment and deletion of NJC graded posts within the Council's establishment wherever this can be achieved within the existing budget provision in consultation with the Chief Operating Officer and Section 151 Officer.
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## **Head of Finance and Property**

1.	The Chief Executive, Chief Operating Officer, and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office.
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's Financial rules.
7.	Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive or Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.
9.	The Chief Executive, Chief Operating Officer, Head of Legal and Democratic Services, Head of Finance and Property, and Head of Streetscene to issue authorisations under the Regulation of Investigatory Powers Act 2000.

10.	To deal with insurance matters relating to fidelity guarantee and cash in transit in accordance with Financial rules
11.	To determine Discretionary Relief Appeals for the following reliefs; <ul style="list-style-type: none"> <li>• Retail</li> <li>• Re-occupation</li> <li>• New Build</li> <li>• Local Transitional</li> </ul>
<b>AS SECTION 151 OFFICER</b>	
12.	To deal with the administration of the financial affairs of the Council in accordance with the Constitution and Financial rules approved by the Council from time to time.
13.	To establish budgets for external funding where there is no effect on the Council's budget in consultation with the Executive Member for Resources and Performance Management.
14.	To be authorized to pay rating consultant fees where the saving covers the cost, subject to reporting to the next available Executive to confirm the supplementary estimate and actions taken.
15.	Delegated authority in relation to write off of irrecoverable debts as follows, in accordance with the Policy for Write-off of Irreccoverable Debts, : <p style="margin-left: 40px;">Category One           Liberata</p> <p style="margin-left: 40px;">Category Two           Section 151 Officer</p> <p style="margin-left: 40px;">Category Three        Section 151 Officer in consultation with the Executive Member for Resources and Performance Management and the Chair of the Scrutiny Committee</p>
16.	To take operational Treasury Management decisions consistent with the Council's Treasury Management Strategy and Policy Statement
17.	To determine Discretionary Relief Applications for the following reliefs; <ul style="list-style-type: none"> <li>• Charity/Not for profit discretionary</li> <li>• Hardship</li> <li>• Discretionary Localism</li> <li>• Part Occupied</li> </ul>
18.	To determine applications for:

	<ol style="list-style-type: none"><li>1. reductions in the level of Council Tax under s13a Local Government Finance Act 1992</li><li>2. discretionary housing payments</li><li>3. exceptional hardship payments for Council Tax Support</li></ol>
19.	All powers relating to and incidental to the administration of the financial affairs of the Council.
20.	To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules.

	PROPERTY –ASSET MANAGEMENT
21.	To agree terms for the acquisition and disposal of properties using Housing Act 1985 and the General Housing Consents 2013 and General Consent 2015 Powers in consultation with the Executive Member for Resources and Performance Mangement and in accordance with the current Empty Homes Policy.
22.	To acquire properties by agreement ahead of the making of Compulsory Purchase Orders in consultation with the Leader of the Council and where a Compulsory Purchase order has been made to agree compensation for any claims received.
23.	<p>PROPERTY TRANSACTIONS-ASSET MANAGEMENT</p> <p>Where the Executive is being asked to consider the acquisition of an interest in property, the Head of Service shall submit an estimate of the likely costs involved and other relevant considerations and after the decision to proceed is taken, shall have authority to:</p> <ul style="list-style-type: none"> <li>• Negotiate and settle terms provided that the total cost does not exceed the approved estimate; or</li> <li>• Where the total cost exceeds the estimate by 10% or less, after consultation with the relevant Executive member(s) and the Head of Finance and Property</li> </ul>
24.	Where the Executive is considering a disposal of its interest in property, the Head of Service shall submit an estimate of the market value and any other relevant considerations and after the decision to proceed is taken, provided the price is within 10% of the estimate and other terms agreed are substantially in accordance with the details previously reported, shall have the authority to authorise the disposal without further reference to the Executive.
25.	To take or grant new leases, licenses or other arrangements of seven years or less (provided that the rent reserved is that available in the open market and the valuation of the property transaction has not been undertaken by the Head of Service) with an annual rental value of less than £25,000 subject to an annual report to the Chief Executive and Executive Member for Resources and Performance Management.
26.	Where the Executive has given authority for negotiations to be entered into for the taking or granting of a lease, license, wayleave, easement or other interest in land or where the land or premises have been previously let or licensed by the Council, to:

	<ul style="list-style-type: none"> <li>➤ Agree terms for the grant or renewal of a lease, license, wayleave or other interest, and deal with the operation of rent review clauses, subject to an annual report to the Chief Operating Officer and Executive Member for Resources and Performance Management on transactions completed;</li> <li>➤ Deal with all requests to assign, sub-let, transfer, change the use of, alter and improve, or vary the terms of a lease</li> </ul> <p>provided that the rent reserved is that available in the open market and the valuation of the property transaction has not been undertaken by the Head of Service.</p>
27.	To dispose of land and property up to a maximum value of £50,000 provided this is undertaken in accordance with the approved property disposals framework and that the valuation of the transaction has not being undertaken by the Head of Service.
28.	Accepting the transfer of land as part of Public Open Space proposals.
29.	To dispose of land and property up to a maximum value of £100,000 in consultation with the Executive Member for Resources and Performance Management provided the disposal is undertaken in accordance with the approved property disposals framework and the valuation of the transaction has not been undertaken by the Head of Service.
30.	In consultation with the Chief Executive, to bid at auction for and contract to buy properties included in approved Council acquisition programmes up to a price of £100,000 each.
31.	That in consultation with the Leader, Chief Executive, and Head of Finance and Property to bid at auction for and contract to buy properties not included in the approved Council acquisition programme up to a price of £100,000 each.
32.	To make all decisions (strategic, operational or otherwise) in relation to the agreements entered into with the Council's Strategic Services Delivery Partners limited to the delegated limits set out in the Financial Procedure Rules.
33.	Power to authorise contractors to undertake functions pursuant to The Local Authorities (Contracting Out of Tax Billing, Collection and Enforcement Functions) Order 1996
34.	To take or grant utility easements in consultation with the Executive Member for Resources and Performance Management.

35.	To execute all documents necessary to give effect to Executive decisions limited to Executive Decisions.
36.	<p>To oversee and deal with the day-to-day management of the Charter Walk Shopping Centre including (without limitation):</p> <p>36.1 The grant, renewal and variation of leases of individual units at the shopping centre provided that the rent reserved is at market rent and/or best consideration in the circumstances</p> <p>36.2 Dealing with routine tenancy matters including (without limitation) licences to assign, alterations, service charge related matters and dilapidations</p> <p>36.3 The grant of wayleaves and easements</p> <p>36.4 Issuing relevant landlord and tenant notices including (without limitation) s25 and s27 LTA 1954 Act Notices</p> <p>36.5 The maintenance and repair of the shopping centre including letting contracts for the maintenance and repair of the same</p>
37.	The grant, renewal and variation of contracts to facilitate the day-to-day management of the Charter Walk shopping centre (including (without limitation) the appointment of the Strategic Asset Manager and Asset Manager) in consultation with the Head of Economy and Growth
38.	The grant, renewal and variation of contracts for the provision of services to the Charter Walk shopping centre including (without limitation) utilities, waste management, security, cleaning, facilities and/or plant management in consultation with the Head of Economy and Growth
39.	To approve the annual business plan and/or annual service charge for the Charter Walk shopping centre in consultation with the Head of Economy and Growth and the Executive Member for Resources and Performance Management
40.	To take all other decisions and carry out all other actions in relation to the day to day management of the Council's property portfolio that are not expressly delegated to the Head of Finance and Property or any other officer.

**Principal Accountant**

To determine Discretionary Relief Applications for the following reliefs;

- Retail
- Re-occupation
- New Build
- Local Transitional

**Internal Audit Manager**

To be designated as the Council's Data Protection Officer

**Property Services Manager**

PROPERTY

To be the Responsible Person for the Council's Legionella Policy

To be the Responsible Officer for construction design management for the Council, compliance with fire regulations in Council buildings, maintenance of the asbestos register and asbestos management plan for Council buildings, and for the Council's emergency out of hours call out services.

**Principal Development Surveyor**

1. PROPERTY-FACILITIES MANAGEMENT

To be the Deputy Responsible Person for the Council's Legionella Policy



| [180123-220223](#)

### **Head of Green Spaces & Amenities**

1.	The Chief Executive, Chief Operating Officer, and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office.
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's Financial rules.
7.	Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive and Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.
9.	Thompson Park Boating Lake -To determine applications for the use of Thompson Park Boating Lake by organisations and individuals.
10.	Soccer Sponsorship Advertising - To negotiate with Football Clubs, arrangements for the display of advertisement hoardings at Higher Towneley Playing Fields

11.	Exhumations -To determine, in consultation with the Head of Legal and Democratic Services, applications for exhumations and re-interments.
12.	Use of Facilities - To determine applications for the use of various facilities, subject to consultation with the Executive member, where appropriate.
13.	Holiday Closures - To agree holiday closure periods (e.g. Christmas and Easter) for facilities and services in consultation with the Executive Member
14.	Delegation to the Head of Legal and Democratic Services/ Head of Housing & Development Control/Strategic Head of Economy and Growth /Head of Chief Executive's Office/ Head of Streetscene and Head of Green Spaces & Amenities to appoint any appropriate qualified Officer of their Service Units as an authorised Officer where any enactment requires a function of the Council or a matter ancillary to it be discharged by an authorised Officer, and to authorise where appropriate such an Officer to seek any warrant to enter or inspect premises in connection therewith
<u>Towneley Hall Art Gallery and Museum</u>	
15.	To approve and arrange exhibitions at the Art Gallery and to accept gifts to the Council (in respect of the arts) unless of a major character.
16.	To deal with loans from the collection at Towneley Hall Museum and Art Gallery where standard conditions of loan apply (i.e. security transport, environmental conditions and insurance arrangements) as set out in the Towneley Hall Museum & Art Gallery Loan Agreement, and to deal with loans from the collection at Towneley Hall Museum and Art Gallery where standard conditions of loan do not apply after consultation with the relevant Executive member.
17.	Use of Towneley Hall for photographic purposes by organisations and commercial companies.
18.	To approve applications for the use of Towneley Hall for events.
19.	To purchase exhibits up to a value of £3,000.
20.	To purchase exhibits up to a value of £5,000, in consultation with the Executive Member for Community Services

### **Head of Streetscene**

1.	The Chief Executive, Chief Operating Officer and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's Financial rules.
7.	Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive and Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / travelling allowance period up to 26 weeks from the appointment date.
9.	Chief Executive, Chief Operating Officer, Head of Legal and Democratic Services, Head of Finance and Property, and Head of Streetscene to issue authorisations under the Regulation of Investigatory Powers Act 2000.
10.	To name streets and number properties within the Borough.
11.	To determine the siting and provision of bus shelters.

12.	To deal with all matters relating to the management, operation of the CCTV system.
13.	To deal with all matters relating to the management and running of the Council's car parks with the exception of setting charges.
14.	To publish and serve notices with respect to the provisions of Section 115G of the Highways Act 1980
15	To be authorised to implement the Council's duties in relation to Part IIA of the Environmental Protection Act 1990
15.	All environmental and cleansing issues under any relevant statutory provision contained within The Environmental Protection Act 1990 and all relevant regulations made under that act, including where appropriate to serve notices under Section 80 of the EPA 1990.
16.	All relevant issues under statutory provisions contained in the Environment Act 1995, in so far as Burnley is the enforcing authority as detailed in Parts 1 and 2 of the Act.
17.	All environmental and cleansing issues under any relevant statutory provision contained within The Clean Neighbourhoods and Environment Act 2005 and all relevant regulations made under that act.
18.	All structural and drainage issues, and issues relating to accumulations under any relevant statutory provision contained in the Building Act 1984, the Public Health Act 1961 and the Local Government (Miscellaneous Provisions) Act 1976.
19.	All Public Health Issues under any relevant statutory provision contained in the Public Health Act 1936
20.	All Pest Control issues under any relevant statutory provision contained in the Prevention of Damage by Pests Act 1949.
21.	All issues relevant to dogs contained in the Control of Dogs Order 1992, The Dangerous Dogs Act 1991 and Anti-Social Behaviour, Crime and Policing Act 2014.
22.	All issues relating to abandoned vehicles under any relevant statutory provision contained in the Refuse Disposal (Amenity) Act 1978 and ancillary regulations.
23.	All issues relating to emergency powers under any relevant statutory provision contained in the Local Government (Miscellaneous Provisions) Act 1982 and 2003
24.	To be authorised to take legal action on Anti- Social Behaviour, relating to the Crime and Disorder Act 1989, the Anti- Social Behaviour Act 2003, and the Anti- Social Behaviour, Crime and Policing Act 2014.

25.	To request Lancashire County Council, as Highway Authority, to make applications to a magistrates' court to make an order to stop up or, as the case may be, divert such highways within or adjacent to areas where clearance activity has taken place as necessary to meet the requirements for the planned and/or proposed after use of the site in accordance with sections 116 and 117 of the Highways Act 1980 and all other enabling legislation, and to approach all statutory undertakers to remove or decommission all equipment in advance of the said highways being closed or diverted or to arrange easements where appropriate.
26.	Delegation to the Head of Legal and Democratic Services / Head of Housing & Development Control/Strategic Head of Economy and Growth / Head of Streetscene and Head of Green Spaces & Amenities to appoint any appropriate qualified Officer of their Service Units as an authorised Officer where any enactment requires a function of the Council or a matter ancillary to it be discharged by an authorised Officer, and to authorise where appropriate such an Officer to seek any warrant to enter or inspect premises in connection therewith
27.	ENVIRONMENT  All relevant issues under statutory provisions contained within The Refuse Disposal (Amenity) Act 1978 – The whole Act
28.	All relevant issues under statutory provisions contained within The Local Government (Miscellaneous Provisions) Act 1976 – in so far as Burnley Borough Council is the enforcing authority as detailed in Section 35 of Part 1 of the Act (Private Sewer)

29.	<p><b>ENVIRONMENTAL HEALTH &amp; LICENSING</b></p> <p>To be the authorised officer in respect of the following legislation or any regulations made thereunder and to appoint officers to undertake, where appropriate, the duties vested in the Authority by the legislation or any regulations made thereunder. To institute proceedings, keep public registers, issue notices and determine applications for licences, approvals, registrations and consents in respect of the following legislation or any regulations made thereunder.</p> <p><u>Local acts</u></p> <ul style="list-style-type: none"> <li>• The County of Lancashire Act 1984 – In so far as Burnley BC is the enforcing authority as detailed in Part IV of the Act</li> </ul>
30.	<p><b>Environmental Protection:</b></p> <ul style="list-style-type: none"> <li>• The Clean Air Act 1993 – The delegation extends to the whole of the Act</li> <li>• The Noise and Statutory Nuisance Act 1993 –following the passing of a resolution that Schedule 2 to the Noise and Statutory Nuisance Act 1993 should apply in the authority’s area the delegation extends to the whole of the act</li> <li>• The Noise Act 1996 – The whole Act</li> <li>• The Environmental Protection Act 1990 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part I, II, IIa, III, IV, VIII and IX of the Act</li> <li>• The Clean Neighbourhoods &amp; Environment Act 2005 Parts 7 &amp; 9</li> <li>• The Contaminated Land (England) Regs 2006</li> <li>• The Control of Pollution Act 1974 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part III of the Act</li> <li>• The Water Act 1989 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part II Chapter 2 of the Act</li> <li>• The Water Industry Act 1991 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part III and Part IV of the Act</li> <li>• The Antisocial Behaviour Act 2003</li> <li>• Parts IV and V of the Environment Act 1995</li> <li>• Environmental Protection Act 1990</li> <li>• Pollution Prevention &amp; Control Act 1999</li> </ul>
31.	<p><b>Food Safety / infectious disease</b></p> <ul style="list-style-type: none"> <li>• The Food and Environmental Protection Act 1985 – As authorised by the Minister under Section 3</li> <li>• The Food Safety Act 1990</li> <li>• The European Communities Act 1972 in so far as it relates to Food Safety, and any associated Orders or Regulations</li> </ul>

	<ul style="list-style-type: none"> <li>• The Public Health (Control of Disease) Act 1984 – The whole Act</li> <li>• To issue notices on behalf of Burnley Borough Council under regulation 9 and schedules 3 and 4 of the Public Health (Infectious Disease) Regulations 1988</li> <li>• Health and Social Care Act 2008</li> </ul>
32.	<p>Animal Welfare:</p> <ul style="list-style-type: none"> <li>• The Zoo Licensing Act 1981</li> <li>• The Zoo Licensing Act 1981 (Amendment) (England &amp; Wales) Regs 2002</li> </ul>
33.	<p>Health &amp; Safety at Work</p> <ul style="list-style-type: none"> <li>• The Health &amp; Safety at Work etc Act 1974 &amp; associated Regulations</li> <li>• The Environment Act 1995 - In so far as Burnley Borough Council is the enforcing authority as detailed in Parts I and II of the Act</li> <li>• Cooling Towers &amp; Evaporative Condensers (Regulations) 1992</li> <li>• Sunbeds (Regulation) Act 2010</li> </ul>
34.	<p>Licensing</p> <ul style="list-style-type: none"> <li>• Gambling Act 2005</li> <li>• Local Government (Miscellaneous Provisions) Act 1982 s 2,8,7 and 12</li> <li>• Vehicle (crime) Act 2001</li> <li>• Criminal Justice and Police Act 2001</li> <li>• House to House collections Act 1939. Sect. 2</li> <li>• Scrap Metal Dealers Act 2013</li> </ul>
35.	<p>Miscellaneous</p> <ul style="list-style-type: none"> <li>• The Sunday Trading Act 1994 – Duty to enforce the Act contained at Schedule 2</li> <li>• The Public Health Act 1936 – The whole Act</li> <li>• The Building Act 1984 – In so far as Burnley Borough Council is the enforcing authority as detailed in Parts 1.11, III and IV</li> <li>• The Prevention of Damage by Pests Act 1949 – The whole Act</li> <li>• The Public Health Act 1961 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part I of the Act</li> <li>•</li> <li>• The Local Government (Miscellaneous Provisions) Act 1982 – Part VIII, Section 3 and Schedule 4 part XI</li> <li>• The Regulatory Reform (Fire Safety Order 2000) Article 45 duty to consult enforcing Authority</li> </ul>



	<ul style="list-style-type: none"><li>• Sustainable and Secure Buildings Act 2004 Section 7</li><li>• Health Act 2006</li></ul>
36.	To appoint UK Health Security Agency consultants as Proper Officers for the purposes of The Public Health (Control of Disease) Act 1984 and regulations made thereunder, and the Health Protection (Notification) Regulations 2010, for the purposes of regulations 2, 3 and 6.
37.	To undertake the following functions in relation to the Scrap Metal Dealers Act 2013 <ul style="list-style-type: none"><li>• To determine applications for site and collectors' licences where no representations have been made</li><li>• To determine applications for variation of site and collectors' licences where no representations have been made</li></ul>
38.	To execute all documents necessary to give effect to Executive decisions.
39.	To be the Council's Child Protection Officer in relation in relation to the Children's Act 2004 (from 0402210, in place of the Community Safety Manager).

### **Head of Housing & Development Control**

1.	The Chief Executive, Chief Operating Officer, and Head of Services shall have power to exercise all normal management functions, including but not limited to: <ul style="list-style-type: none"> <li>➤ the appointment and management of contractors, consultants, etc;</li> <li>➤ the purchase of goods and services; and</li> <li>➤ the recruitment, discipline and dismissal of employees</li> <li>➤ all duties necessary to implement the agreed Service Plan of the Unit within the Council's Standing Orders, Financial Procedure rules and Policy framework.</li> </ul>
2.	Any Officer having delegated powers may, in turn, delegate those powers to other officers except for the powers delegated to the Chief Executive where the Leader and Executive Members are not in office
3.	An Officer may, for good reason, decline to exercise a delegated power on any particular occasion, and the power will then revert to its source.
4.	Any power delegated to an Officer must be exercised in accordance with the law, the Council's Constitution and Financial rules, and any instruction or policies of the Council, its Executive or the Regulatory Committees.
5.	All Complaints Officers and Appeals Officers have authority to make payments to complainants up to £250 and local settlements in Ombudsman cases up to £1000 subject to budgetary restrictions.
6.	To manage their individual Service Unit Budgets in accordance with the Council's Financial rules.
7.	Authority to Heads of Service to respond on behalf of the Council to future Government Consultation Papers in consultation with the Chief Executive or Chief Operating Officer as relevant, the Executive and Chair of the Scrutiny Committee
8.	To deal with applications under the Council's Relocation Policy, including requests to extend the temporary accommodation / traveling allowance period up to 26 weeks from the appointment date.
9.	To take any or all steps necessary to discharge the Council's powers, functions or obligations under the Caravan Sites and Control of Development Act 1960 and the Mobile Homes Act 2013.
10.	To serve notices under Section 16 of the Local Government (Miscellaneous Provisions) Act 1976 (section 16) to obtain the details to occupied and unoccupied premises.

11.	Delegation to the Head of Legal and Democratic Services / Head of Housing & Development Control/Strategic Head of Economy and Growth / Head of Streetscene and Head of Green Spaces & Amenities to appoint any appropriate qualified Officer of their Service Units as an authorised Officer where any enactment requires a function of the Council or a matter ancillary to it be discharged by an authorised Officer, and to authorise where appropriate such an Officer to seek any warrant to enter or inspect premises in connection therewith
12.	<p><u>Property Condition</u></p> <p>To meet the requirements of Part 1 of the Housing Act 2004 to keep the housing conditions of the Borough under review with a view to determining whether any action should be taken under any of the following provisions: Parts 1,2,3,4 and 7 of the Housing Act 2004 and to take such action (including the service of notices) where appropriate-</p>
13.	To authorize Officers for the purposes of Sections 131, 235 239 and paragraph 25 of Schedule 7 to the Housing Act 2004
14.	To authorize Officers for the purposes of Section 319 of the Housing Act 1985
15.	Where there is the existence of category 1or 2 hazards on any residential premises take enforcement action as detailed in Part 1 of the Housing Act 2004.
16.	To make such charge under section 49 of the Housing Act 2004 as he or she considers reasonable to recover costs associated with taking the appropriate enforcement action under Part 1 of the Housing Act 2004 or section 289 of the Housing Act 2005.
17.	To recover any charge made under section 49 of the Housing Act 2004
18.	<p>To authorize Officers to serve notice under Schedule 3 Part 2 of the Housing Act 2004 and enter premises to:</p> <ul style="list-style-type: none"> <li>(i) take any action under Part 2 of the said Schedule in order to carry out work detailed in an Improvement Notice that has not been complied with or where reasonable progress is not being made towards compliance with any such Notice; or</li> <li>(ii) take emergency remedial action under section 40 of the Housing Act 2004</li> </ul>
19.	To recover expenses incurred in taking action under Part 2 of Schedule 3 to the Housing Act 2004 or section 40 of that Act

20.	To make demolition orders under Section 289 of the Housing Act 1985
21.	To address overcrowding in accordance with Part 10 of the Housing Act 1985
22.	To order the reconnection of services disconnected by default of a landlord under section 33 of the Local Government (Miscellaneous Provisions) Act 1976
23.	To take any and all steps necessary to exercise and/or discharge the Council's functions, powers and duties under The Redress Schemes for Lettings Agency Work and Property Management Work (Requirement to Belong to a Scheme etc) (England) Order 2014.
24.	To take all steps necessary to exercise and/or discharge the Council's functions, powers and duties under The Smoke and Carbon Monoxide Alarm (England) Regulations 2015
25.	To authorise Officers for the purpose of section 172 of the Housing and Planning Act 2016 and to serve notice of intention to enter land in exercise of the power conferred by that section.'
26.	To apply for a warrant under section 173 of the Housing and Planning Act 2016 (authorising a person to use force in the exercise of the power conferred by section 172)1) of the Housing and Planning Act 2016).
27.	To take all steps necessary to exercise and/or discharge the Council's functions, powers and duties under The Energy Efficiency (Private Rented Property) (England and Wales) Regulations 2015, as amended.
28.	To take all steps necessary to exercise and/or discharge the Council's functions, powers and duties under The Electrical Safety Standards in the Private Rented Sector (England) Regulations 2020.
29.	<u>Licensing and Management Orders</u>  To grant (with conditions) or refuse Licences or Temporary Exemption Notices for Houses in Multiple Occupation (HMO) that are required to be licensed under Part 2 of the Housing Act 2004 and the Licensing of Houses in Multiple Occupation (Mandatory Conditions of Licences) (England) Regulations 2018.
30.	To vary or revoke a licence for a HMO in accordance with Part 2 of the Housing Act 2004
31.	To grant (with conditions) or refuse Licences or Temporary Exemption Notices in accordance with Part 3 of the Housing Act 2004.

32.	To make, serve and operate interim and final management orders in relation to a HMO and House to which Part 3 of the Housing Act 2004 applies.
33.	To vary or revoke interim and final management orders in accordance with Part 4 of the Housing Act 2004.
34.	To make, serve and operate interim and final empty dwelling management orders in relation to empty dwellings in accordance with Part 4 of the Housing Act 2004.
35.	To exercise all the powers relating to the application and enforcement of Rent Repayment Orders under the Housing Act 2004 including the service of any statutory notices in connection therewith
36.	To vary or revoke interim and final empty dwelling management orders in accordance with Part 4 of the Housing Act 2004.
37.	To serve an Overcrowding Notice in relation to an HMO in accordance with Part 4 of the Housing Act 2004
38.	To set a fee payable for the supply to a person of a certified copy of the whole or part of the register maintained under section 232 of the Housing Act 2004
39.	To exercise all powers to issue, use and enforce civil penalties as detailed in the Housing and Planning Act 2016 (and any regulations made there under
40.	To exercise all powers to issue, use and enforce rent repayment orders as detailed in the Housing and Planning Act 2016 (and any regulations made there under).
41.	To exercise all powers to in relation to the Rogue Landlord Database and issue, use and enforce Banning Orders as detailed in the Housing and Planning Act 2016 (and any regulations made there under).
42.	<p><u>Financial Assistance</u></p> <p>To administer the whole range of financial assistance, including grants, loans, assistance to landlords, measures to support purchase and relocation under Part VIII of the Local Government and Housing Act 1989, the Housing Grants, Construction and Regeneration Act 1996 and the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 as included in the Housing Strategy and adopted by the Authority in the Private Sector Housing Renewal Policy.</p> <ul style="list-style-type: none"> <li>• To determine applications (and related matters) for any financial assistance towards repair, adaptation of properties in the Borough, the relocation of residents in suitable circumstances or the purchase of properties.</li> <li>• To waive repayment of grant monies in appropriate circumstances.</li> </ul>

	<ul style="list-style-type: none"> <li>• To require information from people who have applied for or who have received financial assistance from the Council.</li> <li>• To waive or vary the criteria and conditions attached to financial assistance within permitted legal criteria or as determined in the Private Sector Housing Renewal Policy.</li> </ul>
43.	To manage the Council's Partnership Agency Service in connection with the provision of financial assistance as defined under the Regulatory Reform (Housing Assistance) (England and Wales) Order 2002
44.	<p><u>Vacant Properties</u></p> <p>To acquire vacant properties under Part II Housing Act 1985, Section 17 for the purpose of providing housing accommodation.</p>
45.	To acquire residential property by agreement or by compulsory purchase for the purpose of disposal for renovation and reoccupation by the most appropriate means, or for improvement for sale or lease. All properties to be agreed in consultation with the Executive Member for Housing and Leisure.
46.	To authorize Officers for the purposes of section 219 of the Town and Country Planning Act 1990
47.	To exercise the power of sale conferred by section 101 of the Law of Property Act 1925 and to serve any statutory notice in connection with the exercise of that power
48.	Notwithstanding a delegation to any other Head of Service, to exercise the Council's statutory powers and functions in Part III of the Building Act 1984 including, but not limited to, serving notices, obtaining warrants and authorising officers for the purpose of those powers and functions
49.	To exercise all discretionary powers in relation to the Tenant Fees Act 2019
50.	<p><u>Home Loss Payments</u></p> <p>To issue discretionary payments to residents displaced through the Council's Clearance Programme to the value of Home Loss Payments, after consultation with the appropriate Executive Member.</p>
51.	<p><u>Housing Advice</u></p> <p>To carry out the Council's powers and duties (including the granting and termination of licences to occupy residential accommodation) in relation to homelessness and the Housing Register.</p>

52.	<b><u>DEVELOPMENT CONTROL</u></b>  To determine applications under the building regulations and to deal with matters relating to the control of building works (other than planning control), the safety of sports grounds and matters of public amenity and safety arising from the condition of buildings.
53.	To provide/supply copies of planning applications and plans
54.	To issue formal screening assessment as to whether any Schedule 2 planning proposal involves EIA development; where an Environment Impact Assessment is required the issue of a scoping opinion be determined after carrying out the appropriate statutory consultation.
55.	To carry out consultation required by the Conservation of Habitats and Species Regulations 2010, determine whether an assessment is required, and make an appropriate assessment
56.	To consult on any amendments proposed to the Guidance for the Validation of Planning Applications, and to adopt the guidance with any necessary changes following the consultation period.
57.	The Wildlife and Countryside Act 1981 - In so far as Burnley Borough Council is the enforcing authority as detailed in Part I of the Act
58.	The Local Government (Miscellaneous Provisions) Act 1976 – in so far as Burnley Borough Council is the enforcing authority as detailed in Section 16 of Part 1 of the Act (Interest in Land)

## **B) TERMS OF REFERENCE OF COMMITTEES, PANELS AND WORKING GROUPS AND**

### **1. Council Functions**

#### **(a) DEVELOPMENT CONTROL COMMITTEE**

##### Planning and conservation

Functions relating to town and country planning and development control as specified in Schedule 1 to the Local Authorities (functions and responsibilities) (England) Regulations 2000 (the functions regulations)

##### Commons registration

The registration of common land or town and village greens and to register the variation of rights of common as set out in Schedule 1 to the Functions Regulations

#### **(b) LICENSING COMMITTEE**

##### Taxi, gaming, entertainment, food and miscellaneous licensing

Functions relating to licensing and registration as set out in Schedule 1 to the Functions Regulations and through its Sub Committees functions relating to the Licensing Act 2003 and Gambling Act 2005.

##### Health and safety

Functions relating to health and safety under any relevant statutory provision within the meaning of Part 1 of the Health and Safety at Work Act 1974, to the extent that those functions are discharged otherwise than in the Council's capacity as an employer

#### **(c) APPEALS COMMITTEE (JNC) - 2 EXECUTIVE AND 1 SCRUTINY CHAIR / VICE CHAIR )**

To consider appeals against dismissal, other disciplinary action, grading and grievances by employees of the Council who are not on the conditions of service of the NJC for Local Government Services

#### **(d) APPEALS PANEL**

To comprise one member of the Management Team and two members of the Executive.

AMENDED FEB 11-To deal with the final stages of appeals against dismissal and other disciplinary action regarding employees of the Council who are on the conditions of service of the NJC for Local Government Services.



**(e) REDUNDANCY APPEAL PANEL**

To comprise three members of the Executive for those employees covered by the Council's redundancy policy

**(f) AUDIT AND STANDARDS COMMITTEE**

Membership to include 9 elected members including an Executive Member and the Scrutiny Committee Chair and 2 independent co-optees and 2 parish co-optees. The Chair and Vice-Chair of the Committee shall not be either an Executive Member nor the Chair of Scrutiny Committee.

The Committee combines responsibility for overseeing the effective auditing of all the Council's processes with a separate role in ensuring the ethical propriety and good conduct of individual Councillors.

The Audit function covers both external and internal processes, the external scrutiny brought by the external auditors and the internal control of processes administered by an internal audit team. The Committee approves an annual work programme and receives regular reports on the progress of audit work and assessments.

Terms of Reference

The Audit and Standards Committee will have the following roles and functions:

Audit Activity

- a) To consider the Head of Internal Audit's annual report and opinion, and a summary of internal audit activity (actual and proposed) and the level of assurance it can give over the council's corporate governance arrangements.
- b) To consider summaries of internal audit reports
- c) To consider reports dealing with the management and performance of the providers of internal audit services
- d) To consider reports from internal audit on agreed recommendations not implemented within a reasonable timescale.
- e) To consider the external auditor's annual letter, relevant reports, and the report to those charged with governance

- f) To consider specific reports as agreed with the external auditor.
- g) To comment on the scope and depth of external audit work and to ensure it gives value for money.
- h) To appoint the council's external auditor
- i) To commission work from internal and external audit.

#### Regulatory Framework

- a) To maintain an overview of the council's constitution in respect of Standing Orders for Contracts, Financial Procedure Rules and codes of conduct and behaviour.
- b) To review any issue referred to it by the chief executive or the Chief Operating Officer, or any council body.
- c) To monitor the effective development and operation of risk management and corporate governance in the council
- d) To monitor council policies on whistleblowing and the anti-fraud and corruption policy and the council's complaints process
- e) To oversee the production of the authority's Annual Governance Statement and to recommend its adoption.
- f) To consider reports on internal audits effectiveness.
- g) To consider the council's arrangements for corporate governance and agreeing necessary actions to ensure compliance with best practice.
- h) To consider the council's compliance with its own and other published standards and controls.

i) The Chief Audit Executive or his representatives will have free and confidential access to the Chair of the Audit and Standards Committee. Members of the Audit and Standards Committee have free and confidential access to the Chief Audit Executive or his representatives. (from 28.09.22)

j) To consider the arrangements for Strategic Risk Management. (from 28.09.22)

#### Accounts

a) To review the annual statement of accounts. Specifically, to consider whether appropriate accounting policies have been followed and whether there are concerns arising from the financial statements or from the audit that need to be brought to the attention of the council.

b) To consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts.

#### Value for Money

a) To review and monitor Council activities relating to value for money.

#### Standards Activity

a) To promote and maintain high standards of conduct by Members, Co-opted Members and employees of the Council

b) To support Members, Co-opted members and employees to observe the Council's Code of Conduct

c) To advise, train or arrange to train Members, Co-opted Members, Parish and Town Council Members and employees of the Council on the Council's Codes

d) To monitor and advise the Council about the operation of its Code of Conduct for Members and Employees in light of best practice, changes in the law, and government guidance

e) To advise the Council on the adoption or revision of the Codes of Conduct, including the adoption of Protocols which support high standards of conduct by Members and employees of the Council

- f) To actively engage with the Borough, Parish and Town Councils on the role and purpose of the Committee, governance and standards
- g) To actively engage with the public, the media and key partners on the role and purpose of the Committee, governance and standards to promote public confidence in the Council
- h) To grant dispensations to Members with disclosable interests
- i) To grant exemptions for politically restricted posts
- j) To determine complaints about Members in accordance with the Localism Act 2011 and associated Regulations and local procedures
- k) To adopt and keep under review policies and procedures for the determination of complaints about Members

**(g) MEMBER STRUCTURES AND SUPPORT WORKING GROUP**

To draw up proposals for modernising the Council's Member Structures in the light of new legislation and best practice, and to make appropriate recommendations to full Council.

To keep under review the range of existing support and services provided for Council Members and to make recommendations, if necessary, to the appropriate Committees for improvements.

To consider the annual Member Training and Development Programme (including induction training for new Council Members).

To act as a Forum for the discussion of matters relating to how Members and officers work together.

To deal with all matters relating to the provision and use of IT equipment by Members

**(h) JOINT CONSULTATIVE PANEL**

To act as a forum for consultation and negotiation between the Council and Trade Union Representatives of employees subject to the national agreement of the NJC for Local Government Services and other employees ([constitution attached as an Appendix](#)).

Members are appointed by qualification.

## **2. Executive Functions.**

### **(a) SCRUTINY COMMITTEE**

To Scrutinise all actions which fall within the remit of any Service Unit or the Chief Executive and Chief Operating Officer, including Budget Scrutiny.

### **(b) TRAFFIC REGULATION ORDER SUB-COMMITTEE**

Three Members of the Executive.

#### Terms of Reference

Powers to amend or confirm Traffic Regulation Orders or refer them to the Executive for a decision.

### **(c) PARKING AND TRAFFIC REGULATIONS OUTSIDE LONDON**

#### **(PATROL) ADJUDICATION JOINT COMMITTEE**

The Committee is constitutionally and legally a joint committee between Burnley and other Local Authorities and has been established to adjudicate on parking and traffic regulations.

Political balance requirements are not necessary for the appointments due to the low number of Members being appointed. Representation on the PATROL Adjudication Joint Committee consists of the relevant Executive Member (the Executive Member for Communities), with the substitute being from the largest opposition party.

### **(d) PENNINE LANCASHIRE BUILDING CONTROL JOINT EXECUTIVE COMMITTEE**

The Committee is constitutionally and legally an Executive joint committee between Burnley and Blackburn with Darwen Local Authorities and has been established to in relation to the Building Control Service, including the enforcement of Building Regulations, in the Joint Area.

Political balance requirements are not necessary for the appointments due to the low number of Members being appointed. Representation on the PLBC Joint Committee consists of the Executive Member for Housing and Environment, with the substitute being the Executive Member for Resources-Appointed by the Executive in 2009/10.

[Appx 1 \(Constitution\)](#)

**(e) PENNINE LANCASHIRE LEADERS AND CHIEF EXECUTIVES  
JOINT COMMITTEE**

The Committee is constitutionally and legally a statutory joint committee between Burnley and other Pennine Lancashire Local Authorities and has been established to oversee the Pennine Lancashire Multi Area Agreement (MAA) and the role of the Pennine Lancashire Development Company.

Political balance requirements are not necessary for the appointments due to the low number of Members being appointed. Representation on PLLACE consists of the Leader, with the substitute being the Deputy Leader.

[Appx1 \(Constitution of PLLACE\)](#)

**(f) THREE TIER FORUM**

This forum involves the County, Borough and Parish representatives in discussing relevant issues.

Political balance requirements are not necessary for the appointments and of the 6 Borough Members, 4 are Labour, with 1 Lib Dem and 1 Conservative. Appointment is annual by Full Council.

**(g) ASSETS OF COMMUNITY VALUE**

This Panel will determine whether, in response to a community nomination, land or property should be included in the Council's list of community value.

Corporate Policy Officer,  
Property Services Manager  
Head of Housing and Development Control

Also, the Head of Legal and Democratic Services be given delegated authority to act as the appeals officer in the event of a review of a decision being requested (from 190321, in place of the Senior Solicitor).

## **PROPER OFFICER PROVISIONS**

Any Proper Officer may appoint an alternative officer for all or any of their functions. For transparency it is recommended that such authorisation is forwarded to the Head of Legal and Democratic Services.

The Chief Executive or the Chief Operating Officer may exercise delegations provided to a designated Proper Officer in their absence unless precluded by law.

The Chief Executive shall be the Proper Officer for the purposes of any legislation not covered by these provisions.

Any reference in these provisions to an Act of Parliament includes reference to subordinate legislation made under it and to any modification and/or replacement thereof.

<b><u>Reference</u></b>	<b><u>Proper Officer</u></b>
<b><u>Data Protection Act 1988</u></b>	
Officer appointed to exercise responsibilities to the Council under the Act.	Internal Audit Manager
<b><u>Housing Act 1985</u></b>	
Part xi	Head of Housing and Development Control
<u>Section 351</u>	
Registration schemes of houses in multiple occupation.	Head of Housing and Development Control
<u>Section 606 (i)</u>	
This part of the Act is concerned with housing clearance and an officer is required to represent unfit property to the Council.	Head of Housing and Development Control
This part of the Act is concerned with housing clearance and an officer is required to represent unfit property to the Council.	Head of Housing and Development Control
<u>Section 606 (ii)</u>	
This section deals with receipt of a letter of complaint from a Justice of the Peace or parish council that a dwellinghouse or house in multiple occupation is unfit.	Head of Housing and Development Control

**Local Authorities (Stocks and Bonds) Regulations 1974**

Register of stocks and bonds

Head of Finance and Property

**Local Authorities (Contracts) Regulations 1987 (No. 2862) Regulation 7 (2)**

To sign on behalf of the Council certificates in respect of PFI Contracts.

Head of Finance and Property

**Local Elections (Principal Areas) (England and Wales) Rules 2006/3304**

Head of Legal and Democratic Services

**Local Elections (Parishes and Communities) Rules 1986- and**

Head of Legal and Democratic Services  
Head of Legal and Democratic Services

**Local Elections (Parishes and Communities) (England and Wales) Rules 2006/3305**

Local Elections (Parishes and Communities) (England and Wales) Rules 2006/

**Section 13 (3)**

This section provides that where a parish does not have a parish council, the Chairman of the parish meeting and the proper officer of the District Council shall be a body corporate by the name of the "Parish Trustees of – "(the name of the parish).

Head of Legal and Democratic Services

**Local Government Act 1972**

**Section 83 (1) to (4)**

This section provides that a person elected to the office of Mayor, Councillor or elected Mayor shall not take up such office until he has made a declaration of acceptance of office to the proper officer of the Council.

Chief Executive or Head of Legal and Democratic Services

**Section 84**

A person elected to any office or elected as an elected Mayor may resign such office by written notice delivered to the proper officer of the Council.

Chief Executive or Head of Legal and Democratic Services

**Section 86**



Duty to declare vacancy in office in certain circumstances.

Chief Executive or  
Head of Legal and  
Democratic Services

Section 87

Duty to give public notice of a casual vacancy.

Chief Executive or  
Head of Legal and  
Democratic Services

Section 88 (2)

This section concerns the filling of a casual vacancy in the office of Mayor and empowers the proper officer of the Council to convene a meeting of the Council to elect a successor.

Chief Executive

Section 89 (1) (b)

Where a casual vacancy occurs in the office of Councillor, notice may be given in writing of the vacancy to the proper officer of the authority by two local government elections for the area.

Chief Executive

Sections 100 A to K

These sections concern access to information.

Head of Legal and  
Democratic Services

Section 100 b (2)

The exclusion from inspection by the public and press of reports on terms during which in the opinion of the Proper Officer meeting is likely not to be open to the public.

Head of Legal and  
Democratic Services

Section 100 b (7) (C)

The supply to the press of additional material supplied to Members of the Council with items of business to be discussed.

Head of Legal and  
Democratic Services

Section 100 C (2)

Where parts of the minutes which disclose exempt information are excluded from inspection, the preparation where necessary of a written summary of those parts of the proceedings so as to provide the public with a reasonably fair and coherent record.

Head of Legal and  
Democratic Services

Section 100 D (1) (a) and 100 (5) (a)

The identification of background papers which have been relied upon in preparing the report and compiling the list of such papers for inspection by the public in accordance with Section 100 D of the Act.

All Reporting Officers

Section 100 F (2)

The making of decisions as to documents which are not required to be open to inspection by Council Members where it appears to the Proper Officer that a document discloses exempt information of a description falling within any of the paragraphs of Schedule 12A to the Act.

Head of Legal and Democratic Services

Section 115 (2)

This section requires officers to account for all monies and property coming into their hands in the course of their employment. The money due from such officers must be paid to the Proper Officer of the Council.

Head of Finance and Property

Section 146 (l) (a) and (b)

This section provides for the situation where securities stand in the books of a company in the name of a local authority and deals with the transfer of those securities on the alteration of local authority areas. If the name of the authority is changed the Proper Officer of the Council is required to make a statutory declaration to that effect in order that the new name may be entered in the company's books. Where securities are transferred to another authority, the certificate of the Proper Officer of the Council is sufficient authority for the new name to be entered in the company's books.

Head of Finance and Property

Section 151-Statutory Officer

Every local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs.

Head of Finance and Property

Section 191 (2) & (4) (b)

Where an application is made by the Ordnance Survey under Section 1 of the Ordnance Survey Act 1841 to

Head of Finance and Property

examine, ascertain and mark out the reputed boundaries of local authority areas, the application shall be sent to the Proper Officer of the County Council or District Council.

Section 210 (6) and (7)

Where an officer of an existing authority has, by virtue of his office, powers relating to a charity, those powers will transfer to the officer holding the equivalent post with the appropriate new authority. If there is no equivalent post the powers will vest in the Proper officers of the new authority.

Head of Legal and Democratic Services

Section 212 (1) and (2)

With respect to local land charges, the Proper Officer to act as local registrar shall be the Proper Officer of the Council of the district in which the land is situated. There is also a duty on the Proper Officer to register any notice, order, scheme, agreement, restriction, etc., in the register of land charges.

Head of Legal and Democratic Services

Section 225 (1)

This section provides that documents to be deposited with the Council should be received by the Proper Officer on the council and retained by him/her according to the directions accompanying such documents.

Head of Legal and Democratic Services

Section 229 (5)

A photocopy of a document in the custody of the Council shall be admissible in evidence in legal proceedings. A certificate purporting to have been signed by the Proper Officer of the council shall be sufficient authentication of the photocopy.

Head of Legal and Democratic Services

Section 234 (1) and (2)

This section provides that any notice, order or other document which the Council are authorised to give, make or issue may be signed on their behalf by the Proper Officer of the Council.

Chief Executive or any other Officer upon whom the Council has delegated its powers and duties under specific legislation.

Section 236 (9)

The Proper Officer of the District Council shall send a copy of every byelaw made by the Council to the Proper Officer of every parish or community to which such byelaws apply.

Head of Legal and Democratic Services

Section 238

This section sets out the requirements for evidencing byelaws. It provides that a certificate purporting to be signed by the Proper Officer of the Council shall be prima facie evidence of the facts stated in the certificate.

Head of Legal and Democratic Services

Section 248

The Roll of Freeman of Burnley is to be kept by the Proper Officer of the district council.

Head of Legal and Democratic Services

Schedule 12 Paragraph 4 (2)(1A)(b) and 2(b)

A Summons to attend a meeting of the Council shall be signed by the Proper Officer of the Council.

Head of Legal and Democratic Services

Schedule 12 paragraph 4 (3)

If a member of the Council wishes his Summons to be addressed to an address other than his residence, he should inform the Proper Officer of the Council in writing.

Head of Legal and Democratic Services

Schedule 14 Paragraph 25 (7)

Certification of resolutions passed by the Council applying or disapplying certain sections of the Public Health Acts 1875 to 1925 to the area of the new district.

Head of Legal and Democratic Services

**Local Government Act 1974**

S.30 (5) Publication of reports of Local Commissioner

Monitoring Officer-Chief Operating Officer

**Local Government Act 2000**

Part I and IV

To exercise Proper Officers powers under Parts I and IV of the Act and Regulations.	Chief Executive or Head of Legal and Democratic Services
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Parts II and III

To exercise Proper Officer power under Parts II and III of the Act and Regulations.	Head of Legal and Democratic Services
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Part III, Chapters I, II, IV and V

To exercise the powers of Monitoring Officer under the Act and Regulations pursuant to that Act.	Head of Legal and Democratic Services
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**Local Government (Contracts) Act 1997**

Section 3 (2)(e)

To sign, on behalf of the Council, certificates in respect of PFI Contracts.	Head of Finance and Property
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**Local Government and Housing Act 1989**

Section 2

To maintain a list of politically restricted posts	Head of Legal and Democratic Services
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Section 4- Statutory Officer

Head of Paid Service	Chief Executive
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Section 6- Statutory Officer

Monitoring Officer	Chief Operating Officer
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Deputy Monitoring Officer	Head of Legal and Democratic Services
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Section 46 (1)

Registrar of Loans	Head of Finance and Property
Registrar of Bonds	Head of Legal and Democratic Services

**Local Government (Miscellaneous provisions) Act 1976 (as amended by the Local Government Act 2000)**

Section 41

Certificate of copies of resolutions, minutes and other documents.

Head of Legal and Democratic Services

Part II

Authorisation of officers to enforce the provisions of the Act relating to private hire vehicles, their drivers and operators and to hackney carriage vehicles and their drivers.

Head of Legal and Democratic Services

**Local Government and Rating Act 1997**

(Part II) and Sub-ordinate legislation under that part

Functions in relation to review of parishes.

Head of Legal and Democratic Services

**Representation of the People Act 1983**

Section 8

Registration Officer of Parliamentary and local electors.

Chief Executive

Section 35

Returning Officer for the election of District and Parish Councillors.

Chief Executive

Section 35

Acting Returning Officer for the election of County Councillors.

Chief Executive

Section 39 (4)

Powers in respect of holding elections.

Chief Executive or Head of Legal and Democratic Services

## **Representation of the People Act 1985**

### **Section 21**

Power to fill vacancies in the event of insufficient nominations.

Chief Executive or Head of Legal and Democratic Services

## **Party Walls Act 1996**

### **Section 10 (8)**

To serve as the Appointing Officer for the purposes of the Act.

Head of Finance and Property

## **Town and Country Planning Act 1971 Act replaced by the Planning (Listed Buildings and Conservation Areas) Act 1990**

Maintaining the list of listed buildings (Section 54)

Strategic Head of Economy and Growth

## **Local Government (Committees and Political Groups) Regulations 1990**

Sections 8,9,13 and 14  
Notifications to and by the Proper Officer

Head of Legal and Democratic Services

## **Regulation of Investigatory Powers Act 2000**

To act as Senior Responsible Officer

Head of Legal and Democratic Services

To issue authorisations under the Regulation of Investigatory Powers Act 2000.

Chief Executive, Chief Operating Officer, Head of Finance & Property and Head of Streetscene

## **Freedom of Information Act 2000**

### **Section 36**

Qualified person to confirm or deny whether disclosure of information is likely to prejudice the effective conduct of public affairs

Head of Legal and Democratic Services

## **The Local Authorities (Standing Orders ) (England) Regulations 2001**

Schedule 1 Part II

Functions in relation to notifying Executive of appointments and dismissals

Monitoring Officer or  
Strategic Human  
Resources Consultant

**Local Government Act 2000 section 34**  
**Local Authorities (Referendums) (Petitions and**  
**Directions) Regulations 2000**

Publish the verification number of electors being 5% of local government electors for the purpose of petitions

Head of Legal and  
Democratic Services

**Local Authorities (Executive Arrangements)**  
**(Access to Information) (England) Regulations**  
**2012 (was Local Government Act 2000 section 22)**

Section 7 and 10

Access to agenda and connected reports for public meetings and general exception

Head of Legal and  
Democratic Services

Section 12 and 13

Produce a written statement of Executive decisions made at meetings and of Individual Members

Head of Legal and  
Democratic Services

Section 14

Make a copy of written statements of Executive decisions and associated reports available for inspection by the public

Head of Legal and  
Democratic Services

Section 15

Make available for inspection a list of background papers

Head of Legal and  
Democratic Services

**Other Enactments**

**Proper Officer-**

**Reference**

The Public Health (Control of Disease) Act 1984 and regulations made thereunder

UK Health Security  
Agency

The Health Protection (Notification) Regulations 2010, for the purposes of regulations 2, 3 and 6

UK Health Security  
Agency



## **Appointment of Inspectors**

Head of Streetscene

Health and Safety at Work Act 1974 Section 19  
appointment of inspectors.

## **Miscellaneous Legislation**

Head of Streetscene

Animal Boarding Establishment Act 1963  
Breeding of Dogs Act 1973  
Clean Air Act 1993  
Food Safety Act 1990  
Control of Pollution Act 1974  
Pet Animals Act 1951  
Public Health Acts 1936, 1961 and 1968  
Riding Establishments Acts 1964 and 1970  
Sunday Trading Act 1994  
Animal Health and Welfare Act 1984  
Dangerous Wild Animals Act 1976  
Zoo Licensing Act 1981  
Public Order Act 1986

Prevention of Damage by Pests Act 1949  
Public Health Acts 1936, 1961 and 1968  
Highways Act 1980  
Environmental Protection Act 1990  
Town and Country Planning Act 1990  
Environment Act 1995  
Anti- Social Behaviour Act 2003  
Clean Neighbourhoods and Environment Act 2005  
Childrens Act 2004

Head of Streetscene

Head of Streetscene

Housing Act 1985 (Housing Conditions)  
And Housing Act 2004  
Town and Country Planning Act 1990  
Environmental Act 1995  
Planning and Compulsory Purchase Act 2004

Head of Housing and  
Development Control

Wildlife and Countryside Act 1981  
Town and Country Planning Act 1990  
Planning and Compulsory Purchase Act 2004

Strategic Head of  
Economy and Growth

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## REPORT TO AUDIT AND STANDARDS COMMITTEE AND FULL COUNCIL



<b>DATE</b>	17 <sup>th</sup> January 2023
<b>PORTFOLIO</b>	None
<b>REPORT AUTHOR</b>	Lukman Patel (COO and MO)
<b>TEL NO</b>	7140
<b>EMAIL</b>	<a href="mailto:lpatel@burnley.gov.uk">lpatel@burnley.gov.uk</a>

### LOCAL GOVERNMENT (DISQUALIFICATION) ACT 2022 CHANGES TO DISQUALIFICATION CRITERIA FOR COUNCILLORS

#### PURPOSE

- |    |  |
|----|--|
| 1. | To update the Audit and Standards Committee and Full Council of the new grounds for disqualification from being elected to, or being a member of, a local authority that have been introduced by the Local Government (Disqualification) Act 2022 (the "Act"). |
|----|--|

#### RECOMMENDATION

- |      |   |
|------|---|
| 2    | It is recommended that the:   |
| 2.1  | report be considered and noted by the Audit and Standards Committee and Full Council.   |
| 2.2. | Audit and Standards Committee and Full Council ask the Monitoring Officer to forward a copy of this report to Parish and Town Councils in the Borough for information along with a recommendation that the report is considered and noted at their next Parish and Town Council meetings. |

#### REASONS FOR RECOMMENDATION

- |    |   |
|----|---|
| 3. | It is important that Members are appraised of the changes in the law relating to grounds for disqualification for new and existing Members. |
|----|---|

#### SUMMARY OF KEY POINTS

- |    |   |
|----|---|
| 4. | <p><b>Background</b></p> <p>Put simply, before 28<sup>th</sup> June 2022 legislation prevented individuals standing, or holding office, as a local authority member if they have, within five years of the day of the election, or since their election, been convicted in the UK, Channel Islands or Isle of Man of any offence and have received a sentence of imprisonment, suspended or not, for a period of not less than three months without the option of a fine. There are also additional prohibitions preventing individuals standing, or holding office, as a local authority member, some of which are summarised below:</p> <ul style="list-style-type: none"> <li>• If individual holds a paid role at the local authority or has done so for the preceding 12 months before the date of the election;</li> <li>• If an individual is disqualified for being elected or for being a member of that authority under Part III of the Representation of the People Act 1983;</li> </ul> |
|----|---|

	<ul style="list-style-type: none"> <li>• If an individual holds a politically restricted post at any local authority.</li> </ul> <p>The old consent to nomination form that is available at Appendix 1 outlines these disqualifications in more detail. It must be noted that this form is now out of date.</p>
5.	<p><b>The Act</b></p> <p>The Act came into force on 28 June 2022. It introduces further additional grounds on which a person is disqualified from being elected to, or holding, certain positions in local government in England, including the position of councillor.</p> <p>The Act updates the disqualification criteria for local authority Members to explicitly disqualify individuals who are subject to relevant notification requirements or orders due to sexual offences such as Sexual Harm Prevention Orders and Sexual Risk Orders from standing for or remaining in office.</p> <p>Recently new offences and sentencing regimes were implemented, meaning that some sexual offences, registration on the Sex Offenders Register and other offences such as anti-social behaviour do not result in a custodial sentence, e.g. they might require a notification or an Order may be made. Therefore, Councillors convicted of offences, which previously would have resulted in disqualification, were able to retain their role if elected or run for election even if recently convicted.</p> <p>The Act updates the disqualification criteria so that sexual offences that had unintentionally fallen out of the scope of the disqualification criteria were brought back into scope. The disqualification introduced by the Act does not operate retrospectively. Therefore, it does not disqualify a person who became subject to any relevant notification requirements or a relevant order on or before 28<sup>th</sup> June 2022.</p> <p>Candidates for election to local government must declare that they are not disqualified from standing using prescribed 'Consent to Nomination' forms at nomination. As Members shall be aware, it is a criminal offence to make a false statement on nomination papers.</p>
6.	<p><b>THE NEW DISQUALIFICATION &amp; IMPLICATIONS</b></p> <p>The Act adds to the existing criteria and introduces a new disqualification, inserted as Section 81A of the Local Government Act 1972. Under that section a person is disqualified from being elected to, or being a member of, a local authority in England if the person is subject to:</p> <p>a) any relevant notification requirements, or b) a relevant order.</p> <p><i>“Relevant notification requirements”</i> means the notification requirements of Part 2 of the Sexual Offences Act 2003 (or equivalent requirements applying in the Channel Islands or the Isle of Man).</p> <p><i>“Relevant order”</i> means:</p> <p>a) a sexual harm prevention order under section 345 of the Sentencing Code; b) a sexual harm prevention order under section 103A of the Sexual Offences Act 2003; c) a sexual offences prevention order under section 104 of that Act; d) a sexual risk order under section 122A of that Act;</p>

	<p>e) a risk of sexual harm order under section 123 of that Act; or f) certain equivalent legislation to the above applying in the devolved nations, the Channel Islands or the Isle of Man.</p> <p>A person who is subject to any relevant notification requirements referred to above is not to be regarded as disqualified until:</p> <p>a) the expiry of the ordinary period allowed for making an appeal or application against the conviction, finding, caution, order or certification in respect of which the person is subject to the relevant notification requirements, or b) if such an appeal or application is made, the date on which it is finally disposed of or abandoned or fails because it is not prosecuted.</p> <p>Similarly, a person who is subject to a relevant order referred to above is not to be regarded as disqualified until:</p> <p>a) the expiry of the ordinary period allowed for making an appeal against the relevant order, or b) if such an appeal is made, the date on which it is finally disposed of or abandoned or fails because it is not prosecuted.</p> <p>Consequential changes to the rules for administering elections have also been including to the prescribed 'Consent to Nomination Form. Candidates are now required to declare when standing that they are not disqualified under the newly inserted Section 81A of the Local Government Act 1972. The new consent to nomination form is available at Appendix 2 which incorporates the new prohibitions/disqualifications introduced by the Act.</p>
7.	<p>Due to data protection prohibitions, it is difficult for the Council to establish which Members are caught by the new guidance which relies on a declaration from candidates (as with previous disqualifications) on their nomination forms confirming that they are not disqualified. However, if Members are concerned that the new or existing legislation may apply to them or another elected Borough, Parish, Town Councillor, or a candidate for such office they should get in touch with the Borough Council's Monitoring Officer for a confidential discussion.</p>

<b>FINANCIAL IMPLICATIONS AND BUDGET PROVISION</b>	
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8.	None arising directly from this report.
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<b>POLICY IMPLICATIONS</b>	
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9.	Not Applicable.
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<b>BACKGROUND PAPERS</b>	
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10.	The Local Government Association has issued a briefing on the Act which is available via the link below.
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[Get in on the Act: The Local Government \(Disqualification\) Act 2022 | Local Government Association](#)

The Act is available via the link below:

<https://www.legislation.gov.uk/ukpga/2022/17/enacted>



<b>1c – Candidate’s consent to nomination</b>	Office use only			
	<b>Local government elections in England</b>	Date received	Time received	Initials

\*You must declare that you meet at least one of the listed qualification(s) below. **To do this, strike through any that do not apply.** Any qualification(s) that apply must match the information given on your home address form.

Date of election:			
I (name in full):			
hereby consent to my nomination as a candidate for election as councillor for the:		*electoral division/ ward	
of the *county/district/London borough of:			

I declare that on the day of my nomination, I am qualified and that, if there is a poll on the day of election, I will be qualified to be so elected by virtue of being on that day or those days a qualifying Commonwealth citizen, a citizen of the Republic of Ireland or a citizen of a Member State of the European Union, who has attained the age of 18 years and that:

\*a. I am registered as a local government elector for the area of the \*county/district/London borough named above; or

\*b. I have during the whole of the 12 months preceding that day, or those days, occupied as owner or tenant land or other premises in the area named above; or

\*c. my principal or only place of work during those 12 months has been in the \*county/district/London borough named above; or

\*d I have during the whole of those 12 months resided in the \*county/district or London borough named above.

I declare that to the best of my knowledge and belief I am not disqualified for being elected by reason of any disqualification set out in, or decision made under, section 80 of the Local Government Act 1972 or section 34 of the Localism Act 2011 (copies of which are printed overleaf), and I do not hold a politically restricted post, within the meaning of Part 1 of the Local Government and Housing Act 1989, under a local authority, within the meaning of that Part.

Date of birth:	Signature:	Date of consent:

Witness: I confirm the above-mentioned candidate signed the declaration in my presence.

Witness (name in full):	
Witness’s signature:	

**Local Government Act 1972****80. Disqualifications for election and holding office as member of local authority**

(1) Subject to the provisions of section 81 below, a person shall be disqualified for being elected or being a member of a local authority if he –

(a) holds any paid office or employment (other than the office of chairman, vice-chairman, deputy chairman, presiding member or deputy presiding member or, in the case of a local authority which are operating executive arrangements which involve a leader and cabinet executive, the office of executive leader or member of the executive) appointments or elections to which are or may be made or confirmed by the local authority or any committee or sub-committee of the authority or by a joint committee or National Park authority on which the authority are represented or by any person holding any such office or employment; or

(b) is the subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order, or a debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986; or

(c) [This has been removed and no longer applies]

(d) has within five years before the day of election or since his election been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence and has had passed on him a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine; or

(e) is disqualified for being elected or for being a member of that authority under Part III of the Representation of the People Act 1983.

(2) Subject to the provisions of section 81 below, a paid officer of a local authority who is employed under the direction of –

(a) a committee or sub-committee of the authority any member of which is appointed on the nomination of some other local authority; or

(b) a joint board, joint authority, economic prosperity board, combined authority, joint waste authority or joint committee on which the authority are represented and any member of which is so appointed;

shall be disqualified for being elected or being a member of that other local authority.

(2AA) A paid member of staff of the Greater London Authority who is employed under the direction of a joint committee the membership of which includes –

(a) one or more persons appointed on the nomination of the Authority acting by the Mayor, and

(b) one or more members of one or more London borough councils appointed to the committee on the nomination of those councils,

shall be disqualified for being elected or being a member of any of those London borough councils.

(2A) Subsection (2) above shall have effect as if the reference to a joint board included a reference to a National Park authority.

(2B) For the purposes of this section a local authority shall be treated as represented on a National Park authority if it is entitled to make any appointment of a local authority member of the National Park authority.

(3) Subsection (1)(a) shall have effect in relation to a teacher in a school maintained by the local authority who does not hold an employment falling within that provision as it has effect in relation to a teacher in such a school who holds such an employment.

(5) For the purposes of subsection (1)(d) above, the ordinary date on which the period allowed for making an appeal or application with respect to the conviction expires or, if such an appeal or application is made, the date on which the appeal or application is finally disposed of or



abandoned or fails by reason of the non-prosecution thereof shall be deemed to be the date of the conviction.

## Candidate's consent to nomination

## Local government election in England

### 81. Exception to provisions of section 80

- (4) Section 80(2) and (3) above shall not operate so to disqualify –
- (a) any person by reason of his being a teacher, or otherwise employed, in a school or other educational institution maintained or assisted by a county council for being a member of a district council by reason that the district council nominates members of the education committee of the county council

### Localism Act 2011

*Section 34(4) describes how a person may be disqualified from standing in local government elections under this section. The remaining provisions of section 34 do not directly affect a person's entitlement to stand for election.*

### 34 Offences

- (1) A person commits an offence if, without reasonable excuse, the person—
- (a) fails to comply with an obligation imposed on the person by section 30(1) or 31(2), (3) or (7),
- (b) participates in any discussion or vote in contravention of section 31(4), or
- (c) takes any steps in contravention of section 31(8).
- (2) A person commits an offence if under section 30(1) or 31(2), (3) or (7) the person provides information that is false or misleading and the person—
- (a) knows that the information is false or misleading, or
- (b) is reckless as to whether the information is true and not misleading.
- (3) A person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (4) A court dealing with a person for an offence under this section may (in addition to any other power exercisable in the person's case) by order disqualify the person, for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority.
- (5) A prosecution for an offence under this section is not to be instituted except by or on behalf of the Director of Public Prosecutions.
- (6) Proceedings for an offence under this section may be brought within a period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to warrant the proceedings came to the prosecutor's knowledge.
- (7) But no such proceedings may be brought more than three years—
- (a) after the commission of the offence, or
- (b) in the case of a continuous contravention, after the last date on which the offence was committed.
- (8) A certificate signed by the prosecutor and stating the date on which such evidence came to the prosecutor's knowledge is conclusive evidence of that fact; and a certificate to that

effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

<b>Candidate's consent to nomination</b>	<b>Local government election in England</b>
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(9) The Local Government Act 1972 is amended as follows.

(10) In section 86(1)(b) (authority to declare vacancy where member becomes disqualified otherwise than in certain cases) after " 2000 " insert " or section 34 of the Localism Act 2011 " .

(11) In section 87(1)(ee) (date of casual vacancies)—

(a) after "2000" insert " or section 34 of the Localism Act 2011 or ", and

(b) after "decision" insert " or order " .

(12) The Greater London Authority Act 1999 is amended as follows.

(13) In each of sections 7(b) and 14(b) (Authority to declare vacancy where Assembly member or Mayor becomes disqualified otherwise than in certain cases) after sub-paragraph (i) insert—

"(ia) under section 34 of the Localism Act 2011,".

(14) In section 9(1)(f) (date of casual vacancies)—

(a) before "or by virtue of" insert " or section 34 of the Localism Act 2011 ", and

(b) after "that Act" insert " of 1998 or that section " .

<b>1c – Candidate’s consent to nomination</b>	Office use only			
<b>Local government elections in England</b>	Date received	Time received	Initials	No

\*You must declare that you meet at least one of the listed qualification(s) below and may declare more than one qualification if applicable. **To do this, strike through any that do not apply.** Any qualification(s) that apply must match the information given on your home address form.

Date of election:			
I (name in full):			
hereby consent to my nomination as a candidate for election as councillor for the:		*electoral division/ward	
of the *county/district/London borough of:			

I declare that on the day of my nomination, I am qualified and that, if there is a poll on the day of election, I will be qualified to be so elected by virtue of being on that day or those days a qualifying Commonwealth citizen, a citizen of the Republic of Ireland or a citizen of a Member State of the European Union, who has attained the age of 18 years and that:

\*a. I am registered as a local government elector for the area of the \*county/district/London borough named above; or

\*b. I have during the whole of the 12 months preceding that day, or those days, occupied as owner or tenant land or other premises in the area named above; or

\*c. my principal or only place of work during those 12 months has been in the \*county/district/London borough named above; or

\*d I have during the whole of those 12 months resided in the \*county/district or London borough named above.

I declare that to the best of my knowledge and belief I am not disqualified for being elected by reason of any disqualification set out in, or decision made under, sections 80 or 81A of the Local Government Act 1972 or section 34 of the Localism Act 2011 (copies of which are printed overleaf), and I do not hold a politically restricted post, within the meaning of Part 1 of the Local Government and Housing Act 1989, under a local authority, within the meaning of that Part.

**Note 1:** A candidate who is qualified by more than one qualification may complete any of those which may apply.

**Note 2:** Disqualifications set out under s.81A of the Local Government Act 1972 only apply to a person who is subject to any relevant notification requirements, or a relevant order, made on or after 28 June 2022.

Date of birth:	Signature:	Date of consent:

Witness: I confirm the above-mentioned candidate signed the declaration in my presence.

Witness (name in full):	
Witness's signature:	

## Local Government Act 1972

## 80. Disqualifications for election and holding office as member of local authority

(1) Subject to the provisions of section 81 below, a person shall be disqualified for being elected or being a member of a local authority if he –

(a) holds any paid office or employment (other than the office of chairman, vice-chairman, deputy chairman, presiding member or deputy presiding member or, in the case of a local authority which are operating executive arrangements which involve a leader and cabinet executive, the office of executive leader or member of the executive) appointments or elections to which are or may be made or confirmed by the local authority or any committee or sub-committee of the authority or by a joint committee or National Park authority on which the authority are represented or by any person holding any such office or employment; or

(b) is the subject of a bankruptcy restrictions order or an interim bankruptcy restrictions order, or a debt relief restrictions order under Schedule 4ZB of the Insolvency Act 1986; or

(c) [This has been removed and no longer applies]

(d) has within five years before the day of election or since his election been convicted in the United Kingdom, the Channel Islands or the Isle of Man of any offence and has had passed on him a sentence of imprisonment (whether suspended or not) for a period of not less than three months without the option of a fine; or

(e) is disqualified for being elected or for being a member of that authority under Part III of the Representation of the People Act 1983.

(2) Subject to the provisions of section 81 below, a paid officer of a local authority who is employed under the direction of –

(a) a committee or sub-committee of the authority any member of which is appointed on the nomination of some other local authority; or

(b) a joint board, joint authority, economic prosperity board, combined authority, joint waste authority or joint committee on which the authority are represented and any member of which is so appointed;

shall be disqualified for being elected or being a member of that other local authority.

(2AA) A paid member of staff of the Greater London Authority who is employed under the direction of a joint committee the membership of which includes –

(a) one or more persons appointed on the nomination of the Authority acting by the Mayor, and

(b) one or more members of one or more London borough councils appointed to the committee on the nomination of those councils,

shall be disqualified for being elected or being a member of any of those London borough councils.

(2A) Subsection (2) above shall have effect as if the reference to a joint board included a reference to a National Park authority.

(2B) For the purposes of this section a local authority shall be treated as represented on a National Park authority if it is entitled to make any appointment of a local authority member of the National Park authority.

(3) Subsection (1)(a) shall have effect in relation to a teacher in a school maintained by the local authority who does not hold an employment falling within that provision as it has effect in relation to a teacher in such a school who holds such an employment.

(5) For the purposes of subsection (1)(d) above, the ordinary date on which the period allowed for making an appeal or application with respect to the conviction expires or, if such an appeal or application is made, the date on which the appeal or application is finally disposed of or abandoned or fails by reason of the non-prosecution thereof shall be deemed to be the date of the conviction.

**81. Exception to provisions of section 80**

(4) Section 80(2) and (3) above shall not operate so to disqualify –

- (a) any person by reason of his being a teacher, or otherwise employed, in a school or other educational institution maintained or assisted by a county council for being a member of a district council by reason that the district council nominates members of the education committee of the county council

**81A. Disqualification relating to sexual offences etc**

(1) A person is disqualified for being elected or being a member of a local authority in England if the person is subject to—

- (a) any relevant notification requirements, or  
(b) a relevant order.

(2) In this section "relevant notification requirements" means—

- (a) the notification requirements of Part 2 of the Sexual Offences Act 2003;  
(b) the notification requirements of Part 2 of the Sex Offenders (Jersey) Law 2010;  
(c) the notification requirements of Part 2 of the Criminal Justice (Sex Offenders and Miscellaneous Provisions) (Bailiwick of Guernsey) Law 2013;  
(d) the notification requirements of Schedule 1 to the Criminal Justice Act 2001 (an Act of Tynwald: c. 4).

(3) In this section "relevant order" means—

- (a) a sexual harm prevention order under section 345 of the Sentencing Code;  
(b) a sexual harm prevention order under section 103A of the Sexual Offences Act 2003;  
(c) a sexual offences prevention order under section 104 of that Act;  
(d) a sexual risk order under section 122A of that Act;  
(e) a risk of sexual harm order under section 123 of that Act;  
(f) a risk of sexual harm order under section 2 of the Protection of Children and Prevention of Sexual Offences (Scotland) Act 2005;  
(g) a sexual risk order under section 27 of the Abusive Behaviour and Sexual Harm (Scotland) Act 2016;  
(h) a restraining order under Article 10 of the Sex Offenders (Jersey) Law 2010;  
(i) a child protection order under Article 11 of that Law;  
(j) a sexual offences prevention order under section 18 of the Criminal Justice (Sex Offenders and Miscellaneous Provisions) (Bailiwick of Guernsey) Law 2013;  
(k) a risk of sexual harm order under section 22 of that Law;  
(l) a sexual offences prevention order under section 1 of the Sex Offenders Act 2006 (an Act of Tynwald: c. 20);  
(m) a risk of sexual harm order under section 5 of that Act.

(4) For the purposes of subsection (1)(a), a person who is subject to any relevant notification requirements is not to be regarded as disqualified until—

- (a) the expiry of the ordinary period allowed for making an appeal or application against the conviction, finding, caution, order or certification in respect of which the person is subject to the relevant notification requirements, or
  - (b) if such an appeal or application is made, the date on which it is finally disposed of or abandoned or fails because it is not prosecuted.
- (5) For the purposes of subsection (1)(b), a person who is subject to a relevant order is not to be regarded as disqualified until—
- (a) the expiry of the ordinary period allowed for making an appeal against the relevant order, or
  - (b) if such an appeal is made, the date on which it is finally disposed of or abandoned or fails because it is not prosecuted.

### **Localism Act 2011**

*Section 34(4) describes how a person may be disqualified from standing in local government elections under this section. The remaining provisions of section 34 do not directly affect a person's entitlement to stand for election.*

### **34 Offences**

- (1) A person commits an offence if, without reasonable excuse, the person—
- (a) fails to comply with an obligation imposed on the person by section 30(1) or 31(2), (3) or (7),
  - (b) participates in any discussion or vote in contravention of section 31(4), or
  - (c) takes any steps in contravention of section 31(8).
- (2) A person commits an offence if under section 30(1) or 31(2), (3) or (7) the person provides information that is false or misleading and the person—
- (a) knows that the information is false or misleading, or
  - (b) is reckless as to whether the information is true and not misleading.
- (3) A person who is guilty of an offence under this section is liable on summary conviction to a fine not exceeding level 5 on the standard scale.
- (4) A court dealing with a person for an offence under this section may (in addition to any other power exercisable in the person's case) by order disqualify the person, for a period not exceeding five years, for being or becoming (by election or otherwise) a member or co-opted member of the relevant authority in question or any other relevant authority.
- (5) A prosecution for an offence under this section is not to be instituted except by or on behalf of the Director of Public Prosecutions.
- (6) Proceedings for an offence under this section may be brought within a period of 12 months beginning with the date on which evidence sufficient in the opinion of the prosecutor to warrant the proceedings came to the prosecutor's knowledge.
- (7) But no such proceedings may be brought more than three years—
- (a) after the commission of the offence, or
  - (b) in the case of a continuous contravention, after the last date on which the offence was committed.

(8) A certificate signed by the prosecutor and stating the date on which such evidence came to the prosecutor's knowledge is conclusive evidence of that fact; and a certificate to that effect and purporting to be so signed is to be treated as being so signed unless the contrary is proved.

(9) The Local Government Act 1972 is amended as follows.

(10) In section 86(1)(b) (authority to declare vacancy where member becomes disqualified otherwise than in certain cases) after " 2000 " insert " or section 34 of the Localism Act 2011 "

(11) In section 87(1)(ee) (date of casual vacancies)—

(a) after "2000" insert " or section 34 of the Localism Act 2011 or ", and

(b) after "decision" insert " or order ".

(12) The Greater London Authority Act 1999 is amended as follows.

(13) In each of sections 7(b) and 14(b) (Authority to declare vacancy where Assembly member or Mayor becomes disqualified otherwise than in certain cases) after sub-paragraph (i) insert—

"(ia) under section 34 of the Localism Act 2011,".

(14) In section 9(1)(f) (date of casual vacancies)—

(a) before "or by virtue of" insert " or section 34 of the Localism Act 2011 ", and

(b) after "that Act" insert " of 1998 or that section ".

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# AUDIT AND STANDARDS COMMITTEE

BURNLEY TOWN HALL

Thursday, 26th January, 2023 at 6.30 pm

## 36. Local Government (Disqualification) Act 2022 Changes to Disqualification Criteria for Councillors

A report was submitted that updated the Committee on the new grounds for disqualification from being elected to, or being a member of, a local authority that had been introduced by the Local Government (Disqualification) Act 2022.

A concern was raised with regards Elected Members only requiring a standard DBS check. It was explained that there was no requirement under law for an enhanced check unless engaged in functions relating to children or vulnerable adults. Furthermore, a DBS check was carried out per role and was not transferrable, and it wouldn't necessarily highlight anti-social behaviour. It was felt that the position could be reviewed at the Member Structures and Support Working Group.

Information on the cost of enhanced DBS checks was requested by Councillor Baker.

- RESOLVED -
- (1) That the report be noted and forwarded to Full Council; and
  - (2) That following Full Council **the Monitoring Officer be requested to forward a copy of the report to Parish and Town Councils in the Borough for information along with a recommendation that the report be considered and noted at their next Parish and Town Council meetings.**

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